"DLF Limited

Q1 FY27 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day, and welcome to DLF Limited's Q1 FY27 Earnings Conference Call. We have with us today on the call, Mr. Ashok Tyagi, Managing Director, DLF Limited; Mr. Sriram Khattar, Vice Chairman and Managing Director, Rental Business; Mr. Aakash Ohri, 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 an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference to Mr. Badal Bagri. Thank you, and over to you, sir.

Badal Bagri: Good evening, and thank you for joining us today. We are pleased to report a resilient performance during the first quarter. This performance continues to reflect the underlying asset quality, disciplined execution, our brand strength, and prudent capital allocation across a well-diversified mix of development and annuity businesses.

I'll briefly talk about the operating highlights and thereafter the financial highlights. Overall collection for the current quarter stood at INR 2,406 crores. Operating cash flow continues to be strong at over INR 1,300 crores in the quarter. Consequently, our net cash position at the end of the first quarter stood at INR 15,200 crores, of which close to INR 11,000 crores is sitting in the RERA, 70% escrow accounts.

New sales bookings for the quarter were INR 657 crores, reflecting the timing impact of deferment of our launch of Aureva, our senior living product. We are awaiting the final approvals and expecting them to be received over the next few weeks.

Our rental portfolio stands at over 50 million square feet and continues to operate at an industry-leading occupancy at over 95% in terms of space and over 97% in terms of value. Our revenue stood at INR 1,605 crores, yielding an EBITDA of INR 476 crores for the quarter.

Net profit for the quarter was INR 794 crores versus INR 766 crores in the same period last year. It's important to reiterate here that given the current applicable laws and standards, we continue to follow a conservative practice of completed contract method of accounting, which reflects the recognition of revenue and profits from the projects once it's completed in that relevant period.

We strongly believe that FY28 would be an inflection point from a reporting perspective, wherein all our large products, starting from the Arbour, will start to contribute to the P&L and consequently, we will start to unlock the significant gross margin potential that we have been highlighting over the last several quarters now.

Just to remind, the gross margin potential as it stands today, is approximately INR 39,000 crores. It's important to highlight that in the current quarter, in the month of July, we also got the operation certificate for our mall in Goa. With this, all 3 malls in DLF Limited will be operational in the current financial year, leading to a significant increase in run rate of rental business within the DLF entities itself.

As a result, from the current quarter, we have started reporting segment financials in DLF Limited depicting individual performance of both development and rental businesses. We have also added one slide in our presentation to show the combined scale of our rental business across DLF, DCCDL and Atrium from this quarter.

Moving to DCCDL. Our consolidated revenue stood at INR1,917 crores, reflecting a growth of 10% year-over-year, yielding an EBITDA of INR 1,474 crores. Net profit continues to be a strong performance of INR 717 crores, a growth of over 20% year-over-year.

With this, I hand it over to Sriram to give you details of the annuity business.

Sriram Khattar: Good evening. I'll very quickly take you through the rental businesses. I'll start with offices. Last 2 quarters, there has been a fair amount of debate on the impact of AI on the hiring of the various multinationals and GCCs and how it is impacting, and from February onwards, the war between Iran and U.S. and the ever-changing dynamics there.

These two did slow down the decision-making of the global companies because as you investors and analysts will appreciate, no one likes uncertainty. But last about 4, 5 weeks, I personally see the green shoots of the international companies coming back and making enquiries and starting to take decisions and I believe that Q2 and Q3 will be good quarters from that point of view.

As Badal has just explained to you, the vacancy levels are very low. And fortunately, for us, our newer projects, which is Cyber Park, Atrium Place, Downtown Gurgaon, Downtown Chennai are nearly 100% leased.

Our capex program on Downtown Gurgaon Phase 2 and Downtown Chennai Phase 2 are going at full speed and the leasing here in Gurgaon is about 40%. The leasing in Taramani pre-leasing is at about 17%-18%. But as I said, we will see reasonable momentum in Q2 and Q3.

The rentals in the portfolio grew by about 8.5%-9% from Q1 of FY26. In retail, as Badal mentioned, the three new malls, they are getting operational slowly. The one in Midtown Plaza is now fully operational. It's about 85% open with more than 97%-96% leasing. The Summit Plaza, we did the opening pooja and soft launch yesterday.

We think it will come to its full bloom in the next 2-2.5 months. That is also about 90% leased. In Goa, while we have got the OC, the finishing works are in progress. Leasing is in progress, and we are targeting to open the mall in either end of this year or early next year.

The retail business, the consumption in the first quarter and the spend have been good. We have done as per our budget, so slightly better and the growth from previous year is about 13.5%-14%. We continue on our journey of sustainability and green. This is something which there is a relentless effort to do so in addition to having zero tolerance to safety and compliance.

Our profit after tax for the quarter in DCCDL was INR 717 crores. It's a growth of more than 20% from the PAT of Q1 of FY26. It is slightly lower than Q4, and that's because there was one time entries of DTA and such other entries, which sort of bumped up the profit to about INR 780 crores. Our rating from CRISIL and ICRA continue to be AAA, and we have a reasonably fine rate of borrowing at the portfolio level. Our borrowing is for this quarter at a rate of 7.14%.

I'll be happy to answer any queries as the analysts would have. Thank you.

Moderator: Thank you very much. We'll now begin the question-and-answer session. First question is from the line of Puneet. Kindly announce your Company name and proceed with your question.

Puneet: This is Puneet from HSBC. My first question is on the pre-sales. While we understand you didn't launch anything, but how should one think about the sustenance sales for Dahlias? That used to be almost 12 to 15 units every quarter. It seems this was a lower number this time. Is there a deliberate slowdown or how should one think about this?

Aakash Ohri: Okay. So Mr. Tyagi, should I take that?

Ashok Tyagi: Yes, of course, Aakash.

Aakash Ohri: Okay. So Puneet, see, we did about 34 Dahlias last quarter. Please understand that Dahlias has been the biggest success so far in the last 18 months, we are almost about 65% sold. We have created history in terms of the first 9 weeks of sale as well as if you see the kind of collections that are going on, plus the price realization of Dahlias is now over INR1 lakh a square foot and on higher floors about touching INR 120000-INR 125000 a square foot and selling.

So there is a certain amount of momentum also because the Experience Center now is going to be unveiled sometime after Diwali. So what we have done is that I wouldn't say it's a slowdown of sorts, but we have consciously kind of our presentations and all that are wired to that as the algorithm of Dahlias states that the price increases now are going to be reasonably steep. So the entry level of Dahlias is now INR100 crores plus.

And therefore, it requires that kind of an attention and time. Also, the good thing, let me tell you is that we have interest from all over the country and outside for Dahlias now. Over almost over 25% to 30% of our business now is coming from rest of India and outside, which is NRI. As I speak, I'm in Kolkata for one of those important visits and meetings. So there is a considerable amount of interest for Dahlias all across.

And I can assure you that. So that's where we are. But there is a process to Dahlias. It can't be sold like any other, say, even USD 500,000 or USD 600,000 kind of a product. It requires a reasonable amount of time and attention.

Puneet: Completely understand, Aakash, completely understand. But you guys have been doing a phenomenal job of it, so the expectation was similar. But should one assume that till the time Experience Center opens up, the sales momentum should be a tad lower than what you've delivered in the past?

Aakash Ohri: Well, I'll tell you what, as I said, it's about per unit realization now. The prices of Dahlias are going to be -- the lower floors are INR100 crores, and it goes up to almost about INR 160 crores-INR 170-odd crores right now. So that is what the new price points are. And I think the people are getting used to that also.

We have recorded some more sales this quarter, but obviously, I'd like to hold them on until I finish the paperwork. You will hear some very, very exciting news very soon. Some very new and good benchmarks being set, but you'll hear about that soon. Just give me a little more time.

Puneet: Understood. All the best for that. On the cost side, we are seeing a tad slowdown on a Q-on-Q basis for construction cost. But on the land acquisition side, things have picked up. How should one read that?

Badal Bagri: So Puneet, I think our cost from a construction perspective continues to be very, very stable and strong. Our average cost versus last year has definitely increased, and our momentum and trajectory remains very, very strong. On the land, as we have always maintained that as and when we come out with reasonable parcels, which are of interest, we will definitely evaluate.

And we are in discussions from that perspective, yes, we have made some advances on land in the previous quarter where we have got into some kind of an agreement with them, which is going to fructify over the next 3 or 4 quarters.

Puneet: You spent about INR 545 crores in the last 2 quarters. Anything you can call out on the quantum quality of this land acquisition?

Ashok Tyagi: So Puneet, I mean, in all fairness, apart from, of course, contiguous land parcels, which could be an acre here and acre there, we are pursuing a couple of slightly more strategic parcels within Gurgaon.

And I think some of the advances have been towards that. There was also INR 80-odd crores, which was a deposit for a certain auction in the NCR region, which hasn't fructified yet and the auction hasn't happened yet, but the 10% EMD of INR80 crores was deposited.

So that's also being counted in this INR 545 crores of land. I think as some of these land parcels fructify in the next 1 to 2 quarters and we report them out, hopefully, you will see these translating into additional GAVs.

Puneet: Understood. That's very helpful. And last thing, Khattar ji, on the Goa side, what is the leasing status?

Sriram Khattar: So we are, at the moment, about 64% leased as we speak, say, 31st July. And the momentum is pretty strong. There are a number of brands who have not experienced the Goa market and therefore, are taking a little longer to come. But we are quite hopeful that we will cross 85%-90% leasing in the next 6 to 8 weeks. And the anchor fit-out should start later part of this month.

Puneet: And what are the rentals you're seeing?

Sriram Khattar: The rentals, I dare say, are fairly healthy. The rentals are very different from cinema, anchors, from retail and F&B. These are the 4 and FEC, 5 categories have different rentals. But if you take the mall as a whole, which is seven hundred five thousand square feet, on a super area, we should earn a rental of about INR170 to INR175.

Moderator: Next question is from the line of Abhinav Sinha from Jefferies. Please go ahead

Abhinav Sinha: Good to see the steady cash generation. Khattar sir, first question for you on the CAM charges. Have you seen any impact of the recent revisions which have happened on the minimum wages? And is there some pushback from the tenants on that?

Sriram Khattar: Yes, there has been a marginal impact on that. I would tend to think it's about 2%-2.5% of CAM cost, which has gone up. There has been no pushback from the tenants because this is a national law and they themselves are facing these issues, and they realize that what is there and our transparent system in which we charge it, I don't think we are having any issues at all.

To remind you, we are probably among the few companies who get the CAM charges audited annually and share it with our tenant partners and either give a refund or take the extra depending on what the audited certificate says. So it's really a pass-through that we have.

Abhinav Sinha: Okay. And sir, you mentioned on some improvement in the leasing activity that you're now seeing. So this is the GCC clients or some other sort of demand that we are seeing now?

Sriram Khattar: Yes. So this is basically the GCC and other multinational companies who probably were waiting for some signs of the Iran-U.S. war to sort of give some indications and then start making their decisions. This is where we are seeing the thing. The local Indian companies and normal ongoing expansion of the existing tenants have continued during this period. But the big boys who come where, say, 250,000 plus, 300,000 plus are the ones which have now started moving.

Abhinav Sinha: Aakash sir, just a question on the launch activity that we can expect. So on Hamilton 2, have you sort of identified the product that we are going ahead with? And also, if you can update us on the status of Arbour 2?

Aakash Ohri: Okay. Thanks. So first, Aureva. Aureva, as you know, is a retirement policy scheme that we are going to be launching soon. This is in process now. As soon as we get the RERA, we will make those announcements accordingly. And that is something that we're looking forward to most immediately.

The other one that you mentioned is still on the drawing board. I'm happy to let you know that there is a reasonable amount of excitement in the market for the same. But I'd like to leave it there. And as and when we finalize the product, we'll definitely come back to you all and talk about it. As of now, both have a good level of interest going.

Abhinav Sinha: But just to reiterate, this is in line for the second half of the year, right?

Aakash Ohri: Yes.

Abhinav Sinha: The Hamilton. Yes. Okay.

Moderator: Next question is from the line of Akash Gupta from Nomura. Please go ahead.

Akash Gupta: Congrats on a steady set of numbers. Sir, so my first question is on our land parcel on both the DLF side and DCCDL side. I think some of your peers are expanding very rapidly into the data centers side of the business. Just wanted to understand, is there any thought process where we are seriously evaluating data centers so that we can monetize our land parcels a little faster? So that's my first question.

Sriram Khattar: I'll take that question, Akash. The data center business is a business of 3 different components which come together. One is real estate, the second is power and the third is technology of the racks and how you efficiently store the data.

Now as DLF, we have decided to focus only in the business of real estate. And we are constructing data centers for the companies as real estate developers, but not getting into the business of buying the technology and running the data centers ourselves, and we don't intend to do so.

Akash Gupta: Understood. Sir, my second question is, what is the status of our Goa project? And are we still on track for the INR200 billion guidance in the event that the Goa project doesn't come through in FY27?

Ashok Tyagi: Okay. So the Goa Mall project is definitely on stream, as Sriram pointed out to you. I think your question is obviously on the Goa Residential project. So yes, I mean, the Goa Residential project, as you know, is involved in some sort of PIL form of litigation, which is not uncommon in that part of the country.

But in the morning only Aakash and I did a reiki check with each other. And I think we are on track to hopefully meet the plan that we had laid out at the beginning of the year. And I think that the 20 billion number should ballpark still be on track.

Aakash Ohri: I'll just come in here, Akash. See, we've got all our approvals for Goa, as Mr. Tyagi mentioned about the PIL. As a company, I think we choose to be on the side of caution more than anything else. And nothing stops us from launching. But I think that is something before we create third-party interest and all that, we needed to be very clear as to what path we're going to be taking.

Goa itself, as you all know, when it started, it's created a huge excitement in the market. In fact, everybody else has kind of benefited with the potential prices that DLF was supposed to come in with and whereas we choose to be, first, absolutely clear with our approvals and wherever this PIL is going before we actually accept the customers' payment. I think that's a call that this company has taken. It's always a customer-first approach.

Moderator: Next question is from the line of Rahul Jain from Elara Capital. Please go ahead.

Rahul Jain: So just one question on your Mumbai strategy. How should we look at it in the medium term? Is it -- your presence is going to be confined to just one micro market or is there any active discussions that are ongoing that you are evaluating today in Mumbai, which could be in advanced stages? So just color on that front.

Ashok Tyagi: So thank you, Rahul. In Mumbai, as you know, Aakash had a spectacular launch last year, and we should be hopefully coming up with a follow-through of that launch definitely within this fiscal year, possibly even within the calendar year. So I think that is on track.

Overall, the way the stars are aligning around that development, we believe it has the potential to be more than a 5 million square feet development over the next few years. So I mean that will be a sizable development in itself.

To your second question, yes, we are alive to other possibilities in Mumbai, we have looked at some, we are exploring some as we speak. And if there's something interesting that does come up, we'll obviously report it. But I mean, this project was supposed to be a dipping toes into water project for us. It's touchwood done very well for us. We do feel more enthused and more confident about being able to work out in Mumbai.

And we'll -- but we'll be obviously very, very selective in terms of taking projects where we believe we can truly add value in that sense. So I mean, Mumbai continues to be a part of our medium and long-term strategy.

Moderator: Next question is from the line of Pritesh Sheth from Axis Capital. Please go ahead.

Pritesh Sheth: Thanks for the opportunity. A couple of questions. First one, again, on the Goa Residential Project. So if in case if it doesn't happen this year, and while we have reiterated our INR 20,000 crores guidance, do we have some other launches which can be replaced with that or we are comfortable with whatever launches we have planned and can manage the sales target based on that itself?

Ashok Tyagi: So look, the Goa component of that INR20,000 crores, if at all, was just about a couple of thousand. So I mean it was around 10% of the guidance, if at all, it was a part of that guidance. I think hopefully, we should be able to swing it very comfortably. So I think I don't think we should be losing any sleep on that number.

Pritesh Sheth: Sure. Got it. That's helpful. And a couple of questions on the annuity part. Firstly, on the group level rental income that I see, roughly INR1,600 crores for the quarter, is that the stabilized number for whatever operational that we have? I know -- I mean, there's Promenade Goa, which will contribute. There's 1 million square feet of Atrium Place, which will also come up. But at least whatever is operational, is that the steady run rate or there is some more ramp-up to go?

Sriram Khattar: So there is a little bit of ramp-up because the 2 malls, Midtown Plaza and Summit Plaza are just about starting. We expect both the malls to get into steady rental state by the first -- by the Q4 of FY27 and Goa to stabilize by about May/ June of next year. So that's one part.

Secondly, as you very rightly pointed out that Atrium Place 1 Tower for which we expect the OC in the month of September, we will get into steady-state rental for that one full tower that is there. But other than that, it's otherwise a steady state, and we expect this to be there. There will be one more add-on. One will be the data center 3 in Noida, which will also add to the rental sometime in March, April of next year.

Pritesh Sheth: Got it. Got it. That's helpful. And just second, on the commercial piece. So now that we are starting to see signs of recovery coming back in terms of leasing, what are our plans to start the next 11 million square feet of development that we have lined up on the commercial plus retail side, more so specifically on the commercial side, where we have a large office coming up in

Hyderabad and first phase in Cyber City 2. So when should we start building those into our numbers?

Sriram Khattar: Let me answer that. We expect that Downtown 2 in Phase 2 in Gurgaon should finish by about end of '29. And then in addition to that, we have one iconic tower, which we call One Downtown, where we have a multilevel car park and the cars will then get -- the car parks will get consumed in the Phase 2 basements that are there. And then that tower is there.

And similarly, in Chennai, the Tower 4 and 5, which are coming up for 3.5 million will get over by the beginning of '28. So we have a sort of a runway to do. We have leasing of about 3.5-4 million to do in these 2 new projects. So whilst it is on our radar to start the construction in Hyderabad or in Cyber City, I think it is sometime next year that we will start planning for that.

Moderator: Next question is from the line of Samir Jasuja from P.E. Analytics. Please go ahead.

Samir Jasuja: Sriram sir, just 2 questions I had. One is that we hear a lot about Cyber City 2. I don't know whether it's been answered clearly. When is the likely commencement of projects starting to roll out over there in the Cyber City 2 project?

And the second question to you was that do you have a sense of the weighted average price of rental, say, on 100,000 or 200,000 square feet for the last 3 years? What has been the kind of price increase in Gurgaon specifically on your portfolio?

Sriram Khattar: Thank you, Samir. I'll take the first question first. I presume you are saying about Cyber City 2, you're talking about the SPR.

Samir Jasuja: SPR. Yes, yes.

Sriram Khattar: So we have consolidated 70-80 acres of land there. And it is still on the drawing board. We have not yet taken the final call on either the sizing or the start of launch there. I think this decision also will be taken in sometime in the next year. But it is definitely on the horizon. It's only a question of timing.

On the rentals in Gurgaon, if you take the newer buildings, which is Downtown 4 and Atrium Place, Atrium Place rental weighted average is about INR 175 and Downtown 4 is about INR 150-155. The leasing that we are doing in Phase 2 is now averaging INR 200.

Samir Jasuja: If you could tell me a building typically, say, 7 years old and new building, what's the rental gap between them?

Sriram Khattar: Yes. So the rental in Cyber City is now between INR 140-150 and the rate in a newer building, which will come up after 2 years is about INR210-220. So you have a 30% gap, but a rental that will come 2 years later. So on a like-to-like basis, the gap is about 20%.

Samir Jasuja: One question for Aakash sir. There's one question that I had with respect to Dahlias was, what is your visibility of, say, selling the balance stock in a time period of -- how much time period and that will lead to Phase 2 opening up, right? So just to get a sense of that, I'd really appreciate to get to know that?

Aakash Ohri: Okay. So Samir, as you know, that our targets for Dahlias of 3.5 years, we did in about 15-16odd months. And as you know, the trajectory has been that. The price increase of Dahlias because and this is an algorithm-based increase -- price increase, which is increases with a certain quarter based and, of course, inventory typology based. So what happens in Dahlias right now as we stand is that we have done -- almost all the lower and mid-floors of South are gone.

Most of the mid and low floors of North are gone. Some high floors have gone. So right now, for the trajectory, as we have planned it, we have another 3 years to go in Dahlias. And Dahlias is also right now, as I see it, the demand is such that I don't want to speculate, but post the Experience Center, I feel that there will be another spurt.

And as of now also, there are some good conversions that have happened, which I had said previously also will be reported soon. So I think, Samir, there I think, we have surpassed the expectation of at least the sales velocity of super luxury so far. So otherwise, there was a 5-year process to selling Dahlias year-on-year, basically about 20% a year.

But since we are now over 60% sold in this time, I think -- and also people have to kind of get used to the new price points of that area. I'll give you a small example. There are 2 brothers who are living in the Golf Links right now. One bought Dahlias about 10 months back at a certain price, the other didn't. He passed that opportunity, but he wants to do it now.

And there is already, say, about INR 30-35 crores upside there. And that particular thing is a question for him. So as the process goes on, I feel the price will settle down. People will kind of get used to these kind of price points now because it is not only about the price, but the amazing amount of value that it brings with it.

And since people have experienced the Camellias and of course, Aralias and Magnolias, the future of the DLF Golf Links, and I say it emphatically, it is the Beverly Hills of India, and it will continue to create that demand going forward. Our business is coming from not only within the Delhi NCR, but also from rest of India and rest of world.

So this is a choice of -- it has become a choice of destination for people. And I feel that we will sell out sooner than later, but we don't want to compromise the price realization to velocity, Samir.

Samir Jasuja: Yes. So just to follow up on that question, that was my precise question going forward. Since we have been very fortunate, thanks to you and DLF, we've been able to achieve a great price appreciation that was unexpected in the last 15 months in Dahlias itself. Now that we've got a very good price appreciation, are we going to compromise on sales velocity to price appreciation and try to take the prices higher?

Or it's going to be the other way around now that we -- the project has got literally revalued, right? So the profitability would have also increased substantially. So going forward, since we have 2 more phases left here, we can look at a higher sales velocity or we're going to look at holding off a higher sales velocity because of further price increases?

Ashok Tyagi: So Samir, 2 points. One is I don't think there's a direct binary at least...

Samir Jasuja: There's no correlation?

Samir Jasuja: Yes. Yes, I can hear you. There's no correlation is what you're saying.

Ashok Tyagi: No, I'm not saying there's no correlation. I'm saying there's no direct binary in that sense. So it's not like a 1:1. I mean, it's not y is equal to f(x). Yes, there is some correlation, obviously. But I mean, there is a price matrix that has been planned and there's a pace of sales that's been planned. And obviously, it's an iterative process.

The second thing about the next phase, as you are saying, that is not just dependent on the sales. I mean there's a small matter of constructing Dahlias also. And that is a process that will take between 3 to 3.5 years right now, I mean you must have seen the site. It's still coming up to the raft level.

So I think the next phase, as and when it happens, will be a function of both where the physical progress of Dahlias is and where the commercial progress of Dahlias is. So I think clearly, to Aakash's point, we are looking at least a 3-year cycle before we are able to completely sell out Dahlias in that sense.

Moderator: Next question is from Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: So 2 questions. First one for Aakash. By when do we expect the next phase of launch in the Privana ecosystem? And a related question, do we have plans to do some plotted development there also?

Aakash Ohri: Yes. So the Privana, Parvez, right now will definitely be early next year, if not last quarter. I think it will be early next year. The Privana ecosystem is coming out pretty well. We've got some the South, West and now North, as you know, it's all sold out. Not only that, some very encouraging news coming from the Privana is that there is a good amount of appreciation. I mean, again, that is not something that -- I'm saying it for the point of view because there is even demand in the secondary sale, which is between INR 2,500-4,000 a square foot already.

That entire ecosystem with its infrastructure and everything has come out pretty well. As you know, it abuts a 10,000 hectare of a green lung. So as far as a contiguous nature of a project is concerned after DLF5, this is the next big thing. And therefore, I'd like to bring out the fourth phase once we kind of move on with construction and everything else, which also thankfully is going on pretty well. But I see that happening early next year for Privana.

As far as plotted is concerned, those were some arrangement that we had with what you may be referring to is -- there isn't going to be a plotted scheme, if you're asking. That is a separate arrangement that we had with some collaborators. But I think right now, you will expect the Privana -- the next Privana to be maybe taller or more evolved one than the North, and that is the process as we moved on.

But so far, so good. It's got a very eclectic mix of people who bought into the Privana. And you've seen our collections there. You've seen the progress. So it's high on demand as far as the investors are concerned.

Ashok Tyagi: So again, just to reiterate Parvez, Privana continues to be a high-rise scheme. The small plotted enclave there, if at all, will be only for some collaborator obligations, nothing else.

Parvez Qazi: Sure, sir. And second question for Khattar sir. What would be our exit rentals for FY27?

Sriram Khattar: So the exit rentals for FY27 for...

Parvez Qazi: At a group level, I mean, you don't need to go into DLF…

Sriram Khattar: They will be between 7,300 and 7,500.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Ashok Tyagi for closing comments.

Ashok Tyagi: So thank you once again for logging on to our call. I know today has been a crowded call calendar for some of you, but that's fine. I mean this quarter from a pre-sales standpoint was a muted quarter and thank you for understanding the reason for that. And hopefully, we still stick to our broad guidance for sales for the year.

The focus that we have on cash flows and embedded margins and fiscal prudence, that continues. You would continue seeing some strategic land investments as the clock moves. The rental business is continuing at an excellent clip, both in the leasing and in the rental piece.

The point that some of you raised, I mean, really, I was doing my math, I think between Downtown Gurgaon, Downtown Chennai, Atrium, I think we have almost in excess of 11 million, 12 million square feet under construction.

Once these are complete, there is a further million -- I mean a few million square feet in Cyber City itself. And then, of course, there's Hyderabad, there's Cyber City 2 and all of those things. So really, the RentCo has a very, very deep pipeline, frankly. I think it's possibly the deepest pipeline in the rental business that exists in the country.

And I think we continue to do it very strongly. And hopefully, we now will regroup at the end of the next quarter. Thank you once again.

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 all.