Operator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY27 results conference call of The Phoenix Mills Ltd.

As a reminder, all participant lines will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing star, followed by zero, on your touch-tone telephone. Please note that this conference call is being recorded.

At this time, I would like to hand over the conference to Mr. Varun Parwal. Thank you, and over to you, sir.

Varun Parwal: Good morning, everyone. Thank you for joining us to discuss our performance for the second quarter and first half of fiscal year 2027.

Our core businesses have continued their strong operating momentum in the second quarter. Revenue from retail, offices, hotels, and our asset management vertical has grown by 15% year-on-year to Rs 1,055 crores. EBITDA from these annuity business lines has increased by 21% to Rs 669 crores, while profit after tax and before minority interest from these business lines has grown by 31% to Rs 391 crores. For the first half of this fiscal year, our annuity EBITDA has increased by 20% to Rs 1,318 crores.

Importantly, this growth has been driven by improving performance across our existing operational portfolio, with no new additions to this portfolio for the last 2 years. We find this very encouraging before the next wave of developments begins contributing meaningfully to earnings.

In offices, our portfolio occupancy increased to approximately 79% in September from 70% in March '26 and 72% in June. Our billing occupancy has also increased, and that is why we see office income growing by 64% year-on-year to Rs 89 crores in the second quarter, while EBITDA has also increased by a similar margin to 56 crores. As tenants complete their fit-outs and commence operations, we expect the portfolio to continue contributing progressively more to our income and earnings.

Hospitality has also delivered a good, resilient performance during the quarter. The St. Regis Mumbai continued to lead the performance, with both income and EBITDA increasing by 13% during the second quarter, and has continued to maintain its lead as far as average room rates are concerned. We saw a 20% increase in average room rates for St. Regis, while EBITDA margins remained healthy at 44%.

Our development pipeline is also progressing well, with projects scheduled for completion and commencement of operations from 2027 onwards. We are also progressing well with respect to excavation and construction activities at Thane, Coimbatore, and Chandigarh, which provide further visibility on the next phase of portfolio growth. Our expansion and densification projects at Lower Parel and Whitefield, Bangalore, also continue to progress well.

With that, I will now hand over the call to Rashmi, who will take you through the retail performance. Over to you, Rashmi.

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Rashmi: Thank you, Varun, and good morning, everyone.

Our retail portfolio delivered another strong quarter, with broad-based growth across all our key operating metrics. Importantly, this performance was achieved without any addition to our operational retail area.

Consumption for the quarter stood at 4,685 crores, representing growth of 25% year-on-year. For the first half, consumption increased by 28% to 9,415 crores. What is particularly encouraging is that every mall in our portfolio delivered double-digit consumption growth during the quarter.

We continue to pay close attention to the quality of this performance. Excluding jewellery and electronics, consumption grew by 22% during the quarter. Fashion and accessories, which account for approximately 60% of our trading area, grew by 22%. Food and beverages grew by 21%, while entertainment grew by 16%. This shows that growth continues to be healthy across the customer's discretionary wallet and is not dependent on one or two categories.

A notable portion of incremental consumption during the quarter came from brands introduced over the past year, net of planned store closures. These additions are strengthening the customer proposition and supporting productivity across the wider retail environment.

Rental income grew by 15% to 605 crore during the quarter and by 16% to 1,200 crores during the first half. Minimum guarantee rentals continue to grow well, while revenue share income increased significantly during the quarter.

Phoenix Mall of Asia has established itself as one of Bangalore's leading premium retail destinations. During Q2, it continued to scale, with consumption increasing by 68%, rental income by 44%, and trading occupancy reaching 96%, up from 84% a year ago. Trading density, which is retailer sales per square foot of trading area at the centre, crossed 3,300 PSFM.

Our repositioning initiatives also continue to translate into stronger operating performance. At Phoenix Marketcity Bangalore, consumption increased by 19% and rental income grew by 25% during Q2, while trading occupancy improved to 93% from 82% a year ago. At Phoenix Avenue of Stars, Pune, consumption grew by 21%, rental income increased by 16%, and trading occupancy improved to 90% from 82% a year ago. Both centres are more than 97% leased.

The results at these assets reinforce the benefits of active asset enhancement, which remains an important part of our strategy. Similar initiatives are underway across select assets in the portfolio.

At Phoenix Palassio in Lucknow, we are converting part of the existing non-F&B space into an enhanced F&B offering. We are also adding another floor to the mall, along with other changes, which will add approximately 100 additional stores to the centre.

At Phoenix Palladium, we are refreshing the tenant mix and reconfiguring select spaces as we prepare for the addition of the new retail area. The expanded complex will allow us to introduce several new brands, including a number of first-time brands within our portfolio and in India. In the immediate next phase of expansion, we will be adding 150 stores to the centre.

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These initiatives have temporarily affected trading occupancy at some assets. We expect trading occupancy to improve across our portfolio as the new stores and upgraded formats commence operations.

With a high-quality portfolio of Grade A malls across India and a consistent track record, we are a preferred partner for many renowned brands looking to open their first stores or expand their presence across the country. During the first half, we completed over 675 leasing deals, covering approximately 1.8 million square feet across our operational and under-construction portfolio. Leasing across our new retail destinations and expansions is also progressing well. These assets have attracted several marquee brands and reflect the quality of retailer interest across our new destinations and expansions.

We also see significant opportunities within our existing portfolio. Leases covering around 50% of our retail area come up for expiry between FY27 and FY29, giving us the opportunity to refresh the brand mix in a strategic manner and re-price space.

Retail EBITDA grew by 18% to 639 crores during the quarter and by 17% to 1,206—1,264 crores during the first half, supported by rental growth, operating leverage, and cost discipline.

With resilient customer demand, ongoing asset enhancement, the upcoming renewal cycle, good leasing progress, and an ongoing increase in demand from new brands wanting to enter India, we have a long runway for sustainable growth in consumption, rentals, and EBITDA.

Before I hand over, a brief update on the festive season. Across our portfolio, all malls have arranged festive experiences and activations designed to bring the spirit of Diwali to the cities. At Phoenix Palassio in Lucknow, a Ramayana-themed Diwali décor was complemented by a spectacular drone show and large fireworks displays to mark the opening. Mall of Asia introduced The Festival of Lights, while across all our other malls, different Diwali décor experiences and activations have created a vibrant celebratory energy.

Our retailer partners have complemented these initiatives with festive-season new merchandise, creative window displays, and in-store experiences. We are seeing customers celebrating and enjoying the festive atmosphere at our malls, shopping, dining, celebrating, and enjoying the start of the festive season along with their families and friends. We expect this period to support healthy consumption across the portfolio.

With this, I will now hand the call over to Kailash to take you through the next set of highlights.

Kailash: Thank you, Rashmi, and good morning, everyone. Let me take you through our financial performance, cash flow, and balance sheet.

For Q2, consolidated revenue stood at 1,000—1,153 crore, and operating EBITDA stood at 710 crore. EBITDA margin improved to 62%. Profit after tax and after minority interest was Rs 300—[cut off]

Management {? Kailash ?}: ...and 26 crore for the quarter.

As Varun mentioned, our annuity businesses delivered strong growth during the period.

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Consolidated growth was relatively lower because residential revenue is recognized upon unit handover and can vary between periods.

During H1, we recognized 62 crore of residential revenue compared with the significantly higher contribution in the corresponding period last year.

We have already sold units worth 120 crore more, which is yet to be booked, so this revenue will reflect in H2 of the current financial year.

Cash generation remained robust. In Q2, net cash from operations increased by 20% to Rs.711 crore. Operating free cash flow, after tax and net interest, grew by 22% to Rs.631 crore. Of this, approximately 570 crore came from the annuity businesses, representing a growth of 28%.

For the first half, operating free cash flow from our annuity businesses increased by 30% to Rs.1,137 crore.

Total capex outflow during Q2 was 389 crore, out of which 349 crore was towards construction costs and the remaining towards FSI and land costs.

As of September 2026, gross debt was at Rs.6,117 crore, and liquidity was at 2,638 crore, resulting in net debt of Rs.3,479 crore. Net debt reduced by 179 crore during Q2 and was Rs.319 crore higher compared to March 2026.

Net debt to EBITDA remained comfortable at 1.2 times, while the average cost of debt declined to 7.66%.

Our balance sheet remained conservatively leveraged, providing the flexibility to fund our committed development program.

We are also expecting some credit rating upgrades, which may come in the next 1 or 2 weeks.

Let me now provide a brief update to you on the ISML acquisition.

In July 2025, we announced the acquisition of CPPIB Investment's 49% in ISML. Tranche 1 was completed in November 2025, increasing the PML stake from 51% to 58.33%. In October 2026, the NCLT approved the selective capital reduction scheme forming part of Tranche 2. We expect the capital reduction to be completed in November 2026, following which PML's stake in ISML will increase from 58.33% to 68.1%. The capital reduction consideration is Rs.1,350 crore.

With this, we will now open the floor for the question-and-answer session. Thank you.

Operator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may enter star followed by one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may enter star followed by two. Participants are requested to please use only handsets while asking a question. We will wait for a moment while the question queue assembles.

The first question is from the line of Puneet from HSBC. Please go ahead.

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Puneet – HSBC: Thank you so much, and congratulations on the great performance on board. My first question is, if I look at the breakup of your consumption mix, I see food and beverage and hypermarket have also increased quite nicely, while the trading area has remained pretty much the same. It still attributes about 10–11% there. Can you talk about what is happening there specifically?

Varun: Sure, Puneet. I think, before I hand over to Rashmi to share more highlights, as you are aware, on our F&B area mix, we launched Gourmet Village in Phoenix Palladium last year. With the success of Gourmet Village in Phoenix Palladium, we are also rolling out this experiential fine-dining format across our other centres. For example, Rashmi covered during her call that we are currently creating this unique F&B offering in Palassio, Lucknow. But a general update is that with the introduction of new fine-dining restaurants, they take some time to pick up speed and reach a level of optimization, and you are seeing that playing out in the numbers right now.

I think the same applies to hypermarkets. We have introduced more premium, optimized gourmet shopping centres within our malls, and the improvement in the hypermarket number is actually attributable to these smaller, more efficient gourmet formats.

Puneet – HSBC: Okay. The area has remained unchanged in terms of the disclosed trading mix at 11%, but there has been a massive jump in its mix. Also, can you talk about what roughly your revenue percentage in this segment is that you receive as rentals?

Varun: In F&B, I would say that our revenue percentages would typically be 15% and higher, depending on the kind of format. It can be 15%, 18%, 20%, or more.

Puneet – HSBC: Understood. Fair enough. Secondly, she also talked about 100 new stores in Palassio. In terms of area, how much area will you add with that?

Varun: Puneet, look at it in 2 ways. First, we are optimizing some of the existing anchor areas. Palassio, if we recall, opened in July 2020. So, we are optimizing the areas for anchors and hypermarkets to some extent, which frees up some space. With the addition of the new area that we are planning, I think we should end up adding at least 100,000 square feet, or thereabouts, to the Lucknow mall.

Puneet – HSBC: Understood. Fair enough. Lastly, on capex, your cash flow discloses capex of almost 1,440 crore for the first half. But I think you talked about a lower number. What is included there?

Varun: Puneet, this capex should be viewed in 2 parts. One is capex towards land and the other is capex towards construction activities. What Kailash spoke about in terms of, say, 370 to 390 crore of capex was towards construction activities. The main large spend towards land this time was a payment for the completion of the land payment for Chandigarh...

Puneet – HSBC: Okay.

Varun: ...which we completed in Q1. That was almost a 700 crore payout.

Puneet – HSBC: Okay.

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Varun: We are adding some incremental land around our existing sites in Coimbatore and Kolkata through smaller acquisitions, so that also added to the number. Finally, there is an advance that we have given for an acquisition under discussion. That is also included in the number for capex. So, broadly...

Puneet – HSBC: What would that be, roughly?

Varun: I do not want to disclose the number, Puneet, at this time. Once we have closed the acquisition, we will, of course, share all relevant details. Overall, for land in the first half, including land and some FSI, we have spent about 800 crore, and for construction activities, we have spent about 700 crore.

Puneet – HSBC: Very clear. Because you also talked about adding land in Kolkata, does it have any implication for the commissioning timeline for Kolkata?

Varun: No, it does not. It will actually help enhance the arrival experience and give a broader frontage to our land parcel on the main Diamond Harbour Road, but it has no impact as such on the mall commencement timeline.

Puneet – HSBC: Understood. Fair enough. Thank you so much, and all the best.

Operator: Thank you. The next question is from the line of Gaurav Khandelwal from JP Morgan. Please go ahead.

Gaurav Khandelwal – JP Morgan: Hi. Good morning. Thanks for taking the questions. A quick follow-up on consumption. Can we get some sense of how the consumption trends shaped up across the months? July and August appeared to be quite strong, and is September weak and weaker than what you would have expected? That is number one.

Number two, if you could just give us some early insights into how October is looking to you. Thank you.

Varun: Gaurav, Varun here. Let me take the July, August, and September numbers, and then I will hand over to Rashmi for the festive-season outlook.

First, on July and August, consumption was strong and was in line with our expectations. Once the festive season and the holiday period end in August, we do see a kind of lull in September. Especially this time, with Dussehra and Diwali being later, September is normally the weakest month in a calendar year. We have seen very strong growth even in September. Of course, July and August were stronger because of end-of-season sales, Independence Day, and so on.

One additional thing that happened in September is that if you take a walk around Phoenix Palladium or Phoenix Palassio in Lucknow, we have moved several stores under renovation or fit-outs. That has had an impact on the trading occupancy and the consumption contribution from some of these stores.

I would quantify that impact at about 2% to 3% of the overall quarterly consumption that we reported for this quarter. In fact, right now, across our portfolio, 5% of the leasable area is under

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active fit-outs. This includes the renovations and other optimizations that we are strategically carrying out.

Now, let me hand the call to Rashmi to give you an update and outlook on the festive season.

Rashmi: Adding further to what Varun said, excluding jewellery and electronics, consumption grew by 22%, broadly in line with the 24% recorded in Q1.

Another important aspect to highlight is that we are seeing about one-third of the increase in consumption coming from the new stores. The interesting part of new stores is that they bring a wider impact beyond their sales contribution to those stores because they bring in a new set of affluent customers, which lifts the overall sales of all the existing brands in the centre.

I think the festive season is looking very exciting, with all the Diwali initiatives the teams have carried out across all the malls. Not only do we expect this trend to continue, we definitely expect this growth percentage to increase during the festive season.

Gaurav Khandelwal - JP Morgan: Got it. Thank you. My other question is on Rise. Can you share any incremental data in terms of how much more pre-leasing we have done and any tentative idea of what the rental there could look like?

Varun: Sure.

Rashmi: With this next phase of expansion of retail, Rise 1, we are going to be adding about 150 stores. It will be a combination of relocations and new brands. About 50% of the brands in Rise 1 are going to be new brands that we are adding there. We have completed about 60% of the leasing, and the rentals are expected to be upwards of 500 PSFM for that block, which is higher than the existing rent of the Palladium overall complex.

Gaurav Khandelwal - JP Morgan: Thank you very much. Those were all my questions.

Operator: Thank you. Participants with questions may enter star followed by one. The next question is from the line of Biplab Debbarma from Antique Capital. Please go ahead.

Biplab Debbarma - Antique Capital: Hello. Hi. Good afternoon, everyone. Just a quick question. My first question is on the Calcutta residential project. It has been 3 and a half years since you acquired the land parcel. My understanding is that Calcutta is showing good residential demand. Normally, in residential, it takes only 1 to 1 and a half years to move from acquisition of land to launch. I am just wondering what is happening and what is causing the delay in launching that Kolkata project.

Management {? Kailash ?}: [pause] Hi, Biplab. There are a couple of reasons. One is that when we took over, the plan was actually to build something else, and subsequently we changed it to pure residential. That was one reason.

Second, the approval has taken longer than we expected to start this project because of the election and other reasons.

We are expecting it to start in perhaps 2 quarters' time. You will see this in a couple of our subsequent investor calls.

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Biplab Debbarma – Antique Capital: Okay, okay. That is very good. My second question is on the upcoming assets. Which upcoming assets will come into operations in FY28 and FY29?

Management {? Kailash ?}: [pause] A couple of assets that you know about are the Calcutta and Surat malls, which are likely to come, plus the expansion at Lower Parel. In Bangalore, of course, there is the additional area of around 1 to 1.5 lakh square feet. This is already scheduled.

Perhaps the residential project will also be launched during this period. So, I [trails off]

Management: ...a lot of projects are already in the pipeline, and you will also see upcoming assets that will be at the peak of construction in Chandigarh, Coimbatore, and Thane. You can expect these from 2029 onwards, basically.

Biplab Debbarma – Antique Capital: Do you think these 3 assets would be operational by FY30 or beyond FY30—the Thane, Coimbatore, and Chandigarh assets?

Varun: Calendar year 2030, Biplab. We have to keep some elbow room in terms of the regulatory approval timeline and also the time that retailers may take to complete their fit-outs. Calendar year 2030 is when we will target, or expect, operations to begin for Thane, Chandigarh, and Coimbatore.

Biplab Debbarma – Antique Capital: Calendar year 2030.

Varun: Calendar year 2030. Besides the assets that Kailash mentioned, you will also have a first phase of offices in Bangalore, which is about 400,000 square feet and should become operational. We will also have the hotel in Bangalore, the Grand Hyatt Bangalore, which should become operational, and Rise offices are also targeted for completion during 2028.

Biplab Debbarma – Antique Capital: My understanding is that you are referring to Whitefield when you say Bangalore—the Whitefield office and hotel? In Rise, will the mall portion be operational by FY28?

Varun: It will be operational in calendar year 2027.

Biplab Debbarma – Antique Capital: Calendar year 2027. Okay.

Varun: Yes.

Biplab Debbarma – Antique Capital: Okay. Then, after that, the office portion of Rise will become operational?

Varun: Right, correct.

Biplab Debbarma – Antique Capital: Okay. One final question: should we expect any major land acquisition in this financial year? How is the deal pipeline progressing?

Varun: The deal pipeline is very strong, Biplab, but closure of some of these marquee land parcels takes time. We will update you, the investors, and the analyst community as soon as we close something. We currently have one at a very advanced stage, for which we have also given some advance consideration earlier in the year, but let us secure all the necessary approvals and sign the

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documents before we announce it.

Biplab Debbarma – Antique Capital: Thank you, and congratulations on the excellent results.

Operator: Thank you. The next question is from the line of Parvez Qazi from Nuvama. Please go ahead.

Parvez Qazi – Nuvama: Hi. Good afternoon, and thank you for taking my question. I have 2 questions. First, of the 25% growth in consumption that we have seen this quarter, broadly, what contribution would have come from an increase in trading occupancy, and what contribution came from an increase in trading density at a portfolio level?

Varun: Parvez, Varun here. Let me take the first part of the question. The trading occupancy change between Q2 this year and Q2 last year is only 3 percentage points. So, out of 25%, not more than 3% can be attributed to an increase in trading area. The rest has come from natural growth. At the same time, I would say that our business is such that some part of the portfolio would always be under active management and optimization. As we mentioned earlier in the call, 5% of the area is under fit-outs at a portfolio level, which in itself has had a 2% to 3% impact on the consumption growth that we reported during the quarter.

Parvez Qazi – Nuvama: Secondly, of the projects that are going to be completed in FY27, what would be the pre-leasing status? You mentioned Rise, the retail portion. It would be helpful if we could get an idea about Calcutta and the other locations.

Management: In FY27, the projects that we are expecting to open, as Varun mentioned, include Phoenix Palladium, which we expect to open in the next calendar year. Calcutta will start fit-outs around Q2, and then we expect the launch 6 months from there. The Bangalore retail expansion is also expected to be completed by 2027. Surat is also expected to be completed by 2027 and opened in 2028.

As far as the leasing percentages of these projects are concerned, Calcutta is about 90% leased, Surat is 50% leased, the Bangalore expansion is about 70% leased, and Palladium, as I mentioned earlier, is at 60% leased. We have a long pipeline of brands that want to come into each of these centres, but we are very strategic about our tenant-mix decisions as we sign and conclude all these leasing transactions. Even for our other centres—Coimbatore, Chandigarh, and Thane—leasing is progressing very well.

Parvez Qazi – Nuvama: Thank you, and all the very best.

Operator: Thank you. Participants with questions may please enter star followed by one. The next question is from the line of Pritesh Sheth from Axis Capital. Please go ahead.

Pritesh Sheth – Axis Capital: Hi. Thanks for the opportunity, team, and congratulations on a very steady growth performance. First, I have some asset-related questions. Mall of Asia has shown very strong growth in terms of consumption despite trading occupancy not changing much, from 84% to around 96%. That is a 12 percentage-point change in trading occupancy, but consumption growth was high. What is driving this? Was it always in our plans that, towards the end, the consumption boost would be much stronger because some luxury brands are now becoming

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operational?

Second, in Phoenix Marketcity Mumbai, there has been a consistent gap in terms of trading occupancy and leased occupancy of 7% to 8% for quite some time. What is the trajectory to fill that? Palassio and Indore have both seen a decline in leased occupancy. You mentioned some churn at Palassio. Could you elaborate on the same for Indore as well? Those were my first set of questions.

Management: For Phoenix Marketcity mall, the Indore centre, and Palassio, we are undertaking a strategic tenant mix at the centres, because of which you see the change in trading occupancy. As far as leased occupancy is concerned, all of them are leased at close to 96%. Very soon, you will see trading occupancies increasing at each of these centres. These are all strategic changes. We are bringing in better-performing brands at the centres, which overall uplifts the centres in all aspects.

As far as Mall of Asia is concerned, it continues to perform exceptionally well. It has become one of the largest malls by consumption in our portfolio. Given the kind of marquee brands we have in the portfolio, the overall catchment, and the city profile, we see a lot of potential to grow at this centre in terms of overall consumption. We will continue to see healthy growth at Mall of Asia.

Varun: Pritesh, just adding to what Rashmi has said, Mall of Asia was always planned as a destination mall, and the performance does not surprise us. We also believe that this performance does not peak in FY27. In fact, we expect to see healthy double-digit growth continuing in FY28 as well. By the time we reach FY28, some of the earlier leases will also be coming up for expiry and renewal, and that should give us an opportunity to relook at re-optimizing and repricing some of the rentals. I would say that the growth outlook for Mall of Asia, Mall of the Millennium, and Palladium Ahmedabad, among others, remains very strong.

To your earlier question, I will just add that we have previously spoken about our asset optimization strategy. In Bangalore and Pune, we took a conscious call to revamp the entire mall at one go, which is why flat growth happened last year. Now you are seeing 15% to 20% growth in FY27, which should also continue in FY28. We have a similar strategy underway for Chennai, Phoenix Marketcity Mumbai, and Palassio Lucknow, but there it is more graduated.

Kurla, for example, has seen some area come up every year. Currently, if you visit Phoenix Marketcity Mumbai, we are undertaking a significant façade upgrade and landscaping upgrade, as well as some retailer churn and optimization, which should help us deliver a new set of brands and categories to the mall, along with a new premium experience. You will see a similar impact happening in Indore and Lucknow as well going forward.

Pritesh Sheth – Axis Capital: Interesting. On Indore, I think even the leased occupancy is around 89%, and not 96%, as we have in Palassio. Is that part of the churn that you are undertaking?

Management: Yes, this is all part of our churn strategy. In fact, we have a large number of expiries coming up in the next 9 months at that centre. This is all part of our larger strategy of bringing in more high-performing brands that were not in the centre, because we leased this centre close to 5 years ago and many new brands have entered the country during that period. They are all keen to enter this market because they are not present in this state.

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Pritesh Sheth – Axis Capital: Got it. Second, since a high base of consumption starts taking effect from next quarter, what would be the building blocks of growth beyond the usual 6% to 7% growth? I understand one would be the ramp-up of trading occupancy from the existing churn that you are already undertaking in some malls. Should the base expectation be double-digit growth, at least until these new assets start coming in? Is that how our business model is being planned?

Varun: Pritesh, we had come out in Q4 and given direct guidance for 2 years to expect around 14% to 15% rental growth. I do not think that changes for FY27 and FY28. Of course, the first half of FY27 has been very strong, relative to our expectations as well. That should flow through into the overall numbers that we report for FY27.

With all the initiatives that we have planned, and with the trading occupancy ramp-up progressively coming on stream in the coming months, we should continue to expect double-digit growth in rental income going forward for FY28. Then the new assets will come in, and that should help further boost the growth profile.

Management: I will also add, Pritesh, that 10% of our portfolio is coming up for expiry over the next 2 years.

Varun: Yes.

Management: Typically, you would have seen that we have a 20% increase on our previous minimum guarantee rentals when we reprice an expiry. We expect the same trend to continue. That will also have a positive impact on rental growth.

Varun: In fact, Pritesh, just building on what Rashmi has said, it has always been a cornerstone of our strategy to first focus on our existing operational centres because they are already established landmarks and destinations. With no new competition coming in, infrastructure access improving, new metros and highways being constructed, and the catchment itself densifying and becoming a higher-earning catchment, we have always looked at how we can extract double-digit growth from these assets going forward.

The rental expiries gave us a chance to reset the base for the next 5 years, and that is how we plan the growth in these centres. Over a long period of time, we have maintained guidance of double-digit rental growth, and we have been able to deliver on it. We will continue to work hard to deliver this going forward as well within the operational portfolio.

Pritesh Sheth – Axis Capital: Got it. One last question: out of the 77% occupied in our new office portfolio, which you delivered after 2025, how much is already rent-generating?

Varun: Right now, at an overall portfolio level, Pritesh, 79% is leased and 54% is rent-generating. We expect to reach 70% rent-generating occupancy by March, and we should reach 80% by June or July next year.

Pritesh Sheth – Axis Capital: Got it. That is very helpful. Thanks, that is it from my side, and all the best.

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Operator: Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal – HDFC Securities: Hi, team. Congratulations on a great quarter. My first question is on the presentation, where you have given 10 new locations that you are potentially—

Parikshit Kandpal – HDFC Securities: ...scouting for the new mall. Does this change anything in the earlier guidance that you used to give about adding approximately 1 million square feet of mall or retail area every year? Does the pipeline change that?

Management: I think we must come back to you on the revised yearly addition because we are silently increasing the size of our malls. It is our endeavour to double the size of Palladium and Phoenix Marketcity Bangalore from the current 1 million to about 2 million square feet. Even in Thane and Chandigarh, we are pushing the size of the retail mall to 1.6 to 1.8 million square feet, given the amount of retailer interest that we have there.

Rashmi also spoke about adding more area to Lucknow. When it started, Lucknow was just 900,000 square feet, and by the time we complete this expansion, it will actually reach 1.1 million square feet. I think every new location that we add will be larger. The old benchmark was adding 1 million square feet of retail. The new benchmark is definitely moving towards 1.3 to 1.4 million square feet of retail size.

Parikshit Kandpal – HDFC Securities: No, my question was about the locations. I understand that you are increasing the area of captive incumbent malls, so you already had that opportunity. But Hyderabad, NCR, Navi Mumbai, Goa, Jaipur, Vizag, Patna, and Nagpur, which you highlighted in slide 14—all 10 locations—would approximately amount to 13 to 14 million square feet. That raises the bar for mall addition and retail-area addition every year significantly. What are the timelines for identifying these opportunities? My question was whether this significantly raises our mall addition target or guidance.

Management: Currently, we are looking for the correct land parcel because we cannot randomly go and pick up something. This is where we need to understand the difference. We have identified these cities as potential cities where we will definitely be present at some point. Unless we finalize the land, we cannot commit to any timelines or give you any perspective on these cities or the additions.

We are in the process of identifying and discussing a couple of these locations. Once we finalize the land parcel, we will be in a better position to provide guidance.

But Parikshit, if we come back to our 2030 target, in 2024 we were increasing retail from 11 million to about 19 million square feet. We were increasing offices from about 2 million to 9 million square feet. We are also significantly increasing our office portfolio. All the new cities that you spoke about would form part of the 2035-2036 plan.

At the same time, we are also densifying our existing centres. For example, in Lucknow, while we are adding a mall, we are also evaluating the addition of a luxury hotel on top of the mall. That in itself boosts the overall earning capacity from a particular centre and the productivity from that

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centre as well.

Our growth is driven by the existing operational portfolio, by identifying new city centres, and also by identifying densification opportunities within the existing centres. What we have done between 2024 and 2030 would broadly be a baseline of growth to replicate for 2035-2036 as well.

Parikshit Kandpal – HDFC Securities: Is it right to assume that the new acquisitions will have a significantly higher economic interest versus the 50% to 51% we used to have? Or will we again look for partners across all these locations?

Management: I think this will be very selective based on the opportunity. [hesitates] We cannot comment or commit for any asset whether it will be a 51% or 100% stake. It will be decided property by property, or location by location or addition by addition, based on the situation at that point in time.

Parikshit Kandpal – HDFC Securities: Just a last question on consumption growth. One factor is also inflation. We have been averaging 5% to 30% consumption growth for some time now. It is still not translating into rental growth in a similar quantum. What could be the consumption-rental elasticity factor? Will it be 50% or 70% of consumption growth? How does that converge? Is it a 1-year lag or a 2-year lag? How does it start mirroring consumption growth?

Management: I do not think rent and consumption follow a straight trajectory quarter-on-quarter. Over a 5-year period, they have converged previously, and it is our expectation that they will continue to converge. Especially if we go back 3 years ago, rent was 15 percentage points ahead of consumption when the new malls had opened. The situation flipped last year when consumption was much ahead of rentals. Today, the gap between consumption and rental has narrowed significantly.

With the new lease expiries and the new areas becoming operational, this will continue to compress. But I would not say that there would be a straight-line correlation or one quarter in which rent and consumption would incidentally reach the same number. There would be some gap between the two. The important metric remains tracking rent growth on an absolute basis and the rent-to-consumption ratio.

If you see this quarter, the rent-to-consumption ratio has improved to 13%, compared to a low of 12% that we had in Q4. Rent is growing ahead of consumption, and that is reflected in the rent-to-consumption ratio also normalizing to the long-term average of 13.5% to 14%.

Parikshit Kandpal – HDFC Securities: Thank you, and I wish you all the best. That is all my questions.

Operator: Thank you. The next question is from the line of Aakash Gupta from Nomura. Please go ahead.

Aakash Gupta – Nomura: Hi. Thank you so much for taking my question, and congratulations on a good set of numbers. Am I audible?

Management: Yes, absolutely. Go ahead, please.

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Aakash Gupta – Nomura: I did not catch the consumption growth number for October. Could you please let me know how consumption growth performed during October?

Management: October this year and October last year are not directly comparable because last year we had Diwali in October. But if we compare the trends and take a normalized trend, I think growth has been very strong, ahead of 20% year-on-year, which is what we are expecting. We are still on the last day of the month, and it is a weekend, so Saturday is going to have a significant impact on the final numbers that we see for October. Thereafter, we will calibrate the October and November consumption towards the end of November, once the festive period has also been consolidated and is over.

Aakash Gupta – Nomura: Understood. On a normalized basis, in October, we are looking at 20% growth. Is that the right understanding?

Management: I would say at least 20%, because yesterday's and today's numbers are not yet in. I would compare perhaps October this year with November last year. Last year, there was no Diwali in November; Diwali was in October last year. So, we are comparing 2 different time periods, and perhaps a 20% to the higher end of the 25% range is what we can say is the outlook for October 2024.

Aakash Gupta – Nomura: Understood. My second question is on our FY '27 rental income growth guidance for the retail business. It is roughly 15%, and we have done 16% in the first half. Does that mean that the second half will be below 15% due to the base coming in? Is that the way to think about it?

Management: No. I would say that you have to give us some leeway and some credit as well. [laughs] We gave this guidance in April before we had seen consumption numbers play out for the first half. I feel that naturally the guidance should now be 1 or 2 percentage points higher, given the first-half performance. But the festive season—October, November, and then December—comprises the main months. That would give us a clearer indication of where we expect to end the year. I am optimistic that we should be able to cross the 15% guidance that we gave.

Aakash Gupta – Nomura: Understood. My third question is on consumption growth in FY '28. My understanding is that all our volume drivers will start taking effect towards the end of FY '28. In that sense, because we are going into FY '28 with a higher base, should we expect mid-teens consumption growth at least until the second half of FY '28? Is that how we should think about the business?

Management: I would say that a better metric, and a metric over which we have more control and visibility, is rental growth. From that perspective, factoring in 14% to 15% growth for FY '28 is something that I believe is a more tangible and achievable outcome.

Consumption is driven by many factors, whether gold prices, electronics, or some new stores or categories performing well or not performing well. So, it is a more holistic bucket. I would rather say that is why, even at the beginning of the year or last year, we had spoken more about rental growth, because that is something over which we have far more visibility and control.

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Aakash Gupta – Nomura: Understood. Sorry, if I may ask one more question. Once our volume starts taking effect at the end of FY '28, how should we think about the rental income growth trajectory going into FY '29 and FY '30, because these volume drivers will also take some time to ramp up? In that case, should we expect 15% growth after FY '28 as well on the rental-income side?

Management: I think it is too much to say right now. [laughs] If you factor in everything for the next few quarters now, [laughs] what is left to answer? [laughs]

I would say that you can connect with {? Varun and Madhuparna ?} offline. They have the numbers mapped out, and they should be able to guide you. We hope to continue to do well.

Aakash Gupta – Nomura: Understood. Thank you so much.

Management: Thank you, Aakash. Thanks a lot.

Operator: Thank you. Ladies and gentlemen, as there are no further questions from participants, I now hand the conference over to the management for closing comments.

Management: Thank you so much, everyone, for joining us on a Saturday. We wish you all a lovely, happy, and prosperous Diwali and a wonderful festive season ahead. See you next quarter. Goodbye. Thank you.

Operator: Thank you. On behalf of The Phoenix Mills Ltd., that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.

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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