“Mindspace Business Parks REIT Q4 & FY'25 Earnings Conference Call”

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(This document has been edited for clarity and accuracy wherever required)

Moderator: Ladies and gentlemen, good day and welcome to the Q4 & FY'25 earnings conference call of Mindspace Business Parks REIT.

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 the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Garewal. Thank you and over to you, sir.

Nitin Garewal: Good evening, everyone and thank you for joining the Quarter 4 and full year earnings call of financial year ending 2025 of Mindspace Business Parks REIT. At this point, we would like to highlight that the management may make certain statements that may be forward looking in nature. Please be advised that our actual results may differ materially from these statements. We do not guarantee these statements or results and are not obliged to update them at any point of time.

I would now like to welcome our CEO – Ramesh Nair and CFO – Preeti Chheda who will take you through the Business Update and the Financial Performance during the Quarter and the financial year. They will then open the call to Q&A. I will now hand over the call to Ramesh.

Ramesh Nair: Thank you, Nitin. Good evening everyone and thank you for being with us on the call today.

We are delighted to share that we have had an exceptionally strong quarter and also a great full year performance. Our robust financial and operational performance reflects in the ongoing growth and stability of India's commercial real estate sector.

Let me start with an overview and outlook:

Despite some of the global geopolitical challenges, we are confident about India's long-term growth. The fantastic leasing momentum, what we saw again the first quarter of calendar year this year, is expected to continue. This is obviously being led by GCCs, Technology's, BFSI demand across the top 6 cities and the increased focus for sustainable grade A assets with institutional developers. We truly believe that vacancy rates are expected to further tighten, which will lead to steady rental growth in the top key markets.

FY'25 has been a truly historic year for Mindspace REIT. It marks our strongest performance since listing. We recorded a gross leasing of 7.6 million square feet including pre-leasing, the highest in a financial year. We also pre-leased 3.6 million square feet of space during the year. This led to our committed occupancy increasing to 93%. We continue to see strong forward demand for our high quality office assets under development. We have achieved a re-leasing spread of 22.8% for FY'25 on 3.6 million square feet of area re-let.

Net operating income rose by 9% year-on-year to Rs. 2,062 crores. Distribution for FY'25 stood at Rs. 1,312 crores, a growth of 15.5%. This momentum shows the strength of our assets, tenant relationships, and leasing efforts.

Finally, we focus on acquisitions and development:

We concluded 2.1 million square feet of acquisitions in Q4. This strengthens our position in a dynamic business environment.

At Mindspace REIT, we are focused on building resilience into every part of our business. We making sure that we are not only handle current uncertainties, but also position ourselves to seize new opportunities. Our strategy is very simple. Lease rapidly, build swiftly, manage smartly, and comply fully. We stay guided by a North Star, which is to build loved workspaces while maximizing value.

On the market front, I would like to share highlights on the Indian office market from some of the IPC reports:

JLL report stated that the gross leasing touched 19.46 million square feet, which is a 28% year-on-year increase. It also stated that domestic occupiers leased the record 8.8 million square feet driving strong activity. As per the CBRE report, global capability centers are projected to account for nearly 40% of 2025 absorption.

As per Cushman and Wakefield report, Mumbai clocked an all-time high of 4.3 million square feet leasing in Q1, led by BFSI. And Pune's leasing volume tripled year-on-year to 3.5 million square feet, a historic high. It also pointed that Hyderabad had a post-pandemic high of 2.6 million square feet gross leasing. The report also highlighted that Mumbai rents rose 10% quarter-on-quarter, and Hyderabad saw the highest rental growth. The Knight Frank report highlights that IT firms doubled their share to 19% of total transactions and the overall vacancy dropped 60 basis points to 16.1% with top micro markets below 5%.

On the key announcements for Quarter 4 of FY'25:

This quarter has been incredible for us. We delivered our highest ever quarterly gross leasing since listing of 2.8 million square feet. We closed a very large pre-lease with a global GCC for 1.5 million square feet in our B1 building in Mindspace Madhapur. We concluded the Hyderabad ROFO transaction taking our portfolio in Madhapur to 15.5 million square feet.

Our market position remains strong with 7 out of our 10 parks maintaining occupancy rates of more than 97%. We achieved a releasing spread of 17.4% for Quarter 4 FY'25, 1.1 million square feet of area re-let. We delivered a robust distribution of Rs. 392 crores, up 39% year-on-year. We grew our occupancy by 1.5% to 93%. We also delivered a very healthy NOI growth of 13% in the last quarter.

Our R2 building at Gera Commerzone, Kharadi in Pune, spread across 1 million square feet, has received OC. It has been added to our completed portfolio, and it has already fully leased, like I mentioned in the last call, to an MNC GCC. Mindspace Fusion, our high street retail offering at Mindspace Airoli East is set to become operational in Q1 FY'26.

On the portfolio growth front:

As you are aware, we are looking to grow our portfolio through acquisitions as well. We successfully completed our first ROFO transaction. We acquired 100% equity shareholding in Sustain Properties Private Limited. This houses 1.8 million square feet at Commerzone Raidurg, Hyderabad. We also concluded a strategic acquisition of 2.6 lakhs square feet in Mindspace Madhapur, Hyderabad. This helped us consolidate our ownership within the same business park.

We are also evaluating another potential third-party acquisition opportunity in Hyderabad. Currently, final stages of due diligence is underway.

On the REIT development update:

We remain on track towards our development pipeline. We are executing a large-scale strategic upgrade program across our portfolio. This is aimed at asset valuation increase and improving the tenant experience. This is all based on feedback received from tenants through surveys, technical checks, markets and sites. We are also putting in investments to future-proof our assets, retain tenants and drive leasing. We are working with consultants like CBRE, UL, Colliers along with internal cross-functional teams. Last year, we also engaged CBRE and JLL to benchmark industry best practices for upgrades and what more can we provide in our parks. We are upgrading facades, lifts, lobbies, and many more things for a better experience for our existing tenants.

On each of our projects at Mindspace Airoli East, like I mentioned, we are set to launch Mindspace Fusion, which is a Vibrant Food Hub with 35 plus retail outlets and three kiosks. This will feature many popular brands like PizzaExpress, Starbucks, Radio Bar, to name a few. It is designed to energize not just the business park in Airoli, both are business parks, but also helps the entire wider micro market of Navi Mumbai.

At Mindspace Airoli West, as I mentioned earlier, we now have two operational data centers with three more at the design stage. Once completed, the total data center footprint will reach 1.7 million square feet, where India's only REIT with a robust data center portfolio.

In Mindspace Madhapur, the Pearl Club, our upcoming experience center and club is progressing very well and will be delivered in the next few months. Redevelopment of building B1 and B8 are on track for delivery in Q1 FY'27 and Q4 FY'27 respectively. As I mentioned, B1 is already 100% pre-leased. Park upgrades are underway in a phased manner in Hyderabad to enhance overall experience and infrastructure. At Gera Commerzone Kharadi, we are gearing to launch a multipurpose zone, which we are calling as Re-Vibe. This will house facilities like gyms, meeting rooms, sleeping pods, indoor sports, to name a few. At Yerawada Commerzone, our upgrade has already started in Building 7. We are redesigning external common areas with upgraded features for a more engaging experience for our tenants and their employees.

On the customer centricity front coming to asset management and tenant centric initiators, we have fantastic asset management and trend relations teams. We have been adding F&B outlets, pharmacies and stores for greater convenience. We also hosted a table talks event in Pune bringing to the HR heads first of its kind where we heard from HR heads what more is required to understand from an evolving workforce. We also established an ESG advisory committee at Commerzone Kharadi for client participation. This will soon be replicated across other locations.

We have been training many employees on handling cardiac emergencies across all our parks. This is again in response to client feedback on growing health awareness. We introduced our hotelization initiatives to enhance tenant satisfaction. We launched initiatives to deliver premium hospitality-like experiences. This includes revamped lobbies, centralized help desks, specialized training for frontline staff, again to name a few.

We also hosted our first Mindspace REIT run organized by our marketing team. This is our flagship marathon IP. We organized this 2 marathons, one in Hyderabad and one in Navi Mumbai. This saw more than 7,500 runners from both tenants, our employees and external audiences participating.

To ensure client convenience, we have enhanced focus on design and space planning. Lobbies are being redesigned as extended breakout spaces. We are including a lot more indoor games, co-working cafes, and lot more biophilic elements. Interactive digital signages have been installed across the park, and which is also being integrated with our Mindspace app.

To conclude, let me address some of the concerns which over the last few quarters were highlighted and how they have been addressed. Vacant SEZ spaces used to be a concern, but today 57% of our NPA converted areas have been successfully leased. There were concerns around political changes in Telangana a couple of years back, the ones perceived as a challenge. Today, Hyderabad clearly rivals Bangalore as India's top IT destination.

In conclusion, we delivered robust distribution growth for quarter, which stood at 39% year-on-year. We have also delivered the highest ever gross leasing in a quarter of 2.8 million square feet since listing. Alongside, we have also delivered the highest ever gross leasing in a financial year of 7.6 million square feet since listing. We pre-leased an entire 1.5 million square feet of one of the buildings which have been redeveloped in Mindspace Madhapur. The committed occupancy of our portfolio is up 1.5% to 93%. And our Q4 NOI grew by 13.2% to Rs. 540 crores.

Our net asset value of the portfolio is also up 10% to Rs. 431.7 per unit. Our portfolio continues to expand with new developments and acquisitions through ROFO and third-party opportunities.

At Mindspace REIT, we continue to build loved workspaces and maximizing value. Thank you all for your time. I will now hand it over to Preeti for further financial updates of the quarter.

Preeti Chheda: Thank you, Ramesh. Good evening, everyone. I am pleased to present the financial results for the quarter and financial year ended 31st March 2025. We delivered a quarter of very robust operating and financial performance.

On the financial performance, our NOI for Q4 FY'25 grew a healthy 13.2% year-on-year to take it to 5.4 billion INR and almost 9% for the full year to take it to 20.6 billion INR. Revenue from operations for Q4 FY'25 increased by 14% year-on-year to INR 6.8 billion, while full year revenue grew 9.6% to INR 25.6 billion. As we had guided, we have delivered a healthy distribution growth of 15.5% for FY25, and more particularly for Q4 FY'25, our distributions grew 38.7% year-on-year, led by growth in revenue from operations, positive working capital movement and a one-off tax refund. In aggregate, for FY'25, we distributed around INR 13.1 billion, which translates to INR 21.95 per unit.

As Ramesh mentioned, during the quarter, we completed our first ROFO acquisition of 1.8 million square feet at Commerzone Raidurg, Hyderabad, which is now 100% leased as of March 25. We have also completed acquisition of 0.26 million square feet from a third party in Mindspace Madhapur to consolidate our ownership at the park. The gross asset value of a portfolio increased 17% from September 2024 to INR 366 billion. The acquisition that I just mentioned added about INR 25 billion to the GAV. NAV of a portfolio also grew by a healthy 10% from INR 392.6 per unit at September 2024 to INR 431.7 per unit at March 2025.

This strong growth was driven amongst others by one, rental increases across micro markets, particularly Madhapur, Hyderabad, where the recent transactions have demonstrated a significant growth in rentals. Two, accretion from acquisitions that we concluded in Q4 FY'25. Three, building completion of almost 1.3 million square feet across our portfolio. So all these factors have contributed to the increase in NAV per unit that I spoke of.

Our loan to value ratio at March 2025 remains healthy at 24.3%, offering us enough headroom for future acquisitions and also expansion within the portfolio. If you exclude the impact of

ROFO acquisition, the LTV was at 21.8% on a like-to-like basis. Our cost of debt increased by 8 bps to 8.15 at March 2025. This was mainly on account of the relatively higher cost of debt of the ROFO asset which we recently acquired. We have already refinanced part of the debt of the ROFO asset post the year end, achieving almost 1% reduction in the interest cost for the portion that we refinanced. We shall refinance the balance in the next few months. We expect this and the reduction in policy rates to help reduce the cost of debt for our portfolio in the coming quarters.

We have already seen a significant reduction of almost 50 bps in the cost of debt over the previous quarter for the new financing transactions that are in the pipeline. Our Pocharam asset divestment process is underway. We have received interest from few potential prospects and are in discussion with few others. Over the next few weeks, we shall conclude the discussion and decide on the next steps with our board.

With improving occupancies across the portfolio, strong rental growth across the micro markets that we are present in, completion of projects which are currently under construction, with some of them already pre-let, and reduction in interest rates, we are well positioned for yet another year of healthy financial performance.

With this, I hand over the call to the operator to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. First question is from the line of Puneet from HSBC. Please go ahead.

Puneet: Yes, thank you so much and congratulations on great numbers here. So if you can start with a bit more on what you are hearing from the tenants in terms of new leases that they are willing to sign, anything that the global political events are impacting in terms of their thought process etc. will be very useful.

Ramesh Nair: Thanks, Puneet, for your question. Like I said, we have not seen any immediate impact on leasing demand. Although the situation is an evolving situation and we are monitoring it very closely. RFPs continue to remain strong. I was looking at the RFP numbers in different cities and that seems to be close to 27 million square feet of RFPs. I have known the Hyderabad market since 2002. There was a time I used to be the head of Hyderabad where we have 43% of our portfolio today in my previous job. I have never seen a market so vibrant in terms of like our 1.7 million square feet building 8, which is expected to be completed towards mid of 2027. We are talking of 3x demand from RFPs already for that park. So as I have told before, we don't have too much of space coming up in the next 2 years because we have pre-let R2, we have pre-let DC, we have pre-let B1 in Hyderabad. So, pre-leasing is definitely helping us. So these are signed and so we see strong inquiries for the next building in Hyderabad. Overall, I feel drop in interest rates will help all the REITs because of the perceived impact on the economy. A lot of questions have been asked about the positives and negatives of some of these tariffs. So far, we have been hearing of tariffs only on the manufacturing side. We truly believe that any strengthening of the dollar will benefit the software exports in GCC's and over the last few years, every time we have seen cost cutting in the US or cost cutting impacting IT services growth. Most of these companies have bet more on their own GCC's, which is something we saw in 2008, 2012. We saw during COVID, so then companies stopped spending money on there, this thing, they end up increasing. When they reduce spend on IT, they end up doing their own GCCs. We have seen an inversely proportional correlation. There, we hope whatever Trump has been talking in terms of he is able to help on the wars in Gaza and Ukraine, I think that will definitely help India from a crude oil impact point of view. All numbers, whenever I read a GCC report, every GCC talks of the cost in India versus a Western economy at 20% of India being just 20% of the cost of a Western economy. You are talking 80% cost reduction. Let us assume this 20% becomes goes up by another 25% and we are still at 25% right of the overall cost. So there is still room there. One trend we have seen is all these AI investments which people have been talking will definitely, especially the US companies will definitely help data centers and I think the way India has handled this entire bilateral trade deal with the US, I think great job by the government. So that is our overall feel. I am right now looking at the positive side more than the negative side Puneet.

Puneet: Understood. That is helpful. And secondly, you have already touched 93% occupancy. What should one look at a realistic peak occupancy for your portfolio?

Ramesh Nair: We are hoping this will go to the 95% mark by end of this financial year. That is going to be the focus. Definitely, we are seeing occupancy grow. We have been able to retain many clients. So out of the 3.2 million square feet of expiries which came up, we managed to retain 1.1 million square feet of tenants, but the good news here is out of the 2.1 million square feet, where tenants exited, we already managed to find 1.2 million square feet of new tenants to re-lease to new tenants. So that is a healthy sign that we have great leasing teams, great partnerships to get that space leased. When I look at this 3.2 million square feet of last year, which was a tough year in terms of expiries, 73% was re-leased. But the expiry for the next 2 years is, Puneet only 1.5 million square feet and 1.4 million square feet, compared to 3.2 million square feet of last year. But our teams are anyway, even if these numbers goes up, given the mark-to-market opportunity I think our teams are well geared up.

Puneet: Understood. That is very helpful. Secondly, this is for Preeti. You talked about part of the DPU growth attributed to maybe Rs. 40 crores higher taxes compared to the previous quarter, but there is also significant working capital push up. What does that attribute to? Is it deposit or is there more to it?

Preeti Chheda: Yes. So, Puneet, even if you look at the last 2 quarters Q2, Q3 also, we have had about Rs. 50-Rs. 60 crore of positive working capital. This time, of course, there has been an incremental because of deposits which we received from our data center leasing. So that is one increment and otherwise the other two reasons why the distributions are higher, one of course, the NOI growth of 13% has also translated into distribution growth. So that is one contributor. Another

Rs. 35-Rs. 40 crore has come because of a tax refund. So we have won old tax litigation. So we have received back the refund which we had paid for together with interest there on, so that is another Rs. 35-Rs. 40 crores and then the balance is positive working capital. So all these three put together have helped distribution particularly for this quarter.

Puneet: Can you talk how much is the deposit from the DC part?

Preeti Chheda: That is almost close to around Rs. 50 odd crore.

Puneet: Thank you. And secondly, if you can also talk about how comfortable you are with your loan to value and what is the peak loan to value that you would ultimately go to when you are almost at 24.5% and are still lower than the others. But is there a threshold beyond which you would not like to cross?

Preeti Chheda: Yes. So Puneet, we have ever since our listing maintained that we will be comfortable up to 30%-35%. If we are getting beyond that, then obviously capital base is something which we look at very seriously. But today, we are far from reaching that number. So we are pretty comfortable with the numbers today. So this in fact at 24.3, we have enough headroom for growth, even third party addition.

Puneet: Lastly, you talked about 50 basis point reduction in your debt cost from new debts. But I see your actually debt cost on Q-on-Q basis is actually up by 7-8 bps. How should one think about that?

Preeti Chheda: Yes. So that is only up because once the ROFO Asset which we acquired that came at a very high cost and we have refinanced that after the quarter end. So that is contributing about 7-8 bps is because of that. So if you keep that out, then our interest cost actually has not really moved up and then obviously, whenever there is reduction in policy rate, our banks take longer to transmit those rates. So that transmission honestly will now keep happening over the next few quarters and then we have a couple of re-financings which are coming in this quarter, as we talked, Q1. Those are the ones which we will be able to re-finance at a very attractive cost, because today, we already are seeing the rates going really 50-60 points reduction versus the last quarter, which is a significant interest saving.

Puneet: Understood. And what is your floating rate that linked to? Is it MCLR or repo?

Preeti Chheda: It is a mix of both. Some of them are repo linked and some of them are MCLR linked. So it is a combination of both. To the extent of repo, obviously those transmissions immediately happen, but I would say, a good amount is linked to MCLR also where the transmission will take a couple of quarters.

Puneet: Understood. That is very helpful. Thank you so much and all the best.

Preeti Chheda: Thank you.

Moderator: Thank you. The next question is from the line of Kunal Tayal from Bank of America. Please go ahead.

Kunal Tayal: Great. Thank you. A couple of questions on the financial side, Preeti, a follow up on the working capital, adjusting out for that Rs. 50 crores from data center, the working capital improvement still looks very impressive. So is that all in linear proportion to your lease ups or I was wondering if there could be a scenario like because you have completed the Pune asset this quarter, the working capital or the advances for that asset would have sort of flown in Q4 as well?

Preeti Chheda: So Kunal, it is a combination. One is of course all the leasings which have happened some of those which are in normal course of business. Those are not exceptions which have happened over the last couple of quarters as well. So I won't treat them as exceptions. Similarly, we have had some what do you say recoveries from a landowner for the construction cost which we incurred for them for their development. So some of those working capital movements have happened this quarter, so if you were to only look at one of the larger ones has been the DC, but otherwise all the others are non-core.

Kunal Tayal: Got it. Understood. So essentially what I am trying to get some color or your viewpoint around is, if you are looking at committed occupancy going from 93 to 95 in the coming fiscal, should we still be looking at a scenario where DPU growth could exceed NOI growth?

Preeti Chheda: So I don't want to put a number to that, but I would say, your NOI growth in a large extension translate to DPU growth, so that amount of incremental growth in DPU will definitely flow in and then, of course, as we keep leasing, some of the working capital movements also could help, but obviously as I said, these are while some exist, some positive, all of these are normal course of business, which can kind of offset each other also, but I would say essentially your NOI growth translate to your DPU growth now.

Kunal Tayal: Understood. And that would still be a pretty strong performance after what you have done in FY '25. Alright. That is it from me. Thank you so much.

Preeti Chheda: Alright, thank you.

Moderator: Thank you. A reminder to all the participants that you may press * and 1 to ask a question. The next question is from the line of Parvez from Nuvama Group. Please go ahead.

Parvez: Hi, good evening and congratulations for the great set of numbers. So first question, you alluded to a target occupancy level of 95% odd. So by when, do we expect to reach that kind of number?

Ramesh Nair: We are hoping, Parvez, this will happen same time next year when you are sitting in the April 30th call next year.

Parvez: And in terms of your discussion with tenants and obviously your presentation says that GCCs have been a prime driver, which sectors will this GCC is related to and which are driving strong leasing demand especially in Hyderabad?

Ramesh Nair: In Hyderabad, some of the RFP's which we are getting right now, there is a SaaS company looking at 2 million square feet. There is a global bank was floated RFP for 1.4 million square feet. One of the world's largest companies in the world has floated 1.2 million square feet RFP. One of the world's top 3 companies has floated 1 million square feet RFP. Another large American bank has floated 900,000 square feet RFP. There is a global telecom major which is floated as 700,000 square feet RFP. A global asset Management company, which has floated 500,000 square feet RFP. So it is a good mixed bag. Like I said, in the last 22-23 years, I have been tracking Hyderabad market, I have never seen this kind of thing could be also because some of the frustrations of Bangalore tenants with regards to the infrastructure challenges in Bangalore. I have seen the same trend in Chennai. Unfortunately, we don't have space in Chennai. The REIT doesn't have space in Chennai, but both these markets, I think are benefiting from Bangalore's infrastructure challenges.

Parvez: Sure. So apart from our two assets in Airoli and most of our other assets are already at 95% or higher occupancy level. So the incremental improvement in occupancy obviously has to come from our two Airoli assets? So how do we see a leasing pipeline there and what is the kind of target that we have with regards to occupancy, let us say, over the next 12 months or so?

Ramesh Nair: So, Airoli, our focus is going to be on Indian domestic financial services. We are going to be looking at media, which is a big focus in India, so back offices of Mumbai, back offices of large media companies. We have seen a growing demand in the last couple of quarters from Flex players for Airoli which means Flex players are getting more demand from their clients. Healthcare and pharma in Bombay has always been, after Hyderabad, one of the main places where healthcare and pharma companies look at professional services again. So these are the 3-4 sectors. One interesting trend I noticed was back in December of 23, when the demarcation laws came into play, our occupancy in Airoli was at that time 76%. Now, that has grown to 84%. So we have directly seen that benefiting us. So 76% has become approximately 84%.

Parvez: Sure. Last question, what would be our occupancy across SEZ and non-SEZ space now?

Ramesh Nair: So our total vacant space currently is 2.1 million square feet. SEZ vacancy in this is 8 lakh square feet. Non-SEZ vacant area is 1.3 million square feet. Our non-SEZ occupancy is at 91.7% and our SEZ occupancy is at 94.4%. One good thing which we kind of mastered was the demarcation approval process where we have already demarcated 2.2 million square feet. The government has been highly supportive. Today, all the paperwork is done in less than 2-3 months and out of these 2.2 million square feet of demarcated spaces, we have already leased 1.2 million square feet. So it is working in our favor.

Parvez: Sure. Great. Thanks for your answers and all the best.

Ramesh Nair: Thanks, Parvez.

Moderator: Thank you. The next question is from the line of Anirudh Jain, who is an Individual Investor. Please go ahead.

Anirudh Jain: Hi, my question is for Preeti. So one, would you be able to share some sensitivity in terms of maybe how 25-50 bps fall or rise in interest rate affixed net asset value? And secondly, is there any guidance on the tax-exempt portion of the distribution, is that likely to increase going forward? Thank you so much.

Preeti Chheda: So let me take your first one, interest rate on valuation. I think that is a view which the valuer has to take in terms of what impact would it have on WACC and cap rates, because I think of course, interest rate is a guiding factor for WACC, but I think cap rate besides your interest is also driven by demand supply dynamics in the market. So in the past also, we have seen that it is not necessary that the cap rates actually behave the same way or in the same direction as interest rates. So it is difficult to talk about that. But I would at least say that all these should positively help the GAV NAV of these portfolios if you are getting into an interest reduction cycle. So that is on the first question. On the second question, sorry, what was your second question?

Anirudh Jain: Yes. Is there any guidance of whether the tax exempt portion of the distribution, which is the amortization of debt and dividend, is that likely to increase going forward?

Preeti Chheda: So I would say, today we are about 55%-60% dividend. Another 5% or 10% interest on the balance is by way of return of capital. I think we will broadly be within this composition level ever since we moved to the new NDCF framework. So I would think that will broadly be around these percentages for each category.

Anirudh Jain: Thank you so much.

Preeti Chheda: Alright, thank you.

Moderator: Thank you. The next question is from the line of Tanveer who is an Individual Investor. Please go ahead.

Tanveer: Yes. Hi. Thank you. So Preeti, I just wanted to check that we have an NOI growth in the higher single digits and DPU growth in double digits. So is this trend something that is there to stay in the upcoming financial year?

Preeti Chheda: Yes. Hi. So this quarter in specific, as I said, we had a one-off tax refund which I spoke about a while back. Now, obviously because that is a one-off, we don't see that repeating in the next year. But I would say that the NOI growth also should remain healthy in the next year especially with the increasing occupancies as well as the rentals. So if you look at the rentals across our market and especially Hyderabad, you have seen a significant upward movement in the rentals. You are already talking of rentals between 90 and 100 already, so that is going to help because that much NOI impact it does leave behind. So that is going to be one positive and therefore you should see healthy NOI growth and that growth, as I said should be translating to your DPU growth also.

Tanveer: So can NOI and DPU show double digit growth moving forward?

Preeti Chheda: I can't put a number to it. All I can say that it should be healthy.

Tanveer: Thank you so much.

Preeti Chheda: Thank you. Thank you everyone.

Ramesh Nair: Thank you.

Moderator: Thank you. On behalf of Mindspace Business Parks REIT that concludes this conference. Thank you for joining us and you may now disconnect your lines.