Company Name: Nirlon Ltd.

Quarter under review: Q1-FY27

Nirlon Ltd – Q1-FY27 Concall Highlights:

Nirlon Ltd Consolidated					
INR In Mn	**Q1-FY27**	**Q1-FY26**	**Y-o-Y**	**Q4-FY26**	**Q-o-Q**
Total Income	1,721	1,671	3.0%	1,743	(1.3)%
EBITDA	1,335	1,319	1.2%	1,357	(1.6)%
EBITDA M (%)	77.57%	78.93%	(163) Bps	77.85%	(28) Bps
PAT	694	584	18.8%	706	(1.7)%
PAT M (%)	40.33%	34.95%	538 bps	40.50%	(17) Bps
Diluted EPS	7.70	6.48	18.8%	7.83	(1.7)%

Operational Highlights:

- Total income stood at INR 173 crore, registering 3% YoY growth in Q1 FY27.
- EBITDA was INR 134 crore, up 1% YoY, with EBITDA margin remaining strong at 77.3%.
- Profit after tax increased 19% YoY to approximately INR 69 crore, while PAT margin improved to 40.2%.
- Average occupancy across Nirlon Knowledge Park (NKP) and Nirlon House remained exceptionally high at 99.8% during the quarter.
- Combined vacant area across both properties stood at only ~6,900 sq. ft. as of 30 June 2026.
- Occupancy levels remained near full capacity, reflecting continued demand and stability of the leasing portfolio.
- Revenue growth during the quarter was primarily driven by contracted lease escalations under existing agreements.
- FY27 is expected to be a relatively quiet year for major lease expiries and renewals, supporting visibility of rental income.
- No significant tenant additions or vacancies were reported at NKP during Q1 FY27.
- Annual lease escalation structures are increasingly preferred over the earlier model of 15% escalation every three years, with annual increases of around 4–5%.
- Regular maintenance and asset-upgradation capex continues across NKP to maintain international-grade infrastructure and tenant experience.
- Balance sheet metrics remain stable, with debt servicing and interest costs well under control and no major changes in capital allocation strategy.

Key Questions & Answers discussed during the Concall:

- **Does the recent tax amendment improve the possibility of a REIT conversion?** No concrete plans for a REIT conversion are currently under consideration. Any significant change in corporate structure or restructuring initiatives will be communicated when there is greater visibility.

- **What is the status of redevelopment plans for Nirlon House?** Nirlon House is a strata-owned asset with 12 other co-owners, making redevelopment discussions inherently complex. No material update is available at present, and any meaningful progress will be disclosed when appropriate.

- **What rental rate was achieved for the recently leased space at Nirlon House?** The approximately 1,100 sq. ft. space leased during the quarter was rented at around INR 250 per sq. ft. per month. Given the age of the building, chargeable and carpet areas are broadly similar with limited loading.

- **How do current rentals compare with the Goregaon office market?** Direct comparisons are difficult due to differences in lease structures, efficiency ratios, rent-free periods, security deposits and escalation clauses. Current rentals are considered competitive and consistent with comparable assets in the micro-market.

- **What are the standard lease escalation terms for new agreements?** Historically, leases carried 15% rental escalation every three years. The preferred structure now is annual escalation of roughly 4–5%, providing smoother rental growth over the lease term.

- **Are there any major expansion, redevelopment or capex plans?** No significant expansion or redevelopment projects are planned at NKP. Capital expenditure will continue to focus on maintenance, upgrades and enhancing the quality of the park and leased premises.

- **Is debt prepayment being considered given the healthy cash position?** No decision has been taken regarding voluntary debt prepayment. The existing repayment schedule remains unchanged.

- **What is the outlook for rental growth during FY27?** Rental growth is expected to be driven largely by existing contractual lease escalations. No significant deviations from current lease terms or major tenant-related developments are anticipated.

- **Are there any significant lease renewals due in FY27?** FY27 is expected to be a relatively quiet year in terms of major lease expiries. No significant changes have been indicated by large tenants, supporting stability in occupancy and rental income.

- **Were there any notable tenant additions during Q1 FY27?** No significant tenant additions were recorded at NKP during the quarter, largely due to the portfolio operating at near-full occupancy.

- **Why was sequential rental income growth relatively modest in Q1 FY27?** Lease agreements are predominantly long-term and contractual in nature. Revenue growth therefore depends on the timing of escalations, renewals and new leasing activity rather than quarter-to-quarter fluctuations.

- **How does the rise of Global Capability Centres (GCCs) impact the business?** Growth in GCC activity is viewed positively for the Mumbai office market and the Goregaon micro-market. While NKP has limited vacant space to directly benefit from incremental demand, a stronger office ecosystem supports the overall attractiveness of the location.

- **What is the outlook on dividends after the increase to INR 30 per share for FY26?** No guidance has been provided for FY27 dividends. Future decisions will depend on business requirements, asset quality enhancement initiatives and overall financial performance.

- **Are there any updates on broader restructuring initiatives or discussions with stakeholders?** Apart from the transition to the new tax regime during FY26, there are no material updates on restructuring initiatives, co-owner discussions or other strategic actions at this stage. Any significant development will be communicated when finalized.

Key Participants:

Ashok. B. Jain – Aayush Capital
Pranay Jain – Deal Wealth Capital
Dilip Jain – Individual Investor