"Chennai Assets Acquisition Update By Mindspace Business Parks REIT"

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

Moderator: Ladies and gentlemen, good day and welcome to Chennai Assets Acquisition Update by Mindspace Business Parks REIT. Please note 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. Please note that this conference is being recorded. With that, I hand over the call to Mr. Shravan Kailasa from Mindspace Business Parks REIT. Thank you and over to you.

Shravan Kailasa: Good evening everyone and thank you for joining us on this call to discuss the acquisition of the two assets in Chennai's Pallavaram-Thoraipakkam Road PTR corridor. We may wish to refer to the presentation and press release that has been uploaded in the investor relations section of our website. 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 performance 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. Joining the call today are Ramesh Nair, our CEO and MD, Preeti Chheda, our CFO and Govardhan Gedela, our Head - Corporate Finance. Ramesh will run you through the details of the acquisitions, after which we will open the floor to the questions. Over to you Ramesh.

Ramesh Nair: Thank you Shravan. Good evening everyone and thank you for joining us on this call today. We are very pleased to announce the addition of two high-quality institutional grade assets in Chennai to our portfolio. The acquisitions comprise of International Tech Park Chennai, Radial Road, a trophy asset developed by CapitaLand and second, the Commerzone Pallikaranai, a WELL and IGBC Platinum Certified Campus developed by K Raheja Corp. Together, these two assets add a combined footprint of 5.2 million square feet, taking our portfolio in Chennai to 6.3 million square feet, making Mindspace REIT one of the largest institutional office owners in Chennai. Both the assets are located along the Pallavaram-Thoraipakkam corridor, which is amongst the fastest growing office markets in Chennai. The simultaneous acquisition of two marquee campuses of 2.6 million square feet each creates a unique opportunity to drive synergies along the PTR corridor.

Further, the two assets have enabled us to meaningfully scale our presence in the city. With this, the contribution of the overall portfolio, Chennai's contribution grows from 3% to 14% in terms of area. This not only strengthens our presence in a high-growth market but also enhances geographic diversification in the portfolio. Chennai's office market is currently operating at an exceptionally tight vacancy of just 7%, the lowest amongst all major metros in the country. This supply-constrained environment gives us a strong leasing and pricing advantage. We have consciously planned a dual-asset strategy to unlock value through two large office properties located just 10 minutes from each other, roughly 4km from each other.

We had originally planned to announce both these acquisitions together before the end of March, but the timeline for the second acquisition extended marginally, leading to the announcement yesterday evening. The combined acquisition consideration for both the assets is Rs.5540 crores, Rs.3000 crores for ITPC and Rs.2540 crores for Commerzone Pallikaranai. The acquisitions are being funded through a prudent mix of debt and equity, including a preferential ratio of units to the sponsor. For ITPC, we are pleased to partner with 360 ONE, India's leading wealth and asset manager. Under this structure, Mindspace REIT will acquire a majority 51% stake and the remaining 49% will be held by 360 ONE. This is an all-cash deal and our investment will be funded through debt. For Commerzone Pallikaranai, we have issued units of up to Rs.675 crores to the sponsor at a price of approximately Rs.485 per unit. The preferential issue is subject to unitholder approval. Together, these assets enhance our ability to offer occupiers flexibility for expansion or consolidation within the same corridor, a factor that is increasingly important for large global tenants. Over time, this clustering of GCCs and their talent pools will drive higher tenant stickiness and rental upside.

Building on our track record, Commerzone Pallikaranai is our fifth acquisition from the strong sponsor pipeline, while ITPC marks our second sizable third-party acquisition within the last 12 months. With a combined GAV of nearly Rs.5500 crores, these are the largest acquisitions in our journey till date. With these acquisitions, we have added about Rs.9.1 million to the portfolio, translating to Rs.10,600 crores of incremental GAV. This is a great reflection of how we consistently grow our portfolio in a disciplined and value-accretive manner. Just as importantly, acquisitions remain well-diversified across all the four cities where we operate, we have done acquisitions in Mumbai, Hyderabad, Pune, and Chennai. Our sponsor pipeline continues to provide visibility for future growth, while we remain equally well-positioned to evaluate third-party opportunities.

Let me now walk you through the assets starting with ITPC on Radial Road. ITPC is a 2.6 million square feet, low-carbon, trophy office campus developed by CapitaLand Singapore. It is a brand-new institutional quality low-rise campus, with best-in-class design, and best-in-class sustainability credentials. The asset is anchored by global capability centres of some of the largest corporations globally. One of the world's largest retailers has a GCC, along with marquee multi-national tenants. Interestingly, 97% of the area has been let to Blue Chip MNCs. It is home to a large US-based financial services firm, a leading European renewable energy solutions provider amongst others. The property features arguably the best atrium in the country. It has a 10-floor-high central atrium. It has design specs, which are truly front-office material. Both the towers offer large floor plates, providing scalability for large GCCs and Indian companies. This is designed as India's first triple net-zero business park, it is a next-generation sustainable office campus targeting net-zero outcomes across carbon emissions, water usage, and waste.

The asset also holds IGBC Platinum and WELL pre-certification. From a leasing standpoint, Tower 1 is 87% occupied, while Tower 2, which was just completed in September 2025, stands at 28% occupancy. The increased rent in this property is around Rs.72 per square foot per month. With recent deals at Rs.85 per square foot per month along this corridor, we see a clear opportunity to capture demand at these levels for Tower 2. At Rs.3000 crores, this is the largest external acquisitions since our listing and it is expected to deliver NOI growth of 9.5% on a FY2026 pro forma basis, on a 100% consolidated basis. We shall acquire 51% stake in the asset in partnership with 360 ONE, which will hold the remaining 49% stake. We are very pleased to partner with like-minded institutions with strong alignment towards value creation. Post completion of acquisition, we will re-brand the asset as One Radial by Mindspace REIT.

Now let us come to Commerzone Pallikaranai. It is located approximately 10 minutes away from ITPC along the PTR corridor, like I mentioned. Together, ITPC and Commerzone provide meaningful institutional grade supply in the micro-market over the next two years. Commerzone comprises 3 blocks, 1.4 million square feet of completed stock and 1.2 million square feet under construction. Block 2 was completed in 2023, Block 3 was recently completed in November 2025, with Block 1 set to be completed by March 2027. The phased development profile again aligns well with our leasing strategy going forward. Committed occupancy currently stands at 83% for Block 2. Block 3, which was recently completed in November 2025, is already 58% let. We are confident of leasing the balance space in both these blocks over the next 6-9 months. Block 2 is predominantly leased to Shell and accounts for 57% of the lease portion in the caps. This deal also stands out as one of the largest real estate transactions in Chennai in the recent years.

Other marquee occupiers include American Megatrends and big four consulting major amongst others. The in-place rent on this property is 63 per square foot per month. Again, with healthy rental traction in the micro-market, with deals being quoted at 85 per square foot per month there is ample room for mark-to-market scaling. We are acquiring the assets for Rs.2540 Crores at a 3.4% discount with an average of 2 independent valuations. The acquisition is expected to deliver NOI growth of 10.2% on FY2026 pro forma basis. The deal is NAV accretive, delivering an estimated uplift of Rs.2.2 per unit, enhancing overall unit holder value. Further, we have negotiated an income support of Rs.49 Crores with the sellers till rent commences fully for both the buildings, which means both these buildings are generating income for full of FY2027. As a result, the DPU is accretive from year 1.

Now, let us talk a little bit about the location of these assets. The Pallavaram-Thoraipakkam road or PTR is also commonly called as the radial road. It is the widest road of Chennai at 200 feet. The road connects two growth corridors, OMR and GST road, forming a critical east-west connectivity link to the entire city. It offers excellent connectivity to the OMR-IT corridor as well as Chennai international and domestic airports. Both these are located approximately 15-20 minutes away from each other. Metro Corridor 5, which is scheduled for completion next financial year runs through the PTR corridor. The metro is in close proximity to the assets, further enhancing connectivity. Talking about connectivity to social infrastructure, there are a number of hotels like Westin and Four Points in Velachery, airport hotels like Hilton, Trident and Radisson in Guindy, numerous residential properties around the catchment, leading national developers like Shobha, Prestige, TVS, all are developing residential projects around these parks. Also, a lot of expat housing in ECR, senior executive housing in Adyar, Besant Nagar, Thiruvanmiyur, all residential areas also.

Let us talk a little bit about the Chennai market. Chennai is one of the strongest performing, well-diversified markets with a lot of demand coming from technology, BFSI, manufacturing, engineering, R&D and other sectors. It has been a major beneficiary of some of the infra challenges, which Bangalore has been facing. Chennai as a whole has a vacancy of only 7% versus the country average of 15%. One interesting aspect we noticed was Chennai's net absorption has accelerated in the recent years with an average of 5.7 million square feet between 2023 and 2025 versus 2.5 million square feet on an average between 2016 and 2022. This makes Chennai one of the fastest growing markets today in India. Happy to announce that with the acquisition of these assets, we rank in top 2 amongst Chennai's largest office asset holders.

Now let us talk a little bit about the attractiveness of the PTR market. OMR zone 1 is expected to see no new Grade-A institutional supply till 2028. This will definitely create a near-term supply vacuum. This has redirected the OMR 1 occupier demand towards the PTR corridor, which suddenly has started clocking 2 million square feet on net absorption, which was seen in 2025. This is being driven by a maturing ecosystem and availability of high-quality institutional assets of this quality. Over the next two years, the supply of immediately leasable institutional-grade supply at PTR is highly constrained, largely limited to ITPC and Commerzone Pallikaranai, the two assets we just acquired. The other upcoming supply from institutional developers in the area is largely pre-let, tightening availability and highlights the scarcity value of space in ITPC and Commerzone. PTR again offers comparable asset quality while at competitive rentals of Rs.85-90 per square foot versus Rs.120-140 per square foot in OMR zone 1. This creates a clear and sustainable pricing advantage for PTR, particularly for institutional landlords. Rentals along PTR have grown at a CAGR of around 8.6% between 2021 and 2025, making it the fastest appreciating office sub-market in Chennai and one of the fastest in the country.

Let us look at the financial and portfolio impact. The twin acquisitions are being completed at a total gross acquisition price of Rs.5540 Crores, which is at a 2.6% discount to the independent valuation. 51% stake of ITPC at Rs.1530 Crores with the total value of the deal being Rs.3000 Crores, a 2% discount to the independent valuation. The implied NOI yield on this asset is 7.7% on a stabilised basis. In Commerzone Pallikaranai Block 2 and 3, the completed assets have estimated yields of 7.3% and 7.7% respectively. Shell has leased the space in Block 2 during the COVID period and is significantly under-rented compared to today's market rentals. There is an intrinsic value due to embedded mark-to-market potential. Block 1 Shell on completion shall generate an estimated yield of 9.1% on a stabilised basis. Once all the blocks are stabilised, the yield on the mature asset is estimated at 8.3%. On a pro forma basis, both the transactions on a stabilised basis lift the NOI by 15% over to FY2026 number. Portfolio gross asset value moves from Rs.441 billion to Rs.483 billion. Post acquisition, the Mindspace REIT portfolio expands to 44.2 million square feet, one of the largest in the world. Portfolio LTV goes to 30.3% from 25.6% based on GAV of REIT as of September 2025. Please note that this will undergo a change once the GAV is updated by the value as of March 2026.

To conclude, these acquisitions reinforce our conviction in Chennai's high-growth PTR corridor, India's most resilient commercial market with the lowest vacancy among top 6 metro cities. With ITPC and Commerzone Pallikaranai, we become the second-largest player in Chennai with a 6.3 million square feet footprint, growing our Chennai exposure from 3% to 14% of our portfolio. These assets enhance our income quality, offering compelling rental-relating potential and position us to capture the spillover demand from OMR 1 zone. With rising global demand for high-quality, sustainable office space, Mindspace REIT remains uniquely positioned for the future. We look forward to delivering many more milestones together and we stay committed to our mantra of building large workspaces while maximizing unit portfolio value. Thank you all.

Moderator: Thank you so much. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may click on the raise hand icon from the participants tab on your screen. We will wait for a few minutes until the question queue assembles. We will take our first question from Girish Choudhary of Avendus Park. Girish, please unmute your microphone. Please go ahead.

Girish Choudhary: Good evening. Thanks for the opportunity and congratulations on the transactions. So, two large transactions within a span of two weeks is a strong statement of the Chennai market. So, my first question is, across both these assets we see that you have a meaningful vacancy to fill, so where you are committed occupancy in ITPC is around 28% and also in the Commerzone you have a bit of vacancy to fill up, so how should we look at this stabilization from a timelines point of view? What is the pipeline? So, that is my first question.

Ramesh Nair: Great question, Girish. This is something we have been really studying over the last three, four months and that is the reason we decided to buy these two assets. The biggest competitor for Thoraipakkam-Pallavaram Road is the OMR Phase 1. OMR is divided into three zones. The interesting aspect of OMR Phase 1 is there is a Pan India developer today who was quoting 150, willing to do a deal at 130, 135 and this supply is going to come again only around 2028. Secondly, there is another Pan India developer who is quoting 130 in that market, but that is not even off the ground that is going to take something like three years to come into the market. There are two, three other buildings which have touched 110, 120, some very, very nice buildings on OMR Phase 1, but again all these buildings are like 97%, 98% occupied. These are older parks but getting that kind of rental. So, when we really looked at in a market like Chennai, which is already seeing a five-and-a-half, six million square feet annual net demand, which is expected to grow and you look at other competing corridors like the Madhapur Mindspace, where vacancy levels are 1%. We feel Chennai PTR would not only see spillover demand from OMR 1, existing demand, like I said, two-and-a-half million square feet of demand just last year in the market, plus spillover coming from markets like Hyderabad. What we have seen with companies is, when companies decide to grow, they have to grow. Just because a corridor or a city does not offer space they are not going to stop growing. They will go to the city; they will go to the micro market where there is space available. So, a lot of time was spent studying Girish, every single building in this micro market, we looked at what is the institutional supply. All of you know that all the IPCs typically would recommend only institutional supply to the landlords, we studied all that. There is some supply coming of 3 lakh, 4 lakh, 2 lakh kind of supply coming in this corridor, but meaningfully they would not compete with institutional grade supply and the other institutional supply, which is available on this road is more or less done again by a good institutional brief, which again shows that there is a headroom for demand. So, very, very deep analysis we have done. Maybe your question is basically one month of preparation.

Girish Choudhary: Great. In terms of, let us say converting the pipeline so my thing is that we just wanted to assess from now to stabilization phase how should we look at the timelines because you said NOI accretion of 15%, so by when can this be achieved?

Ramesh Nair: The thing is, in Pallikaranai, we have around 4 lakh square feet of ready space, which is vacant and in CapitaLand we have around a million square feet, which is vacant. We are confident this approximately 1.4 million square feet will get these leased definitely in this financial year. Like I said, we just need to capture one-and-a-half million square feet demand from 6 million square feet market with absolutely no institutional supply coming in the next one year. So, the timeline for filling up all these towers of completed buildings is less than a year.

Girish Choudhary: In terms of DPU accretion or let us say how should we see in the very near to medium term because the overall stabilization phase might take 1 to 2 years, so how should we look at DPO in the near to medium term?

Preeti Chheda: I think the way you should look at is, in the next 12 to 18 months, as Ramesh said, we will fill up these spaces. So, there will be a marginal dilution, but in the overall scheme of things on the larger portfolio level I do not think it is of any material consequence and as again Ramesh said, in 18 months once we fill up these spaces, and obviously it is not generating rent from there, then you should not have any dilution on the DPU, but I think what is critical is that these are assets, which will because you have some bit unlet, one building under construction. So, from an IRR perspective actually would help us beef up both our returns as well as the NOI going forward, so that is how we will look at it. A small yield dilution in the interim period, I do not think will matter. It is going to be very negligible in the overall scheme of things.

Girish Choudhary: Great, that is clear and just one last question on the ITPC structure of 51/49 with 360 ONE, so in terms of you have anything to share on the control over leasing and rent decisions and also anything on the exit because ultimately, they are AIF, so any pre-agreed valuations or how should we look on that?

Preeti Chheda: The entire property management will continue to be with the manager, as is the case with all the other REIT assets, so nothing changes for us everything remains the same. As far as the exit goes, of course, there are mechanisms, they are a fund, they will have a fund life to meet. So, when we reach that point in time, we will have, in fact, we see this as an opportunity for Mindspace REIT to get to 100% when they exit. So, in fact, we look at this as an opportunity more than anything else. Otherwise, the management and everything in terms of the asset is all going to be the same.

Girish Choudhary: Great. Thank you and all the very best.

Moderator: Thank you. We will take our next question from the line of Yashas Gilganchi of BOB Capital Markets Limited. Please go ahead with your question.

Yashas Gilganchi: Hello, team. Congratulations on the acquisitions and thank you for taking my questions. Just want to understand a little bit more and taking up from where Girish left off. Knowing that the two properties that were Content Block 2 and ITPC Tower 2 were delivered in 2025, committed occupancy within these assets at 58% and 28% respectively, is it right to assume that these are speculative acquisitions and further to this, despite the general robust leasing that we are observing across Chennai, the pickup in occupancy in these two properties seems suboptimal. Why do you think that is and what is likely to change in these markets I know you spoke about the constraint supply, but I think if I am not wrong, the constraint supply has existed for the past two, three years?

Ramesh Nair: When we look at acquisitions, obviously, there are multiple risks involved. This is completed assets except one block, which is under construction in Pallikaranai, which is getting ready in the first quarter of next year, calendar quarter. So, from a quality risk point of view it's taken care of. These are touch and feel assets we spend like a month doing due diligence on the structural aspects and everything else in technical regards, really. There is no legal risk to the institutional sellers for both these assets, which means there is no financial risk involved. From a tenancy risk point of view, what you just mentioned, we have been studying the Chennai market over the last three months, when we have kind of been doing due diligence for acquiring these assets. This is a very decent kind of demand. I was just looking at the RFPs in the market. There is a banking RFP at 300,000 square feet. There is an IT services RFP at 250,000 square feet. Another IT services RFP at 350,000 square feet. There are three domestic corporations who have demand between 250k to 400,000 square feet. Another global IT major is looking for 350,000 square feet. A Japanese GCC is looking for 50,000 square feet. An Indian IT services company is looking for 150,000 square feet. So, there is a list of 25 clients who are in the market. Not everyone is going to come to us. Some of them will feel this is a little too expensive, some of them would not like this location, but there are 25 clients, who have a demand of more than 75,000 square feet in the market, who have not closed the deal. So, from that point of view, I think it is definitely not speculative and in our internal workings, in our internal calculations, we have phased absorption, assumptions in our underwriting over 12 to 18 month period. So, there is enough headway.

Yashas Gilganchi: Understood. That is really helpful. So, is it safe to assume that Sycamore Block 1 that is expected to be delivered in late FY2027, there is going to be maybe a higher pre-leasing commitment by the time that the property becomes operational?

Ramesh Nair: Chennai is a market where it is not a very pre-leasing kind of a market like Hyderabad, Bengaluru, Pune, where you see a lot of pre-leasing even one year, two years before completion. In Chennai, typically, you start seeing enquiries around six months before completion, and closures start around three months before completion. That kind of a market, I have been studying that market for the last 25 years, but I think with the established campus, actually, some of our existing tenants have already showed interest, can you give us some space in the third tower so that is definitely not a worry.

Yashas Gilganchi: Understood. Just one last question from me. What are the average lease expiries for tower 1 and 2 in the ITPC asset?

Govardhan Gedela: Exact number is I will just check and tell you, but typically most of the leases are between 10 and 12 years and the standard lease contracts of 5 plus 5 or 3 plus 3. ITPC is around 10 years on an average, with a WALE of 10 years and Pallikaranai, the WALE is approximately 11 years. I just checked that.

Preeti Chheda: Because these are newer assets, the leases have just happened, that is the reason you have longer leases.

Ramesh Nair: Whatever you see is the last one, two years.

Yashas Gilganchi: Understood, I was just trying to get a sense of the mark to market opportunity. Thanks. Thank you team for taking my questions.

Moderator: Thank you. We will take our next question from Karan Khanna of Ambit Capital. Please unmute your microphone.

Karan Khanna: Thanks for the opportunity and congrats Ramesh and team on these acquisitions. There are two questions from my side. Firstly, Ramesh, of the 9.1 million square feet worth of acquisitions since listing, most acquisitions have been closed in the past six months, so can you talk a bit about the overall acquisition landscape a little bit and what has changed in the sense that six months you have seen so many acquisitions, third party and also sponsor acquisition and more importantly going forward how are you looking at the landscape?

Ramesh Nair: Not exactly in the last six months, I would say it has been in the last one and a half, two years and Karan you have seen how the markets have changed suddenly. I was doing an analysis of the last 20 years, office acquisitions, office demand in the country. The first 15 years, the average demand was around 30 million square feet on an annual basis, now that has become 48 million square feet. So, we have seen big changes in the office market, we have seen what was happening on the GCC story over the last few years, I think a lot more products are also coming into the market. During COVID years, obviously, transaction volumes both from a leasing point of view as well as an investment sale point of view had calmed down, so I think it is a good mix of good divestors in the market. Like today, someone like CapitaLand, one of the most well-known institutional names in the country selling an asset. It is also because of capital availability, it is also because our confidence levels in some of these markets have gone up, so it is a good mix. Some of the sponsors, acquisitions, which the sponsors started developing back in 2021-2022, getting leased and coming into the market, so it is a mix of a lot of factors and today you can at least, during COVID time, you could not predict what is going to happen tomorrow, but today you can say that even if the market goes here and there, it will be a 10%-15% drop or a 15%-20% increase. So, I think it is a lot more surety, a lot more predictability, and a lot more of active divestors and acquirers in the market. I think for this asset, there were like 12-13 bidders for the CapitaLand asset, which also shows that there is a lot of interest in Indian office as a global investment story.

Preeti Chheda: Let us go back to what Ramesh said if I may. If you look at each of these acquisitions, which have happened in the last 18 to 24 months, each of them has been done with a strategy in mind. For example, the Mumbai assets have been about CBD front office assets, so that increases our CBD footprint in the key financial capital of India. If you look at our Hyderabad acquisition, while we did one in Madhapur, one of the most sought-after market, and the other one was in Financial District and that was an actual value buy which we did at a very good price. So, that was a strategy behind acquiring the Hyderabad assets, which already Ramesh has spoken about. So, all these acquisitions that we have done across different geographies have been done keeping an investment philosophy in mind.

Ramesh Nair: Now, also two-three other points, Karan is, we have also done not just core, we have done core plus, we have done value-added, like in Chennai now, the last stop, that is a good example of value-add. The Hyderabad, the Q-city acquisition, that is again a core plus, where there is a value-add plus a core plus, where there is an opportunity for an upgrade, there is an alternate usage potential. So, looking at all that, and also from some of the landlords, which we have picked up within our parks, landlords not kind of wanting to hold on to the assets in our park, giving it to us. So, it is a good mix of both organic and inorganic acquisition and the thing which I mentioned in my speech, which Preeti also spoke about now, is we have done acquisitions in all cities, it is not just one city or one corridor. So, where the cities where we have our assets, we are getting stronger and stronger. Chennai was the only city where we were not as strong as compared to the other three cities, but with these acquisitions, like I mentioned, we become amongst the top two owners of office assets of the city.

Karan Khanna: Sure, this is helpful. Ramesh, just to follow up on this, given that now with these acquisitions, your loan-to-value is nearing 30%, which historically has been the upper end of the cap that you have been comfortable with. Going forward, going into FY2027, how are you now thinking about growth, will it continue to be a mix of organic and inorganic acquisitions, or will leasing up the entire vacant area across your portfolio assets, will that also be a revenue driver going into FY2027?

Preeti Chheda: Yes, so let me answer that. You are right. For now, it is going to be 30%, but I think we need to bear in mind that our existing portfolio as well as this portfolio, the values of these portfolios are also increasing as you are leasing them up, you are leasing them at higher rents, you are doing more and more organic growth within the portfolio, whether it be your redevelopments, whether you are doing newer buildings, or you are completing the existing building. So, as each of these enhance the value of the portfolio, while the 30% is a number which you see today, but as the value of the portfolio grows, this is not going to be the stable static 30 number which you see, so that is number one. Second, I do think this is going to come in the way of our growth, where we are very clear, when we have the right opportunity to grow, capital is not something which is going to constrain our growth. Third, yes, 30, 35 is what we have always indicated, so at an appropriate time if we feel that there are more growth opportunities coming, we will be open to coming and raising capital. So, we are not in any rush to raise capital, but if there are opportunities in FY2027 for us to further enhance to do the right kind of acquisitions, then we will come back to the market and raise more capital.

Karan Khanna: My last question specifically on the ITPC acquisition, if I look at slide number 14, this is your assessment, by when do you expect PTR to bridge the rental gap versus OMR? So, OMR is currently at 130-140, by when do you estimate that number for PTR as well?

Ramesh Nair: I do not think it will go to the 130-140 number anytime soon, but that is the opportunity for us, because the gap between 85 and 130, it takes time. I remember doing a deal in that 130 rupee market at 21 rupees rent and 10 years back, clients were trying to pay 21. So, some of these things, like in Hyderabad, we were just checking, 13 months back in Hyderabad, our rentals, we were doing deals at 77, today exactly in the same market we are doing deals at 105-110, so there can be big jumps and shifts like this, but it is not going to touch 130, but that is the potential we have now.

Karan Khanna: Great. Thank you, Ramesh and Preeti, and all the best.

Moderator: Thank you so much. We will take our next question from Pritesh Sheth of Axis Capital. Pritesh, please unmute your microphone.

Pritesh Sheth: Thanks for the opportunity and congrats on the two acquisitions. Firstly, on the DPU accretion, given that we have income support for Pallikaranai acquisition, that does not seem to have a DPU dilution and probably ITPC will still have a dilution for a temporary or near-term period until those assets are stabilized is that understanding right?

Preeti Chheda: Yes, that is more or less correct, Pritesh.

Pritesh Sheth: Sure and in terms of the 240 Crores of steady stabilized NOI for ITPC, what is the valuer's assumption in terms of by what time we will be there and what is our internal assessment about reaching that 240 Crores NOI in terms of timelines?

Govardhan Gedela: In terms of the absorption, like Ramesh spoke of, between the two parks, there is about one-and-a half million to fill and we are looking at about 12 to 15 months to 12 to 18 months rather to fill this space. So I think closer towards maybe Q2 of FY2028 is when you will see ITPC generating rent fully from that property and you will see this 240 Crores number.

Pritesh Sheth: Sure. Got it and in terms of completion timelines of both these acquisitions, when would it be and how would the accounting for ITPC work, will we consolidate line by line and then exclude the minority share, post the NDCF or how should we think about it?

Preeti Chheda: On your first part of the question, we are hoping in the next three to four weeks we should close both the transactions and as far as accounting goes, yes, it will be a line by line consolidation because the control is with us and yes, so that is how it is going.

Pritesh Sheth: Sure. Got it and just lastly, on the balance leasing as per our assumption, are we taking into consideration 85 as the rentals or we are lower or we are building in growth on those rentals when we are assuming steady state NOI and the yield on that?

Ramesh Nair: Typically, Pritesh, how the leasing market works is you do a couple of deals at let us say 85, 87 and then you slowly keep pushing up the rentals for every other deal, but sometimes a large client with 5 lakh sf requirement where the client will come and say, okay, I will take it, but 85. So there is an opportunity to easily take these rentals up. Like I said, all these deals we are talking to, all of those 25 deals which are there in the market currently, not everything is going to come to us, but a clear message is going to all of them that the rentals right now they sign are going to be more than 85.

Pritesh Sheth: Got it. Fair enough. Those are my questions. Thank you and all the best.

Moderator: Thank you. We will take our next question from the line of Parvez Qazi of Nuvama Group. Please go ahead.

Parvez Qazi: Thanks for taking my question. In terms of both these acquisitions, there will obviously be incremental debt that we will need to take in terms of the cost of debt, etc., what are our expectations? Has there been any hardening of rates, etc., over the last three to six months, particularly in light of the recent geopolitical issues? Thank you.

Preeti Chheda: As far as Commerzone Pallikaranai, we do not need anything because that is happening through swap. As far as ITPC we will be doing debt funding. You are right that because of the war the yields have gone up. What we intend to do is at least go for short term funding because we do not want to lock ourselves at these rates for the long term, so we will do a short-term funding for the time being to fund the acquisition and once markets stabilize and we see that the rates are right for us to lock in for a longer period that is when we will move from short term to long term.

Parvez Qazi: Thanks and all the best.

Moderator: Thank you. We will take our next question from Kunal Lakhan of CLSA. Kunal, please unmute.

Kunal Lakhan: Thanks for taking my question. Just firstly on ITPC, the Tower B, the average lease is about 75. Can you give us some colour on the last lease that was signed in terms of when was it signed and what rent it was signed at?

Ramesh Nair: We have already signed a lease at 85.

Kunal Lakhan: This is the last few months?

Ramesh Nair: The last 45 days.

Kunal Lakhan: Perfect and my second question is actually a follow up of the earlier question. In terms of debt financing, if you can give some colour on what is the current interest cost on ITPC, 1000 Crores debt that they have currently?

Govardhan Gedela: The current cost on ITPC is around 7.8%, so the one tower fully let is at an LRD rate of 7.4%, the other tower, since it is not yet fully let, there is room to refinance that loan to a lower rate of 7.4, the prevailing market rates, but it is at 8.4% currently, so there is an opportunity to refinance it as we lease up the second tower.

Kunal Lakhan: But once we are done with the acquisition, do we expect these LRD rates to go below 7.4% or it should remain at these levels?

Preeti Chheda: No, in fact, today if you see your variable cost is much cheaper than your fixed cost. Today, you are actually able to get LRDs at 7.25 or even 7.25. So 7 to 7.25 is where you are seeing the debt. So in fact, today, if you see it is much better to do a variable cost, so that is why I was saying that we may either do a variable cost or we do a short-term funding and then let the market stabilize before we go in and lock in assets for long term.

Kunal Lakhan: So say 12 to 18 months out when you fully lease these assets, one can expect, firstly, your existing debt to be at around 7.25 and then the new fund that you will be raising for the acquisition should be around the same would that be a fair assumption?

Preeti Chheda: I do not know how the fixed cost debt will behave six months, four months from now because it will all depend upon how the geopolitics pan, but I can say that, of late, at least before the war, we have been doing our debt between 7.25, 7.30, which is a fixed cost debt. I do not know how soon can we get to those levels, but I think it will be fair, not for the next three months, but if everything gets back to normal and the war settles, then I think we should go back to where we were before. It may not be in a rush, but at least I see towards the latter half of the next financial year things settle and we should get back to basics. To answer your question I think 7.5 should be a good range for us to work with, give or take.

Kunal Lakhan: Understood and my last question was, Ramesh, in your opening comments, you mentioned that this could be DPU, marginally dilutive in the near term, but it is accretive on the IRR basis. If you can give some colour on what is the IRR expectation or projections that you have done on this acquisition?

Preeti Chheda: If I may just comment. So, any of these acquisitions, whenever we are doing this acquisition, let me actually answer it, not just specific to these assets, but generally the philosophy that we have followed. If the assets are fully completed or leased out or maybe almost closed for us to lease out, then we have ensured that mid-teens is what we are solving for and if we have under construction, then high-teens is what we have been solving for. So, those are the ranges that we solve for, for any of the acquisitions, be it these or any others.

Ramesh Nair: Kunal, sometimes we have been very pleasantly surprised also, like in Hyderabad, the building 8 which is just coming up, we had underwritten rentals of 82 for that building, but the current enquiries and deals, which are happening there at 120. So, then again, the IRR calculation, what we had, I think 14% raised, massively jumped by maybe what, 3-4% extra. So, like Preeti said, when you are looking at these kinds of acquisitions, something around that minimum of 14%, 13.5% is what we look at the minimum level, but then also, like I said, the value-add strategy in Hyderabad maybe picked up at a cap rate of 9.9%. So, there obviously the IRRs are higher, but for core kind of things the market is competitive. You need to look at it differently.

Preeti Chheda: Also if you look at our track record over the last six years, you look at any of the assets in the portfolio. This is what we had taken when we did our IPO and where we are landing up with each of the assets. There is so much of value-add which has happened in every single asset of ours, even from the area in square foot. So, I remember at the time of IPO, we were at 29 million square feet we actually added 6 million organically, which was not even valued at the time of IPO. That is whether through redevelopment or finding potential areas of development within the assets, converting some spaces to experience centers and so on so forth. So, there is constant value-addition which is happening in these portfolios and that goes without saying for even the new acquisitions which we do and that is how we have been creating value even in the existing portfolio and that is how we continue even with the new acquisitions that we do.

Ramesh Nair: So, a lot of upgrades, a lot of investments in making sure on asset management, how do we enhance it? So, how do we increase F&B, changing the lobby? So, a lot of things for the background to create, even for the core product, how do we make it more of a value-add?

Kunal Lakhan: Sure, understood. Just clarifying one thing. So, irrespective of whether the acquisition is based on income support or without income support the IRRs would be in the mid-teens range, minimum.

Preeti Chheda: Yes, that is what we solve for.

Kunal Lakhan: Sure, understood. Thank you. Thank you so much and all the best.

Moderator: Thank you so much. A little reminder for all participants who wish to ask a question, they may click on the raise hand icon from the participant tab on their screen. We have our follow-up question coming in from Girish Choudhary of Avendus Spark. Girish, please go ahead.

Girish Choudhary: Thanks for the follow-up. Just one question. On the income support right now it assumes 100% occupancy and from a timeline point of view, across both the assets it is running for less than 12 months now and within that if I look at Block 3 has 42% vacancies, so what I am trying to understand is that as and when the support rolls off or the transition between the income support to actual occupancy, how confident are you with the NOI trajectory remaining unaffected?

Ramesh Nair: From a market point of view, that is only 3 lakh square. So, 3.5 lakh per square feet which is sometimes that can be done in 1 deal, sometimes it can be done in 4-5 deals. So, it is not too much of a worry there.

Preeti Chheda: Girish, I would say, firstly, broadly, which we cover even if it does not, it will be such a meagre amount of difference that I do not think we are really looking for such a small amount. We try to plug as much as we can, and we are confident it should, but even if it remains, it will be extremely marginal.

Govardhan Gedela: Yes, the support falls off at the end of the financial year. I remember one building in December, the other building in March, I think it is a fairly adequate time for us to fill up the 3.5 lakhs.

Girish Choudhary: Got it. Fair enough. Thank you.

Ramesh Nair: One more thing, Girish, you should remember is because there are 3 buildings, there are multiple size units, which is available, multiple timing, which is available. If someone wants 1 lakh now and 1 lakh next year, we can offer that. So, all those combinations we can offer.

Ramesh Nair: Got it. Thank you.

Moderator: Thank you so much. Ladies and gentlemen, anyone who wishes to ask a question, they may click on the raise hand icon from the participants tab. Thank you so much. As there are no further questions, on behalf of Mindspace Business Parks REIT, that concludes today's conference call. Thank you everyone for joining us and you can now click on the leave icon to exit the meeting. Thank you for your participation.