



“DLF Limited
Q1 FY'26 Earnings Conference Call”
August 05, 2025



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Moderator:

Ladies and gentlemen, good day and welcome to DLF Limited's Q1 FY'26 earnings conference call. Today, we have with us on the call Mr. Ashok Tyagi, Managing Director, Mr. Sriram Khattar, Vice Chairman and Managing Director, Rental Business, Mr. Aakash Ohri, Joint Managing Director and Chief Business Officer and Mr. Badal Bagri, Group CFO, DLF Limited.

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 the 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. Badal Bagri. Thank you, and over to you, sir.

Badal Bagri:

Thank you, and welcome to the first quarter earnings call for Financial Year 2025-26. I'll just start with the key highlights before we start our question-and-answer session. Our overall sales booking for the development business stood at INR 11,425 crores, which reflects a year-on-year growth of almost 78%. This was led by another successful launch in our *DLF Privana* ecosystem.

This reaffirms the sustained demand of high-quality products, which are backed by DLF as a brand and also reaffirms the strength of our core market. The embedded margin from the sales made in the first quarter was close to INR 4,500 crores. The overall collections for the quarter were INR 2,794 crores, generating a net cash surplus of over INR 1,100 crores. We reduced our debt by INR 1,364 crores in the current quarter, reflecting strength of our balance sheet.

We'd like to reiterate the key KPIs that we monitor to be net cash generation and gross margin. The gross margin potential for the sales already made stood at almost INR 24,500 crores and for the products launched, including the inventory, is over INR 40,000 crores. The cash potential from this entire product launch over the period of time is over INR 46,000 crores.

We believe that these metrics enable us to be a very strong and distinguished player in the market and speaks of the embedded large potential of the business, which will be reflected in our financials over a period of time. Revenue for the quarter was slightly short of INR 3,000 crores, INR 2,981 crores, with a gross margin of 28%.

We would like to highlight that the gross margin is a reflection of the product mix and with Camellias and the DC floors going down, have led to a lower number. Operationally, our embedded margin stands to be very healthy, which is reflected in the future potential, which has been talked about, and this will get reflected in our reported financials as and when the new age projects starts to come into fruition. Overall EBITDA stood at INR 628 crores and PAT at INR 766 crores, reflecting a year-over-year growth of 19%.

On our annuity side, we have an operating portfolio of 46 million square feet with industry standard on occupancy of 94%, Downtown Chennai received OC in the current quarter and it is already leased over 99%. We also received the OC for Midtown Plaza, which also we have an

over 80% pre-leased. Atrium OC is expected in the current quarter. The reported rental for the current quarter for DCCDL grew at almost 15% year-on-year and almost 12% sequentially. PAT had a very, very healthy robust growth year-on-year, reflecting at 26%.

With this, I'll open for question and answers.

Moderator:

Thank you very much. We'll now begin the question and answer session. Anyone who wishes to ask a question on the audio bridge, may press '*' and '1' on their touchtone telephone. If you wish to remove yourself from the question queue, you may press '*' and '2'.

Participants on the webcast can click on the Ask a Question tab on the webcast screen and follow the instructions and join the Zoom meet and click on the Raise Hand icon in the bottom of the Zoom window.

First question is from the line of Akash Gupta. Kindly introduce yourself and your firm name and proceed with your question.

Akash Gupta:

Hi sir. This is Akash, from Nomura. Congratulations on the great sales performance for both Privana and the Bombay project. Sir, my first question is on your launch pipeline. What's your thought on the launch pipeline for the Goa project?

Second, when are we bringing the next phase of Dahlias? And what would be the size of that project? And when are we bringing the Phase 2 for the Bombay project? That's my first question. The second question is with respect to your collections. Collections for this quarter were slightly on the flattish side. So what's your thought on that? Thank you so much sir.

Aakash Ohri:

Thank you. So Goa, as you've seen are -- when we mentioned and talked about Bombay, Goa, as and when the approvals come by, we will get down to Goa, which we're hoping they come by in the near future. So Goa, we'll work on that.

With regard to the next phase of Mumbai, we've just about come out of the first phase. In fact, I was complaining right now that Mr. Tyagi has not even congratulated me. So at least let me take a breather here.

So but Mumbai, we're excited. I think that we changed the discourse there and very grateful for the support we got in Mumbai. You all are aware that we did what we did in record time, and we were oversubscribed in our whole in the entire process. So hopefully, I think even if we postpone and do whatever, the next phase will take until next year, so because of the SRA regulations, as you are aware. But Mumbai has given us great belief and things. So we will come to Mumbai as soon as we get all our approvals. That's for the second phase.

Dahlias, the main launch in Dahlias is sometime in March, April, the main launch, with the experience center and everything. But that doesn't stop us from doing -- we are still in demand. We are taking this call. We had completely got out of the market. But I guess you know there are a lot of friends and family references that are coming for Dahlias. And I think our approach

will be to kind of meet them and take this forward for Dahlias as well. So I think as far as sales is concerned, this is what how we're going to be approaching quarters, let's say, 3 and 4.

And as far as the collections are concerned, be rest assured, there was some delays in construction, and therefore I mean, because of actually weather conditions and all that. So some demands couldn't go out.

But let me just tell you, most of these demands or the monies are in the tune of almost about 80% to 90% received. So maybe just about 10-odd percent demands, which got withheld because of certain conditions, which are going in or are in the process of being sent right now. So that will then take care of that particular thing also.

Akash Gupta: Got it, sir. And sir, my next question is on the DCCDL part. DCCDL rental income was up by 15% in the quarter. I just wanted to know your thoughts what drove the DCCDL's rental income growth this quarter?

Sriram Khattar: So the rental income growth, if you please allow me to explain to you on an annual basis, that will probably be a little easier. See, from the existing portfolio, the rental growth is between 7% to 8%, 8.5% or so. But we have put in a framework in place, where we want the growth to be in the mid-teens year after year. And for that, the balance growth from 7%, 8% to the mid-teens comes from the new assets that come into play. And the total growth will be, if you look at year-to-year, of about 15-odd percent.

There will obviously be variances from quarter-to-quarter depending on which assets got completed and where the rentals commenced in a particular quarter. So this quarter, we had the benefit of, last quarter we had the occupancy certificate of Downtown 4 Gurgaon. And this quarter, we had the occupancy for Downtown 3 Chennai. But the rentals for both these will commence sometime from September - October.

Akash Gupta: I see. Got it sir. Thankyou so much and best of luck.

Ashok Tyagi: Thank you.

Moderator: Thank you. Next question is from the line of Puneet. Kindly provide your company name and proceed further with your question.

Puneet: Hi this is Puneet, from HSBC. My first question is with respect to the income recognition. Can you talk about what all projects were recognized in this quarter?

Badal Bagri: Yes, Puneet, the OMT project in Delhi and the Garden City Enclave in near Gurgaon, they were the two main projects, which we recognized in the current year.

Puneet: And so primarily, the OMT is responsible for lower margin. Is that how one should look at it?

Badal Bagri: Yes, yes.

- Puneet:** Okay and secondly, if I look at the consolidated sales number for ONE Midtown, it seems to be a negative number. Is there a cancellation here?
- Aakash Ohri:** See, ONE Midtown, what happens it's not cancellation. But what has happened in ONE Midtown is that people have upgraded from 2 bedrooms to 3 bedrooms and 3 bedrooms to 4 bedrooms. So that is the variance right now that you see is because of that.
- So what you do is generally when, let's say, couple of people, not couple, a lot of people had taken 2 apartments, and they have now upgraded to 1 large apartment. So the other one has come back to us, but that will be sold at the present premium, whereas at that point in time, these were 3 to 4, about almost 3 years back. So we've got a very healthy margin in each one of these. So they're not cancelled. They're upgrades.
- Puneet:** Because when you look at the cumulative gross sales last quarter, it was INR 4,112 crores. This quarter, it is INR 3,980 crores. So negative INR 132 crores. So that's what I'm wondering.
- Aakash Ohri:** So what happens here is that because people had upgraded, we've given them the option, so area to area, they have the same value. It's only the additional area that they paid for, and this has been our practice since the Camellias times and all. So there's nothing...
- Ashok Tyagi:** So Puneet, I mean just to refurbish what Aakash is saying, people upgraded from -- they have taken 2, 3 bedrooms. They upgrade to, say, a 4-bedroom and in the process releasing. So I think about 25-odd apartments have gotten released. This is reflecting in the negative sales in this quarter in OMT. And this, I'm sure with the demand should be more or less done in the hopefully, the following quarter, if not latest, in the next quarters.
- Puneet:** Okay. Fair enough. And second, on the construction run rate. While you did talk about environmental-related issues, weather-related issues, what is the level of construction spend one should pencil it for DLF residential business?
- Badal Bagri:** So Puneet, we had almost INR 740 crores to INR 750-odd crores spend, which was almost same or slightly higher than what we possibly spend in the last quarter, which is always the peak. I think you can safely assume a number, which is this slightly going up over the next 2-3 quarters or so.
- Puneet:** Okay. And collections should primarily follow with those construction spends?
- Badal Bagri:** That's correct.
- Puneet:** Okay. And lastly, there is also some bit of Vivad Se Vishwas recognition. Is there more to go? Or is it just for....
- Ashok Tyagi:** No. It was the same one that was declared in the Q4 of last year. One particular form, by the time it was delivered to us, it was the first week of April. So it was actually the money was paid in the first week of April, even though all our applications have been done, I think,

in January or whenever they were done. So it is the same family of Vivad Se Vishwas, which we have disclosed last quarter. Cash flow-wise, one cash flow overflow into the April.

Puneet: Understood. And lastly, on just DCCDL. When I look at cash flow statement, the finance cost has gone up while your net debt has gone down on a Q-on-Q basis.

Sriram Khattar: So I think it's got to do with the capitalization of assets. So since Downtown 4 Gurgaon and Downtown 3 Chennai got capitalized one in March and one in April or early May, the interest then goes to the debit. But if you observe, one second, please, you please observe our net debt levels have gone down.

Puneet: Yes. So I could see no material change in the finance cost as per P&L, but an increase in finance cost as per cash flows.

Sriram Khattar: Absolutely. And not only that, I must say that last quarter, we were graded AAA by ICRA. And if you may recall, we have already graded AAA by CRISIL. And we were able to bring down our borrowing cost on the portfolio, which at an exit level is at 7.7% now. And we plan to continuously keep improving upon it.

Puneet: Okay, That's helpful. Thank you so much and all the best.

Moderator: Thank you. Participants may click on the Raise Hand icon to ask a question. Next question is from the line of Praveen Choudhary. Kindly provide your company name and proceed with your question.

Praveen Choudhary: Thank you. My name is Praveen Choudhary, from Morgan Stanley. Hello Tyagi ji, Khattar ji, Aakash ji and Badal ji. Congratulations on great quarter for presales of Privana as well as Mumbai launch and also a big growth of 26% in the rental business profit. So a very good quarter. I have the same question that I always ask, which is what's the use of so much cash that you are generating? So if Badal can provide us in the next 3 years, how much cash are we expecting from DP business? And then if anyone else can tell us where will we use this cash? Because my calculation of dividend growth is not enough to use all the cash. So that's the first question.

And I had a second question on Mumbai project. The fact that it has been very successful and, obviously, we will do Phase 2 as well. When should I expect or investors expect you to announce another project in Mumbai, if ever? Thank you so much.

Badal Bagri: Hi Praveen, if you look at, I think our overall cash balance is around circa INR 10,500 crores, of which almost INR 8,000 crores is sitting in the RERA account, which cannot be taken out, per se, and it's not free for use. INR 2,500 crores is sitting as cash balance right now, where there is a significant order of dividend payout, which is going to happen in the month of August itself.

So while technically at this particular time, I don't think so we have significant surplus cash. But yes, the way the projects have been kind of envisaged and the way it's planned, over a period of

time, yes, the company is going to generate a fair amount of cash. But you'll have to appreciate that a significant amount of that portion will always be locked into the RERA account until the time this is completed.

So I think for the next 1-1.5 years or so, it may be premature for us to kind of think of extreme surplus cash available for any other alternate use as an organization, while as an embedded margin, the cash will be available to us as and when the project is going to get consumed.

Secondly, on the dividend, I feel that we have a very positive trajectory over the last five years. We have continuously increased the dividend. And as and when more cash is available, this trajectory may change. So I would say that the next 1-1.5 years or so, we'll have clear position on the excess cash available, which is available for alternate use. And I think we should be kind of at that particular point in time.

Ashok Tyagi:

Praveen, really, it will only be, I'd say, about 24 months from now when Arbour sort of hopefully hits completion, that this entire cycle of the inflated RERA balances will start significantly moderating. And that's where the book cash will actually become sort of actual usable cash. And that's where, frankly -- so we'll have like about 24 months to figure out what to truly do with the real big quantum of cash that could be available from then on in that sense. And obviously, the dividend will keep on increasing.

Secondly, obviously, as you know, dividend is a function of two things. One is the cash available and B, obviously, is the DevCo profit recognition, frankly. And I'd say for the next 18-24 months, till the new generation of high-rise projects hits the revenue recognition mode. The growth in dividend will be there. I think it's been a very impressive growth, and it will continue at a very good pace. But possibly 2 years later, I think these paradigms could shift significantly.

Praveen Choudhary:

There was a question on Mumbai project.

Ashok Tyagi:

Okay. So Mumbai, look, the Phase 1 is done. For the Phase 2, we are commencing the slum rehab construction now. And I think hopefully in the next 12-odd months, we should have the approval level for the next phase of 1.2-odd million square feet to be made available to, Aakash. And so this will keep on chugging along at the rate, hopefully, of a million-odd square feet every 15 months or so. This is our projection.

We are -- to your second question that, would there be a second project in Mumbai? And if ever, I think I mean, clearly, we are open to a second project in Mumbai. We just have to figure out the right project and everything. As we have mentioned in the last many quarters, this was our first tentative return to Mumbai, and I think touch wood, the Phase 1 has gone off very well.

So I think it clearly gives us more confidence. I think hopefully, in the next 12 to 18 months, we should get even better confidence of Mumbai. We also settled our one old dispute that we had in Mumbai. So I think clearly, hopefully, Mumbai, the geography, should grow, but just be slightly patient with that.

- Praveen Choudhary:** Thank you very much and Congratulations again.
- Ashok Tyagi :** Thank you.
- Aakash Ohri:** Thank you.
- Moderator:** Thank you. Next question is from the line of Kunal. Kindly provide your company name and proceed with your question. Kunal requesting you to unmute your line and proceed with your question. Due to no response, we move on the next participant. Next question is from the line of Pritesh Sheth from Axis Capital. Please go ahead.
- Pritesh Sheth:** Yes. So thanks and congratulations for the great quarter. First question, in terms of launch plans, any changes for our project launch planned in DLF City that is probably Hamilton Phase 2, IREO or all of these projects would largely be FY '27. That's my first question.
- Aakash Ohri:** Yes. So right now we are working towards whatever guidance we've given you on. I think we're first working towards that. Launches take, as you know, in DLF, there's a lot of planning, especially on product. And I think that is what takes time. So I don't think we'd like to compromise or circumvent that procedure.
- As far as the projects that you mentioned, they are slated for FY '27. And I think we will stick to that unless something changes or things are done. But as per plan, right now, we've got whatever we have committed and Dahlias itself is, as you know, INR 40,000 crore turnover. So a lot of work and effort, and I think time is going into that. And of course, whatever I said that we've done, we've committed, we'll be finishing that for this year.
- Pritesh Sheth:** Sure. And Aakash, congrats for a great response on the Mumbai launch. If you can highlight on the demand, which facets of the geography segment this demand came from? And how do you see this spanning out for the second on future phases? Any change in mix from what we saw in the first phase to second phase you envisage for our Mumbai launch?
- Aakash Ohri:** Thanks, Pritesh. So yes, Mumbai, I think business came from all over. In fact, I was told that Mumbai doesn't even shift PIN codes, but we have business in South, we have business from all over. We had a massive, massive broker support in Mumbai, who kind of got in business from everywhere. The DLF brand prevailed.
- The product itself. I've done an analyst meeting there at site. So most of you have come there. You know how good the product is. You know 50,000 square feet is just the clubhouse. And DLF's track record of service and hospitality, most of the customers are thrilled to have a facility like this.
- So I think what prevailed there was definitely a very solid futuristic product, very thought after. People love the balconies. People loved every attribute of what we had to present there. So that was very heartening to see. I was also told that Mumbai takes time in selling, and it's flow wise and everything else.

So that confidence that the public at large and the customers really gave us a lot of strength. Our centers, almost literally, I mean, used to pack up late night and get back there early in the morning to get everything going. So great response in Mumbai.

With regard to how I mean, the other demographics are all CXOs, COOs, entrepreneurs. We've got 20% of our business has come from NRIs, which our regular trend in any of our launches that you may be tracking and seeing. And these are the Mumbai NRIs we're talking about. Also, some of the other brokers all across the country contributed, but they brought in people from Mumbai and around. So I think the Maharashtra business prevailed, so it was in 80:20. And that's where we work, Pritesh.

Pritesh Sheth:

Got it. Got it. And just one question for Sriram sir, on the SEZ occupancy, which is 87%, I think big opportunity for us to improve this going ahead and have a scale up in terms of our rental portfolio. So how we expect the trajectory to be in terms of the SEZ occupancy?

Sriram Khattar:

Okay. So let me first put the opportunity in perspective. You would have seen that we have an overall vacancy of about 6% in volume terms. But in value terms, the vacancy would contribute only to 4% of total income. So that's one part.

Second part, in an SEZ, as you know that the SEZs are going through a transition at the moment, where the government has announced certain portion of the SEZs to be converted into non-processing areas and then leased out as normal commercial space as per the license allotted to that particular plot.

So we are in the process of doing that. And we believe that this 13-odd percent will slowly come down. But I do not think it will come down in the next quarter or 2. It will take a few quarters for it to come down. The process itself with the government, where you have to get the approval from the unit area commissioner going right up to the Board of approvals and Ministry of Commerce is a 4 to 5 months affair.

Having said that, we have seen one more trend that the non-processing areas, which are converted in North India, seem to be getting a better rentals from compared to the SEZ areas. But in the southern SEZs, we are not seeing that. The rentals typically remain the same for SEZ and non-SEZ areas.

Pritesh Sheth:

Got it. That's helpful and answer my questions. Thank you and all the best.

Moderator:

Thank you very much. Next question is from line of Abhinav Sinha from Jefferies India. Please go ahead.

Abhinav Sinha:

Congrats to the team on a strong set of numbers. Sriram, sir, just a follow-up. So I understand that straight lining for the Block 4 Gurgaon Downtown would have started last quarter. Did we start for Chennai this quarter? Or it is in Q2?

Sriram Khattar: Yes. So the OC for Downtown 4 Gurgaon came in the month of February and the spaces were handed over to the tenants. I expect the rentals to commence from next month and then right up to November, December when the full 100% rentals will start coming. The OC for Downtown 3 in Chennai came on May 4th.

However, we had worked out with the largest tenant there, which out of 1 million, had taken about 740,000 square feet to start the fit-outs after the Fire NOC came in November. And the good news is that the rental for that 740,000-odd will start from 5th of August, which happens to be today. The balance, 400,000-odd, the fit-outs are going on, and the rental for that should start sometime in November, December.

Abhinav Sinha: Okay. And sir, also for Atrium, how do you look at this ramp up?

Sriram Khattar: So Atrium Place, is nearly fully leased, I think about 150,000 square feet from 3.1 million is left. In fact, the entire amenities and retail area is also now going to be fully leased by the end of this month. We expect the OC for the first three blocks totalling to 2.1 million to come in later part of this month. Three tenants have already started the fit-outs, and the balance will start the fit-outs after that. So as we see today, the rentals will come in sometime in December, January.

Abhinav Sinha: Okay, sir. Thanks. Aakash, a couple of questions on the residential side. So on Dahlias, I understand earlier plan was to open the experience center in third quarter. So is it March, April now? Is there some reason for that? Or we're just taking some time for the product itself?

Aakash Ohri: No, it's too grand a product and the experience center itself is going to be quite an experience. So always, especially when you have foreign consultants, you have equipment coming from all over the world, certain design-related issues keep going back and forth. So that is what it is. But as I mentioned some time back, sales, we are not going to stop sales. Sales, we will continue. We've got, as you know, 50% of Dahlias is sold. And therefore, and with super luxury, it's always a valuation game.

So every sale, and also please understand that in the entire Golf Links complex, we have nothing. If somebody wants to actually now buy, we don't have stock. So retrade is something that we are concentrating on. We're trying to make sure that values are even further strengthened for all our customers, not even the Dahlias, but Aralias, Magnolias, and Camellias. And that's what we're doing, both from the rental point of view and retrade and sale point of view.

So, we are making sure that there's enough support given to our existing customers. And therefore, that will, today if people won't have that time and are okay to wait it out for 4 years, then Dahlias is the option. Otherwise, there is a constant and robust demand for Golf Links in general. So I think that's what it is.

Also, mostly the show and tell is the Camellias, existing Camellias and which is already ready. So no matter what I do in our experience center, the proof in the pudding is in its eating and the kind of endorsement that I have of people who live there and who make good amount of money,

even if they can say they live there, so it's notional money, but still it's great appreciation to their properties and, of course, their experiences that they go through. So that's our biggest support today.

Abhinav Sinha: Right. On the launches for the year, from the premium bucket, can we expect something in FY '26?

Aakash Ohri: Yes, but we've got some of these things that are coming out is more luxury. So I think right now, at this point in time, I think, we'll be concentrating on this and some risk here and there. But I think that is what we'll be concentrating on for the next two quarters.

Abhinav Sinha: Okay, sure. So Tyagi sir, maybe if you can help me with one, I mean, just wanted to understand how you're seeing the movement on approvals for, say, the next set of ONE Midtown. Are things better in Delhi on that front? Or it's still more than a year or two years out?

Ashok Tyagi: So ONE Midtown, I mean, not ONE Midtown, but basically that Midtown Project, the next phase, I think, in all fairness, is a couple of years down the line. So obviously, the approval processes and all have begun. The EWS will be constructed there. But I think by the time it is ready for launch you could be talking of two years. So, I mean, clearly, it should be fiscal 2027-28. I don't think it's going to happen in the fiscal 2026-27, the way things look right now.

Abhinav Sinha: Got it. And it's still the same issues or have they like sort of changed?

Ashok Tyagi: I'm honestly not as prudent into the minutia of the approval policies. But I think obviously, the Delhi, because the quantum of high-rises that come up for approval is far lower than a Gurgaon or a Mumbai or a Chennai. The process is slightly slower than what it is in these more, in these cities where this is almost down to our process.

But I think I don't foresee any fundamental challenge, except the general pace is just a trifle, more complicated or slower in a place like Delhi than it is in Gurgaon or Mumbai. It's also the multiplicity of authorities and all in the way the city is governed. And I think all of those things just add to that challenge.

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

Girish Choudhary: Hi good evening. Congratulations on the successful launches. Firstly, if you could help us understand the embedded gross margins, which if I refer to Slide number 10, this quarter was around 39%. It is lower than FY'25, I understand that, but why this should be lower than fiscal '24? Because we've seen like a meaningful price increase for Privana over, I mean, the last two launches. So I mean that's the first question.

Badal Bagri: Right. So Girish, our embedded margin for the sales done for the quarter is coming at 40%. The margin for our projects, as you would appreciate that when we drop a project model,

there's a fair amount of contingencies and escalations, which are built in the project line itself. And as an organization, we always continue to be slightly on the conservative side. So 40% margin for Privana North is, I would say, still fairly reasonable, okay?

And this is in line with our guidance of almost on a product portfolio perspective, a weighted average margin of 45%. So the INR 4,500 crores over INR 1,100 crores kind of reflects a 40% margin from Privana standpoint.

Ashok Tyagi: And it's the improvement on the margins of the previous two Privanas which are in the 36%-37% range.

Girish Choudhary: Got it. Second, if you can guide us on the...

Moderator: Girish, sorry to interrupt you, can you please, speak through the handset. Sorry, sir, there was a hold music from the Girish's line. We will move on to the next participant. Next question is from the line of Kunal. Kindly introduce your company name and proceed with your question.

Kunal: Yes. Hi this is Kunal, from CLSA. Just on the cash utilization side, right? You did mention that there's a lot of completion coming in the next few years and that will unlock a lot of cash, which is sitting in the RERA accounts. At what level of cash levels would you be compelled or, for that matter, like you would look at deploying that cash into growth capital vis-a-vis like keeping it in banks?

Ashok Tyagi: No, no. So please understand the preferred utilization of free cash is growth or shareholder return, honestly. Obviously, if we have cash more than what those two can absorb, then it goes into earning financial income. And there also, I think over time, as those quantum, we'll have to figure out more efficient uses of improving the financial income. But clearly, there's no threshold as such that on top of that we will begin hunting. Like we purchased, we did one deal last year.

If there are opportunistic transactions that come our way, we'll be more than happy to look at. I mean, in the last two years or so, we did about INR 1,000, INR 1,100-odd crores in that Sector 61 transaction. We have spent a few INR100 crores in the Mumbai investment. So clearly, we continue to invest. In fact, even in the North heightened land acquisitions through the year, I think it's a number which almost puts us INR800 crores to INR1,000 crores through the year, 4 acres here, 3 acres consolidation there, horizon Center, TDR land, all of those things.

So I think we are keeping our machinery busy. But yes, if you're looking at a big bang land acquisition, I think, (a) it will depend on one that is available to our risk appetite and our risk appetite in all fairness might be lower than what some of our competitors may have. And (b) I think obviously, the cash is there even today. I mean, access to cash is the least of our problems right now, frankly. And that given that we have already a land bank of more than 20-odd years, it has to be a very, very tempting opportunity for us to be tempted into it.

Kunal: Sure. Just a follow-up on that, having seen the kind of response that you got in Mumbai and the success that you received. Are you now going to start, will you look at other geographies also besides Mumbai, just to see how the brand is perceived and what kind of response you can get in these new markets?

Ashok Tyagi: I mean, honestly, outside NCR and the Chandigarh Tri-City where we have vast land potential, I think Mumbai is our only location where we are potentially looking to execute and hopefully, over time, invest because it is the country's biggest real estate market. We were not present for such a long time. This is our first very controlled entry experiment. And hopefully, if this clicks, and if this does well for us and for our customers, there could be growth opportunities there.

Aakash Ohri: So Kunal, I'm respectfully, I just want to say that you send us, send me also on a wild goose chase. Now the point is that even the share value has to increase, right? So that's how we go back, when we go back and talk to the management, they say, well, every other parameter has been met, everything has been done, you've got margins. So basically, what happens is, first, I was told Mumbai is tough market.

Three years, we've been talking, press, you guys, everybody told us this. Now that resounding success, the day of the success, actually that morning, the shares dropped by 2%. So I don't know what the parameters or where the motivation lies actually, honestly, so we keep going around circles. But point is that, look, if you are talking about our ability to go to any place in the country and do whatever, and I'm saying this very humbly we have that.

We've got land banks that we have to monetize here and elsewhere. And we will do that in good time. And I think I also recall that conversation in 2018, where we were termed as an elephant and not agile and all. I've been through all those cycles. Now that we are doing whatever we're doing and demonstrating it, I think somewhere down the line, someone in the system is not convinced of what is happening.

So I think one step at a time, but whether it is Gurgaon or Mumbai or Panchkula or Chennai or Bangalore, I can assure you, wherever we go, there's a certain way we operate. There is thankfully a good customer base that continues to have faith in us and support us. And I think right now, what DLF is doing is not on that treadmill. DLF is also being very conscious of two things: one, responsible pricing and second, execution. So I think that's where we are.

And none of this should be misconstrued to be any weakness or our ability to do INR 50,000 crores a year or anything. So this is where we are right now, and this is where we'd like to keep it.

Kunal: Thanks, Aakash. Just reconfirming a few launch time lines. You did say that you'll open Dahlias for sales even during the festive season despite the formal launch in March and April 2026. So that will continue, right, from festive season?

- Aakash Ohri:** Yes, yes. That we will have to continue because, thankfully, as I said, 50% of Dahlias are sold now. I'm under pressure from friends and family. But all that is going to come at an incremental value, I mean, valuation. So that I can assure you that whatever has been done has been done. The new sales or the new, not even, I'd say, if I can call this prelaunch, that was pre-pre-launch, now this is prelaunch, and then there will be launch. So even now, the valuations have kind of gone up in Dahlias.
- Kunal:** Understood. And then on a couple of projects we had lined up even in DLF City, I suppose, in this fiscal. Would that also come in the second half?
- Aakash Ohri:** Yes. No, they were not in this fiscal. They were always in the next fiscal, but there are some very exciting projects that are on the anvil, and you will see them.
- Kunal:** Okay. And lastly, on Goa launch, did you say FY '26 or '27?
- Aakash Ohri:** No. As soon as we get like all these new regions, whether it's Mumbai, Goa, they come with their own complexities and also their approval processes. I think Mumbai took whatever time it took and thankfully, all's well that ends well. But Goa will also it's in the last stages of approval. So I think as soon as that is done, we will be in the market.
- Kunal:** Sure. My last question was to Mr. Khattar ji. Sir, one of your peers recently bought out stake from its partners, which was initiated by its partner in one of the rental platforms. Are you hearing anything from GIC in terms of like potential exits or anything of that sort?
- Sriram Khattar:** In DCCDL?
- Kunal:** Yes, in DCCDL. Yes.
- Sriram Khattar:** So the answer is a very straight no. They have been invested in us from the later part of 2017. It's nearly 8 years now. They are very credible, and they are extremely -- it appears they are very quite happy with the way their investment and the progress that DCCDL is making. And between Ashok and me, we have not heard anything from them in terms of their wanting to exit. However, on the other hand, they are always looking at seeing how they can invest more with us.
- Kunal:** Very clear sir. Thank you.
- Ashok Tyagi:** And again Kunal you are sitting in Mumbai, you should check with them.
- Kunal:** Thanks.
- Moderator:** Thank you very much. Next follow-up question is from the line of Girish Chaudhary from Avendus Spark. Please go ahead.
- Girish Chaudhary:** Yes, thanks for the follow up. A couple of housekeeping questions. Firstly, if you can guide us on the capex budgets, both DLF and DCCDL for FY'26 and FY'27?

- Sriram Khattar:** So I'll probably answer DCCDL and RentCo assets, which are either in DLF, DCCDL or, say, the Atrium Place investment, we will be investing in the ballpark of INR 5,000 crores this year and INR 5,000 crores in FY'26 and FY'27.
- Girish Chaudhary:** Okay. Got it. And in terms of any updates on the exit rentals at DCCDL for fiscal '26.
- Sriram Khattar:** So I think the exit rentals for March '26 for DLF as a whole will be INR 6,700 crores, out of which INR 5,900-odd crores will be DCCDL and the balance INR 750 crores will be between DLF and Atrium Place. See, DLF is now going to get 3 new malls for 1.3 million in Moti Nagar, Summit Plaza in DLF Phase 5 and Goa.
- And it will have the benefit of one data center in Noida and the Atrium Place rentals kicking in. So whilst you will see that the rentals commenced this year, the actual full year benefit will come in FY'26, FY'27.
- Girish Chaudhary:** Got it. That's very clear. Thank you and all the best.
- Moderator:** Thank you. Next question is from the line of Vasudev Ganatra. Kindly release your company name and proceed with your question.
- Vasudev Ganatra:** Yes. Hi, Thank you for the opportunity. I'm Vasudev, from Nuvama and congratulations on the super quarter. So just on the 1.3 million square feet of malls, which you just said, just wanted to know where are we in terms of leasing and completions for these assets?
- Sriram Khattar:** So I'll start with the three malls. The first is what we call a High Street Plaza, which is near the Midtown projects in Moti Nagar. That mall is now 85% leased. It got its OC about 3 months back. The tenant fit-out is commencing within the range. There was a little disruption, but it is commencing now.
- And we expect that by December, the rentals will start. Summit Plaza which is in DLF Phase 5. For that, the OC application is being submitted during the course of this week. It typically takes 60 to 75 days for the OC to come. And the fit-out start around the time of the OC with most players other than some of the anchors. And therefore, we believe that should also start generating the first round of rentals from Q4 FY '26.
- Promenade Goa, which is the biggest out of these three, the construction is delayed by about a quarter primarily because of the slowness in the labor markets in Goa. We expect the mall to be completed by January and the fit-outs to start thereafter. But I was in Goa recently, and I dare say that the design of that mall and the way it is coming up. It will be an excellent example of how a mid-sized mall should be designed and created. And we will surely have the first-mover advantage in Goa.
- Vasudev Ganatra:** Yes, sure, sir. Thank you. And just one number about gross leasing that we did in this quarter?

- Sriram Khattar:** So I don't know. I mean, this year, our target gross leasing is like last year, between 8 to 9 million square feet in offices and between 1 to 1.4 million leasing, 1.5 million in the malls, in the retail space.
- Vasudev Ganatra:** Okay. Sure sir. That's it from my side.
- Moderator:** Thank you. Next question is from the line of Akash Gupta. Kindly provide your company name and proceed with your question.
- Akash Gupta:** Akash here from Nomura. Sir, in FY '25, we did a presale of roughly INR 210 billion. And during the Investor Day, we were thinking that the presales for this year would be also at a similar level. Now the experience center for Dahlias we are bringing in March and April. Do you think there's a risk to this number for FY '26?
- Ashok Tyagi:** No, there is hopefully no risk to this number. I think if you see, we have already done 11.5 in the first quarter. Mumbai has already happened. So I think we will already be sitting at about 14. So I think that this number of 20 to 22 that we had said last time is completely secure. And then I think let's just see how the balance pieces fall into play. But I don't think we have a challenge on this on the sales guidance that we had given you.
- The second piece I'd like to -- which I thought was a part of my closing comment, but I'd put it here also is that, much as it will break your hearts, presales is not a metric that we track. We track margins and cash flows. And presales is a necessary fuel for that. But because we do INR 30,000 or INR 20,000 or INR 18,000 as long as I'm generating the same quantum of embedded margins and the same quantum of current and future cash flows.
- Those are the metrics that we are looking for. And frankly, not just I mean, the INR 12,000 crores presale this year will have the entire Privana piece will have hopefully a healthy sprinkling of Dahlias. We'll have Mumbai. We'll have some of Tri-City Chandigarh. And last year, the presale of 21 had a huge INR 13,000 crores of Dahlias.
- So I think it's what constitutes that presale, which is a number that, frankly, we are focused on versus just the presale number by itself. That's the story from my side, this is the new story.
- Akash Gupta:** Understood sir. Thank you so much.
- Moderator:** Thank you very much. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Ashok Tyagi for closing comments.
- Ashok Tyagi:** So thank you so much all of you for taking time out on this Tuesday afternoon. I mean, yes, we had a decent quarter. Obviously, we need to continue sustaining this. I mean, as I mentioned just now 30 seconds back, our primary driver continues to be to strengthen our embedded margins, to strengthen our operating cash flows and to strengthen and grow our rental business.
- And I think on all the three parameters, we continue to work in a with a reasonably strong piece. Mumbai, this quarter was a first for us in that sense, and we are happy that Aakash pulled it off.



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In the previous quarter, the entire Privana North sale was also an absolutely fantastic experience, INR 11,000 crores of sales.

So clearly, I think our, I mean, whatever steps we had outlined for ourselves, whatever objectives we had shared with most of you who came in on the Analyst Day, we continue to relentlessly pursue that path without necessarily getting distracted into anything else. And hopefully in the next few quarters will continue to be an ongoing journey down that road. And I think we'll continue sharing the good news, hopefully with you quarter-on-quarter. Thank you.

Sriram Khattar:

Thank you.

Aakash Ohri:

Thank you.

Moderator:

Thank you very much. On behalf of DLF Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.