# “Nexus Select Trust

# Q2 & H1 FY27 Earnings Conference Call”

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**MANAGEMENT:**
**Mr. Dalip Sehgal – Executive Director & Chief Executive Officer**
**Mr. Siddharth Nawal – Managing Director & Chief Executive Officer - Designate**
**Mr. Pratik Dantara – Chief Investor Relations Officer and Head Strategy**
**Mr. Rajesh Deo – Chief Financial Officer**
**Mr. Jayen Naik – President Operations**
**Mr. Nirzar Jain – President Leasing**

**Moderator:** Ladies and gentlemen, good day and welcome to the Earnings conference call of Nexus Select Trust for Q2 and H1 FY27. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then Zero on your touchtone phone.

I now hand the conference over to Mr. Pratik Dantara, Chief Investor Relations Officer and Head Strategy from Nexus Select Trust. Thank you, and over to you, sir.

**Pratik Dantara:** Thank you. Good evening everyone and thank you for joining the Earnings Conference Call of Nexus Select Trust for Q2 and H1 FY27.

Before we proceed, I'd like to highlight that the management may make certain statements that may constitute forward-looking statements. Please be advised that the actual results may differ materially from these statements.

We do not guarantee these statements or results and are not obligated to update them at any point of time. Specifically, any financial guidance and pro-forma information that we share on the call are management estimates based on certain assumptions and have not been subject to audit review examination procedures. You are cautioned not to place undue reliance on such information and there can be no assurance that we will be able to achieve the same.

Joining me today on the call are Dalip Sehgal - Executive Director and CEO, Siddharth Nawal - Managing Director and CEO Designate, along with the management committee. We will begin with brief remarks on our business and financial performance and then open the floor for questions. Over to you, Dalip.

**Dalip Sehgal:** Thank you, Pratik. Good evening, everyone and welcome to the Nexus Select Trust Quarter 2 and H1 FY27 Earnings Call. We are pleased to report a strong performance in quarter 2, despite the festive season shifting largely to quarter 3 this year. The favourable operating and consumption environment that emerged in quarter 1 sustained its momentum through Q2 with demand remaining healthy.

Now, coming to our performance for quarter 2, our Net Operating Income stood at INR 504 crores, growing 8% year-on-year. We have declared a distribution of INR 359 crores, equivalent to INR 2.367 per unit, representing growth of 8% year-on-year. Cumulatively for the first half, NOI reached INR 1,014 crores, up 9% year-on-year, while distribution totalled INR 729 crores or 4.809 per unit.

We remain on track to achieve the FY distribution guidance, which was in the range of INR 9.8 to 10 per unit. Since listing, we have cumulatively distributed over INR 4,400 crores and delivered an IRR of 24% to our unitholders.

Behind these distributions is the robust operating performance of our malls.

Tenant sales grew 13% in quarter 2, broad-based growth witnessed across categories. For H1, tenant sales reached INR 7,760 crores, up 15% YoY, with approximately 7 crores visitor across the portfolio, up 4% YoY.

What interests us is how consumers are spending, as much as how much they are spending. That understanding shapes our leasing decisions and where we invest in the customer experience.

Fashion, our largest category has recorded high single-digit growth during the quarter. Jewellery grew 54%, reflecting the fact that our curated jewellery zones and festivities aided this growth. Beauty and personal care continued its growth momentum with 13% growth.

Entertainment delivered 18% growth, supported by movies like Spiderman, The Odyssey, Mirzapur, etc. while the electronics category recorded 19% growth led by the Apple phone launch.

That brings us to leasing. During Quarter 2, we re-leased close to 0.5 million square feet at a spread of 25%. We closed the first half of the year at 97% leased occupancy. High occupancy is a strong starting point. Our work continues within that occupied space, identifying where a different brand, format or category can improve productivity. As we have said, we continue to remain the first port of call for domestic and international brands to open their first stores in India with us. This quarter saw brands like Massimo Dutti, Lego, Michael Kors, Guerlain, Uniqlo debuting across the key markets in our portfolio.

Across the portfolio, 50% of gross rentals come up for expiry over a 3.5-year period with a mark-to-market opportunity of 20% plus. This remains an important component of our organic growth opportunity.

On the marketing front, we work towards the same commercial objective giving consumers compelling reasons to visit and return. During the half year, we did summer experiences like the Dragon Kingdom at Nexus Elante, Panda World at Nexus Seawoods, Ocean World at Nexus Hyderabad and brought together shopping, entertainment, and locally relevant experiences. Our ticketed attractions recorded over 1.25 lakh ticket sales, which translates into over 5 lakh people experiencing the activation and we earned INR 5.3 crores in revenue.

On our under-development projects,

- Construction at Nexus Galaxy Complex in Guwahati is progressing well, with the RCC structure complete and mechanical, electrical and plumbing works underway. The project marks our entry into Northeast India and remains on track for completion in 2028.
- Construction of Nexus Runwal Gardens Mall in Dombivli is also progressing towards completion in 2028, with foundation and raft work nearing completion.
- At Radisson Ludhiana, we are undertaking strategic renovation across the hotel, which is expected to add 27 rooms and result in a 20% increase in average daily rates, delivering a 17% yield on cost on the investment.

Now moving to our acquisition pipeline, we continue to see a strong opportunity set with a robust pipeline of 6 assets across India. We currently have two assets under due diligence, while the

acquisition of Diamond Plaza, Kolkata, which was announced earlier this year is expected to close soon. We remain on track to add two to three high-quality assets to our portfolio during this year, further strengthening our growth trajectory.

Lastly, summarizing our performance:

1. Delivered robust consumption growth of 13% during quarter 2 with broad-based double-digit growth across categories
2. Achieved strong financial performance with 8% Net Operating Income and distribution growth in the quarter, underpinned by healthy operating fundamentals.
3. Our acquisition pipeline remains robust with 6 identified opportunities across India. We remain on track to add two to three high-quality assets to the portfolio every year.

Before I close, a brief personal note.

This is my final earnings call as Executive Director and CEO of Nexus. Helping build Nexus into India's first listed retail REIT has been a privilege, and I thank our teams, retail partners, our Board and our unitholders for making that journey possible. It has been a privilege to lead Nexus Select Trust through one of the most exciting chapters of this journey since inception. Together, we have built an institution defined by exceptional people, strong governance and an unwavering commitment to excellence. I am proud of what we have accomplished and leave knowing the organization is well prepared for its next chapter.

As announced, Siddharth Nawal will succeed me on 1st of January 2027. We are working closely through the transition. So welcome, Siddharth.

Let's now move on to Q&A.

**Moderator:** Thank You. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Mohit Agrawal from IIFL Capital.

**Mohit Agrawal:** Yes, good afternoon, everyone and thanks for the opportunity. First of all, thank you, Dalip for your leadership at Nexus and best wishes to you for your future and congratulations to Siddharth, really looking forward to interacting with you.

My first question is on your consumption growth of 13% during the quarter. What would be the consumption growth ex-Jewellery and Electronics, and how would that tie in with the NOI growth achieved this quarter?

**Pratik Dantara:** Consumption growth ex Jewellery would be around 11% and ex of Jewellery and Electronics would be around 9.5%-10%.

**Mohit Agrawal:** How has the consumption growth momentum been in Q3, and how do you expect like-for-like consumption growth to trend for FY27?

**Dalip Sehgal:** Given the shift in Diwali from October last year to November this year, we believe it would be more appropriate to assess consumption trends across October and November together, rather than looking at individual months. On a cumulative basis, our expectation is that Q3 consumption growth should be broadly in line with the growth momentum we witnessed in the first half of the year.

We delivered consumption growth of around 15% in the first half. We believe this is a reasonable benchmark for Q3 as well, barring any unforeseen circumstances. Overall, we remain on track to sustain a similar growth trajectory as witnessed in the first half. October has also performed reasonably well despite the absence of the Diwali festive period, and we remain optimistic about Q3 being another strong quarter.

**Mohit Agrawal:** Sure, my second question is on rent-to-sales, you've reported rent-to-sales of 11.2%. This number has been around 12% historically, how do you see this metric trending over the medium-term, and what would be the key factors driving an increase or decrease in this metric?

**Pratik Dantara:** Directionally, we would like to target our rent-to-sales ratio towards the 13%-14% range over the medium term, compared to the current level of approximately 11%. The current moderation is largely mathematical in nature, as consumption growth has been particularly strong, partly driven by the addition of high-value categories to our portfolio over the last year.

Having said that, we are confident of gradually moving towards our target, supported by the strong lease expiry pipeline over the coming years. With nearly 50% of our gross rentals coming up for renewal, we see a meaningful opportunity to capture mark-to-market potential through these renewals, which should drive rental growth and help us move towards our targeted rent-to-sales ratio of 13–14%.

**Nirzar Jain:** Additionally, this will also be driven by our tenant curation strategy. As we continue to strategically curate our retail spaces and bring in the right brands and categories, we expect to enhance rental yields. Our leasing spreads in Q1 and Q2 have remained healthy and broadly consistent. Overall, our objective is to progressively move the rent-to-sales ratio towards the 12–14% range over the medium term, supported by mark-to-market opportunities and a more curated tenant mix.

**Mohit Agrawal:** Any timeline regarding when you want to achieve that? By when?

**Nirzar Jain:** This is work in progress as the leases come up for expiry. This year, we had a natural expiry so far of about 500,000 square feet and our activity has been close to 900,000 square feet. So, we've did some strategic churn in the first half, and you'll start seeing the impact of that from Q4 onwards.

**Pratik Dantara:** Directionally you'll see this number going up as we start getting the mark-to-market into the rentals. But I think we should kind of get slowly to the upper end of the range by FY30.

**Dalip Sehgal:** Timing is one factor. Additionally, when we acquire assets, we inherit the existing rental structure. Given the strong consumption growth, we have witnessed post-acquisition, which has been upwards of 20%, sales have grown faster than rentals, resulting in a temporary moderation

in the rent-to-sales ratio. Over time, as we capture the mark-to-market potential through lease renewals and optimize tenant curation, we expect this ratio to gradually improve.

Now with 2 new malls coming up - Guwahati and Dombivli, we will see an upswing in the rent-to-sales ratio because we're starting from scratch, we're not inheriting a particular ratio.

Secondly, like Nirzar said, we're focusing on getting better brands, better categories, etc. which would yield better rents. It's a matter of time, may be between 3-4 years, that we should witness a significantly better rent-to-sales ratio.

**Mohit Agrawal:** Sure. My last question is, there's a slide on your Tier 2 strategy. You've been investing in malls in Tier 2 cities now. Just trying to understand that, whether there is an increased strategic focus on buying Tier 2 malls and the strategy would still be to buy and reposition the assets or are you also looking at a development portfolio within the Tier 2 cities? So, some color around that and maybe in your journey towards doubling your mall portfolio, what would, let's say, a Tier 2 versus Tier 1, any thoughts around that?

**Dalip Sehgal:** The first thing is that we're not focused on Tier 1, Tier 2. We are focused on where the consumer opportunity is and where we can add value. So, let's assume Bhubaneswar is a Tier 2 city, but opportunity is there and today it's one of our best performing malls. It's a question of where we see the opportunity. Up North we saw the opportunity in Amritsar, we're the number 1 mall today. We saw an opportunity in Ludhiana and we've done extremely well. In fact, in this quarter it's one of the highest growing malls, the hotel is getting renovated, etc. We saw an opportunity in Guwahati which is a under-served retail market and gateway to the Northeast. We've invested there.

We are more looking at
A - The opportunity;
B - The commercial value; and
C - Potential value-add to the asset

So clearly, that is really what drives our choice of where we want to be. Having said that, our M&A team has a very clear structure and a funnel in terms of where we wish to be and how we go about doing it. So, for example, in Bangalore, our clear strategy was that having bought a few malls in Bangalore, we would add more malls in the city. We bought Vega City in Bangalore, and that's actually helping the whole of Bangalore in terms of building a business and getting benefits of size, scale, and synergy.

Up North, if you look at it, starting from Chandigarh up, you've got Ludhiana, you've got Amritsar. So, there are again synergies in terms of the consumer types that we have, the language, etc. So that is the other kind of synergy that works.

**Mohit Agrawal:** Sure, great. Those are my questions. Wish you all a very Happy Diwali.

**Moderator:** Thank you. Next question is from line of Pritesh Sheth from Axis Capital.

**Pritesh Sheth:** Yes, good evening and thanks for the opportunity. The first question is on the second half consumption outlook. If I understand correctly, second half we are entering on a high base, at

least on the jewellery side, in terms of the gold price increase that we witness. So, whether the 13%-15% growth would more be led by other categories and hence the conversion from that consumption growth to NOI could potentially be better?

**Dalip Sehgal:** We remain confident that we should be able to achieve the kind of growth we've achieved in the first half.

To put this in perspective, consumption growth in H1 was approximately 15%, or 13% excluding jewellery. Jewellery currently contributes around 7% to our overall consumption, and we believe there is significant headroom to further increase its share. While gold prices have moderated, we continue to see resilient consumer demand for gold jewellery, even at elevated price levels. This is also reflected in the commentary from leading gold and diamond jewellery retailers, who are indicating growth expectations of around 20–30% during the festive season. We therefore see jewellery as an important category supporting our overall consumption growth momentum.

So, we will see a reasonably robust growth. October, for example, in Elante, we've had, I think, one of our highest sales in jewellery and with Dhanteras and Diwali in October, jewelry as a category will perform well in Q3.

**Pratik Dantara:** Apart from jewellery, we also believe that with the kind of movies that are scheduled to be released over the next few months, we should see that traction come in footfalls as well, which would have a rub-off effect on F&B and some of the other categories. So, we're expecting at least the latest one, Ramayana, to kind of do well, and we're geared up for that. Some of the other categories like beauty and personal care, electronics, etc. continue to do well with the festive season around the corner.

**Pritesh Sheth:** Second, in terms of the acquisition pipeline, or rather the kind of acquisitions that we are now doing, a couple of them forward purchase, are we now more inclined to do forward purchase, because obviously it creates much more value than the up and running kind of a mall? And is the pipeline that is coming to us is also more towards forward purchase or how should we look at it?

**Pratik Dantara:** We'll still do a majority of our deals as third-party ready asset acquisitions. Forward purchases, we've done one with Runwal in MMR and second we've announced in Guwahati. We'll be selective. It would mean that we'll have to see how we get to a ready stage at Runwal and Guwahati and what's our experience in that process. So, I think at this point of time I would still believe 70%-75% of the transactions that we do would be operating assets that we'll acquire from third parties and the balance would be forward purchases.

**Dalip Sehgal:** Just to add to that, I think if you look at the two, one in Guwahati and other one in MMR. The reason why we went in for Guwahati, is that we see a significant opportunity given the under-penetration of organised retail and the absence of any existing Grade-A operating retail asset available for acquisition. Guwahati also offers a strategic gateway to the eight states of the Northeast, providing us with access to a much larger consumption catchment and significant long-term growth potential. If there's no readily available Grade-A asset to buy, we have to look at what else is available. Further, this is not ground-up greenfield that we have bought. It was a

mall and a hotel under construction for which we have entered inro strategic partnership with the developer to acquire in future.

Dombivli, if you ask me, again similar thing, which is that if you go to Dombivli today, it is similar to what Seawoods was 8 years ago when we bought it from L&T. At that point in time, everybody said, oh my God, nothing will happen in this area and look at Seawoods today, one of our best performing assets. So, I think Dombivli is roughly in that kind of a timeframe right now and by the time the mall is completed and fully operational, we are confident that the asset will be among the leading retail destinations in the market over the long term.

So, to answer your question, I think again it's a question of where the opportunity is and whether we have anything to buy. If we have none, then we will have to look at buying it to invest in a green or a brownfield asset.

So, I think the strategy of buying an operating asset, that playbook stays. So, there's nothing different over here. It's more a question of if the opportunity exists in a market where there's nothing available in the foreseeable future to buy, then I think we have to look at what is available. That's really what it is.

**Pratik Dantara:** We're looking to close the Diamond Mall acquisition in Kolkata soon, hopefully this month and then we have a couple of more assets which are currently under diligence and we expect to close those transactions as well by March 2027. So, at least in the very short term, the pipeline for third-party acquisitions is looking very, very strong.

**Pritesh Sheth:** Sure. And just one last, just trying to understand, apart from these acquisition-led growth, is there any densification opportunity within our portfolio, especially for some of the successful malls like Seawoods, Elante? And if you are trying to explore that, you can highlight that?

**Pratik Dantara:** There are densification opportunities available. We've already kind of announced the Boulevard area in Nexus Elante wherein we had acquired 60,000 square feet. So, we're working towards leasing that out and then there are opportunities, I won't give out specific cities, but there are opportunities up north and in the west that we are actually evaluating.

**Dalip Sehgal:** Yes. And we did that. As a matter of fact, you are aware of the fact that we did that in Ahmedabad

**Pratik Dantara:** Almost 1,60,000 square feet.

**Pritesh Sheth:** Sure. Thanks. That's it from my side. All the best, and thank you, Dalip sir, for your insights. It was always helpful. Welcome Siddharth to the team. Looking forward to the journey from here on.

**Moderator:** Next question is from line of Girish Choudhary from Avendus Spark. Please go ahead.

**Girish Choudhary:** Yes. Hi. Thanks for the opportunity. Just as a follow-up to the development opportunities where you're doing the Runwal and the Guwahati, how should we think about the returns in terms of how should it compare versus, let's say, some of the assets which you buy which are already

stabilized versus these kind of opportunities? And from a risks point of view, how do you insulate yourself from the development risk and also the leasing risk?

**Pratik Dantara:** I think from a forward purchase standpoint, whatever we've announced from a yield on cost wise will be about 12%-13% on those assets. Obviously, we'll have to see how quickly can we get those assets up and lease them out, especially, let's say, Runwal, we had indicated FY30 when we announced that transaction.

But the way the construction has progressed, we are at least a year ahead from there. So, we'll see how we progress on some of these, but directionally 12%-13% yield on cost is what we're targeting.

**Girish Choudhary:** How does it compare if you buy some of the already established mall, or let's say a stabilized mall, how should we compare the return differences between these two? And also, as a follow-up, in terms of leasing, will you start pre-leasing well ahead of the completion of those malls?

**Nirzar Jain:** In terms of pre-leasing activity, we've already started signing major anchors as well as key retailers. So as of now, we are at the stage where we are between 30% to 50% in terms of key discussions, although the malls come up later, and then some part we'll do as the sign-up happens. The response to both the malls is very good and the positioning as well for both the assets is well liked by the market in terms of retailers. We hope to kind of get there in the direction that we planned.

**Girish Choudhary:** Got it.

**Pratik Dantara:** Girish, on the first one, I think the return profiles are pretty similar. It's just that in a ready mall, the risk is a bit lower compared to when you're doing a greenfield or a brownfield.

**Dalip Sehgal:** And your go-to-market is fastest.

**Pratik Dantara:** Yes.

**Girish Choudhary:** Got it. Thank you. All the very best.

**.Moderator:** Next question is from Sumit Kumar from JM Financial.

**Sumit Kumar:** Hi. Thanks for the opportunity. My first question is on the lease expiries, especially for FY28, where we would see about 17% of gross rentals up for expiry at our key assets, Elante and Ahmedabad. Any update on discussions on those expiries?

**Nirzar Jain:** So, very nice question. A lot of what we do in leasing is also we look at forward because the portfolio is highly leased at 97%. So we're already having discussions in terms of what's our vision for FY28-29, what are the key changes that we want to bring? How do we want to do this?

For example, with the multiplexes, we're asking them to invest in renovating the assets. For large format stores, we are kind of resizing them or taking back some spaces. So all those discussions are in play, and you'll see, it comes from a motivation of making the malls better in terms of their offering. Second, obviously achieving the track record where that we have on mark-to-market

spreads as well. So I think we are looking at FY28-29 already in terms of key anchor discussions and how we can repurpose some of that space.

**Sumit Kumar:** Sure. Second question would be on Hyderabad. Performance for the quarter was also muted. So any particular reason you want to point out, or it was just one general average?

**Nirzar Jain:** Yes. On Hyderabad, we took ahead the idea to repurpose the mall. So we are repurposing almost 33%-34% of the mall where we've removed the hypermarket player much ahead of their expiry. We are creating a gourmet district where we are kind of adding new restaurants. The mall is undergoing change, and with addition of marquee new first-in-the-state anchors, the mall has currently a large area which is under fit-out as it's getting repurposed and about 80% of what we planned to achieve when we made the Annual Operating Plan, we've already achieved, and the balance 20% is in signing and should get achieved in the next 30 to 60 days.

**Pratik Dantara:** So this new space will start operations from the next quarter or?

**Nirzar Jain:** Some part of it, a large part of it will not get operational in Q4. We'll see benefits coming in from Q1 and Q2 next year, because some of them are international fashion and F&B brands, a lot that will take time as existing spaces get vacant and fitted out. So you'll see the impact of it in Q1 and Q2 next year.

**Sumit Kumar:** Sure. Thank you. So that's all from my end.

**Pratik Dantara:** One other point that I want to kind of bring out is as you look at the expiry schedule, anchor tenants constitute about 30% of the total area that's expiring over the next 3.5 years and these are contracts that have been long-term and are coming up for renewal after 9-10 years. So when you think about the mark-to-market opportunity and the rental uplift that's available on some of these renewals is significant for us.

**Sumit Kumar:** So safe to say that your 20% average, you'll most likely exceed that to bring the task record, but I was more pointing towards data? Okay. Thank you for that.

**Moderator:** Next question is from line of Parvez Qazi from Nuvama Group.

**Parvez Qazi:** Hi, good evening. Thanks for taking my question. So my question is on trading density. We have seen about 14% Y-o-Y increase in trading density. In your experience, would this figure differ materially across regions? I mean, let's say, West India have higher trading density growth than North India or anything like that? Any color on that would be useful. Thank you.

**Jayen Naik:** No, Parvez, I don't think that there is any dramatic difference region-wise. Yes, the difference will be in terms of the asset. So technically, let's say, you've got Koramangala, which is a little smaller asset, obviously the trading density will be substantially higher.

Or you've got Select City Walk, which is doing very well and has a trading density which is perhaps one of the highest in the country. So not really any, any region difference. More to do with the location of the mall, more to do with the kind of brands that are there.

**Parvez Qazi:** Sure. That's it from my side. Thanks, Dalip sir, for all the interactions and best of luck for the future index. Thank you.

**Moderator**: Next question is from line of Sarvesh Gupta from Maximal Capital.

**Sarvesh Gupta:** Good evening, sir, and thank you for giving the opportunity. Most of the questions have been answered, but just few queries now. Firstly, on the interest rate hikes that we are seeing in the environment, so how does that impact DPU?

If you can give us some sense of, let's say, for every 25 to 50 basis points, what is the impact on the DPU, and what is your floating and fixed rate book mix? That is the first question.

**Pratik Dantara:** Our DPU guidance of INR 9.8 to 10 doesn't get impacted. For FY26-27, we had factored in a higher interest rate and we haven't still breached that number. So for now, at least for one more rate hike, we'll be good in terms of meeting this year's guidance. And in terms of the split between the fixed-floating debt, around 58% is floating and the balance is fixed.

**Sarvesh Gupta:** Okay. And when we are getting this valued, so what kind of interest cost are we assuming from the valuation point of view, and where are we currently in terms of the interest cost? So if we see further rate hikes, then what could be the impact on the NAV?

**Rajesh Deo:** We have had only one rate hike in the last MPC by 25 bps, and like Pratik mentioned, we are still not breaching what we are kind of modeled in the AOP for this year. Having said that, this WACC adjustment will happen only if we kind of reach that breach by the end of this year.

Till then, we are not kind of looking because WACC is from a long-term perspective of a 7 to 10 year horizon, just because of one rate hike doesn't make sense for us to kind of change the WACC on account of interest rates.

**Sarvesh Gupta:** Okay, sir, understood. Secondly, on the 15% consumption growth, is it entirely like-for-like or what would be the like-for-like metric for the same?

**Dalip Sehgal:** It’s like-for-like, we haven't added any asset. In fact, actually, if you look at, we're 100 bps lower in terms of operational area, so same square feet would actually be higher than what we've reported.

**Nirzar Jain:** So the growth is not from like-to-like area. The trading area is actually lower because of this churn that we are doing. So actual growth is high.

**Pratik Dantara:** Yes, I actually could probably add at least 2 to 3 percentage to this growth if we were trading at similar area.

**Sarvesh Gupta:** Okay. And since there is not major like square footage addition between, let's say, the base quarter and the last quarter. So this 8% NOI is basically sort of entirely organic sort of a growth?

**Dalip Sehgal:** Yes. And on a lower rental yield area, I think that's very important to understand. For us, every 100 bps is a lot of area that is not operational, which means it's not rent yielding. So actually that 8% would actually be higher if all of it was operational.

**Sarvesh Gupta:** Okay. And on your top 2 malls, like Elante, there is some brownfield that you are doing by buying the adjacent thing. But on the other 2 assets, Select Citywalk and the Seawoods in Mumbai, are there some potential opportunities to sort of add more retail area there?

**Pratik Dantara:** Sarvesh, we don't want to get into specific details around it, but we are evaluating opportunities to densify our presence in respective cities that we are already present in. So, at this point of time, we can only give out those details.

**Sarvesh Gupta:** Okay, sir. Thank you and all the best.

**Moderator:** Thank you. Next question is from the line of Jatin from BofA Securities.

**Jatin:** Thanks for the opportunity. I had a couple of questions. The first one being around cap rates. Are the current cap rates for some of the acquisitions that you're looking at adequately capturing the expected increase in cost of capital? Obviously, listed annuity assets have seen some mild expansion in cap rates. What are you seeing in the private market?

**Pratik Dantara:** Yes, we are factoring in some of that increase or potential increase in the cost of capital into the negotiations that we're having with third parties.

**Jatin:** Understood. Got it, great. The second one that I had is a bookkeeping one. Would you have handy the rent-to-consumption metric ex of jewelry?

**Pratik Dantara:** Jatin, can I just come back to you? It's not handy with me, but I can.

**Jatin:** Perfect. Sure, Pratik. Thank you so much. All the best, Dalip sir, and congratulations.

**Dalip Sehgal:** Thank you so much.

**Moderator:** Thank you very much. As there are no further questions, I'll now hand the conference over to Mr. Pratik Dantara for closing comments.

**Pratik Dantara**: Thank you everyone for joining the call today. Wishing you all a very Happy Diwali. Thank you.

**Dalip Sehgal:** Thank you everybody.

**Moderator:** Thank you very much. On behalf of Nexus Select Trust, that concludes this conference. Thank you all for joining us and you may now disconnect your lines. Thank you.

*Disclaimer – The transcript has been edited for language and grammar; it however may not be a verbatim representation of the call.*