



“DLF Limited  
Q3 FY '26 Earnings Conference Call”  
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**Moderator:**

Ladies and gentlemen, Good Day and Welcome to DLF Limited's Q3 FY '26 Earnings Conference Call.

We have with us today on the call Mr. Ashok Tyagi, Managing Director, DLF Limited; Mr. Sriram Kattar, Vice-Chairman and Managing Director (Rental Business); Mr. Aakash Ohri, Managing Director and Chief Business Officer; and Mr. Badal Bagri, Group CFO, DLF Limited.

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

**Badal Bagri:**

Good evening, everyone, and thank you for joining us today. We will begin with our overview of operational and financial performance. We are pleased to report a strong performance in third quarter of this fiscal with robust operating execution, strong cash flows, and a significantly strengthened balance sheet.

Our performance this quarter reinforces the resilience and quality of our business model. We are extremely pleased to report that we witnessed record gross collections of around Rs. 5,100 crores with sustained collection efficiency across all our projects. We believe this is one of the most critical and leading indicator of the underlying strength and quality of our sales.

Net collections during the nine-month period were Rs.10,216 crores, reflecting a year-on-year growth of 21%. Supported by these strong collections, our net surplus cash generation for the nine-month period was Rs. 6,432 crores, exceeding the entire cash generated in the last fiscal. The performance highlights a disciplined focus on cash flows as a core metric of value creation.

As a direct outcome of this strong cash generation, we have achieved our goal of zero gross debt in the development business ahead of our estimated timelines. Our balance sheet remains extremely robust, with gross cash of approximately Rs. 11,600 crores, of which the RERA balance would be Rs. 10,400 crores. Recognizing the sustained improvement in our business, ICRA upgraded our credit rating to AA+, with a stable outlook, following CRISIL upgrade in the previous quarter.

New sales booking in the current quarter was Rs. 419 crores. A few things we would like to highlight around this are, as previously indicated, bookings at Dahlia were paused during Q3 as a part of planned redesign to enhance customer experience. The bookings have now resumed.

While there were no new launches, it is noteworthy that we were able to monetize almost one-fourth of our inventory, excluding Dahlia, within this quarter. New launches continue to be aligned with our medium-term growth plans, and we remain confident of achieving our stated sales trajectory across the medium-term. Few financial highlights of the quarter Our consolidated revenue stood at Rs. 2,479 crores, a growth of 43% year-over-year. EBITDA stood at Rs. 848 crores, a year-over-year growth of 39%. Profit after tax before exceptional items at

Rs. 1,252 crores, reflecting a growth of 29% year-over-year. Reported profit after tax of Rs. 1,207 crores, a 14% growth year-over-year.

Now I'll hand over to Sriram to give the highlights of our annuity business.

**Sriram Khattar:**

Good evening. The annuity business continued to perform well. The take-up from the GCCs and international companies, especially in the BFSI and technology sectors, was fairly strong. Our closing vacancy as of 31<sup>st</sup> December is now in DCCDL, where about 88%-90% of the rental assets are – is now down to about 5%- 5.5%. However, in terms of value, now it is further down to about 3.5%. The income was fairly robust.

The Downtown 4 in Gurgaon is fully leased. Downtown 3 in Chennai is fully leased and I am further pleased to share that Downtown Phase 2, if you may recall, we have four towers. The biggest tower is Tower 7, which is 2.2 million out of 5.5 million total offices. We have been able to lease the entire tower already. In Atrium Place, we've been able to lease one, two, three and four all the towers completely.

We received the OCs for Tower 1, 2, and 3. The tenant fit-outs are making very good progress, and the rent commencement has started for one or two tenants in the last quarter, but will now pick up pace. The construction of Tower 4, which is leased to one single GCC, has slowed down marginally because of the GRAP situation here.

There we expect a delay of about 45 days to 60 days in its completion, but we expect the completion to be in July-August of this year. Maybe it goes to August and September beginning. In Downtown Chennai, we have the construction on the 4<sup>th</sup> and 5<sup>th</sup> towers going full speed. We have re-engaged with the international architects and re-done the promenade, which is in the centre of these five buildings, and I dare say it's come out to be extremely nice and good. In this also, in Tower 4 and 5, which is 3.5 million, we have already leased 4,50,000 square feet, and negotiations are on for further leasing in Downtown here and Downtown there. Therefore, as we stand today, our stock in our existing buildings is quite low. It's now down to about 1.5-odd percent, and therefore the leasing in the next year will be restricted to either the mid-term expiries that happened, the nine-year renewals, and the new build-out that is still in place. In retail, the consumption in the last quarter was much better than the consumption in the corresponding quarter in the previous calendar year. We have met our budgets in terms of our NOI and in terms of our other activity.

The occupancy continues to be 97%-98%, the three new malls, which are all in the books of DLF, two of them, Midtown Plaza and Summit Plaza, are now 95%-96% leased. Fit-outs are going on, and within the next three months, we should open both these malls. Promenade, Goa, the leasing has commenced. And I'm saying it with some cautious optimism that the initial response has been very heartening, and we have the first-mover advantage there.

We have the advantage of creating the best mall in that entire region, and we are reasonably confident that we'll make a big success of it. The construction of Mall of India, Gurgaon, is progressing along with the other towers and offices, and there is good progress being made there. In Noida, Data Centre 2, as we call it, which is the third building, we have the rent

commencement of that also in this quarter, and construction on Data Centre 3 is going on in full swing.

We continue to create a lead in the area of ESG and in sustainability and fire safety. We became the world leaders again by the swords of honour received from the British Safety Council. We have also got a Platinum rating from WiredScore for a number of our buildings, and now we are the largest portfolio in the world.

**Badal Bagri:** Okay, we can take the questions now.

**Moderator:** Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. We'll take our first question from Puneet Gulati from HSBC. Please go ahead.

**Puneet Gulati:** Thank so much for the opportunity. My first question is actually on your collection, which has notably gone up this quarter. Is that a sustainable run rate one should think of from a quarterly perspective, or has there been some previous quarters views which have got accumulated in this quarter as well?

**Badal Bagri:** Okay, Puneet, I think from a development business perspective, it will be the best way to look at the collection will be on an annual basis rather than quarter-on-quarter basis. As you would know that most of our sales is construction linked, and the amounts become due as and when the construction phases or the milestones are achieved. So, I would say instead of looking at quarter-to-quarter, this will always be misleading.

We had no significant dues of the previous quarter which has got taken up in this quarter. As mentioned earlier in our presentation as well, that our collection efficiency across all projects remains extremely high. So, the way I would look at collections is we should look at a 10%-15% growth year-over-year versus what we have achieved last year on an overall basis from a collections point of view.

**Puneet Gulati:** Okay, so 10% - 15% growth this year, full year, and then next year also similar number?

**Ashok Tyagi:** Yes.

**Badal Bagri:** Indicatively, yes.

**Puneet Gulati:** Okay, okay. And from construction spend, should that also be largely similar, I understand that there's a bit of GRAP issues you are facing?

**Badal Bagri:** So, Puneet, I think this quarter was, as you rightly pointed out, we had issues. We had suspension of work for a good 30 to 40 days, 40, 45 days or so. But if you look at the nine-month trajectory, the last nine months of this year and last nine months of previous year, our construction spends are almost 40% up, almost Rs. 2,400 crores versus Rs. 1,500 odd crores which we spent last year.

And as we had kind of mentioned earlier, a range of Rs. 900 crores to Rs. 1,000 crores is a good number to kind of look at on a quarterly basis. It's a number which possibly you can consider as a reasonable construction spend over the coming quarters.

**Ashok Tyagi:** And Puneet, just to, I mean, reiterate one more point that if you now look at the last three or four years, Q3 always gets impacted by a GRAP. I mean, 30 days, it could be 45 days, but effectively like between one to one and a half months in the entire year does get lost unfortunately to the entire pollution-related GRAP measures. And I think most of it happens in Q3, unfortunately.

**Puneet Gulati:** Understood. And secondly, if you can elaborate a bit more on why did you pause the sales in Dahlias and what is the expectation of the new product into this Q4?

**Ashok Tyagi:** Ok. So here, unfortunately, Aakash, while he was joining.

**Badal Bagri:** He's already there.

**Ashok Tyagi:** So normally, Puneet, this quarter would have been a reasonable quarter for us in the usual couple of thousand crores of the non-launched quarter sales. We were doing some design modifications on Dahlias to improve the entire layout and the client experience.

And then as you know, as per RERA, if you do a design modification, you have to run it for the approval of all the existing customers and I think 75% odd customers need to sign off, then RERA needs to take cognizance of it. So unfortunately, about two to two and a half months of this quarter was spent in that entire process.

I mean, we are very glad that in early January, RERA has given that permission after taking into cognizance of all the customer approvals that came in. And now Aakash has resumed the sale. Aakash, over to you on the Dahlias Q4 piece.

**Puneet Gulati:** And also what design modifications you've done, if some colors can be given.

**Aakash Ohri:** So Puneet, I'll tell you first, with regard, it's an enhanced design. Basically what happens is as the codes change, you can adapt to the new ones or you can go back and work with the old ones. I think we've demonstrated a tremendous amount of strength in kind of implementing that. And every element of design and structural stability has gone up manifold.

Again, I'd say to you that we could have continued to do what we were doing, but I think we chose, took a call that this is going to be, since the project right now is in its inception, we decided that we'll go with the new code and therefore, whether it was the structural part or whether it was the certain other elements in terms of facade and all, you know, the product has come out beautifully. So, I think that is one.

It is, you know, accepted also by a lot of customers who have endorsed it. As you know that the process is that you have to take full endorsements from the existing customers. And now we're over 55%, almost 60% sold and that is before launch. We've got an overwhelming response from our customers and that's as far as Dahlias is concerned. With regard to your point on collections, I'd just like to add to what Badal and Mr. Tyagi has already said.

So our collections, if you have been tracking them, have been consistently doing well for the last over two years. And that speaks clearly about the quality of sales done. So as far as this particular quarter is concerned, it is, and there is no overhang or there is nothing that has added to the previous quarter that we have kind of realized this quarter. This has been primarily a schedule based collection and it has been more than 100%..

**Puneet Gulati:** And the design change, will it do anything material to cost of construction for Dahlias?

**Aakash Ohri:** Yes, it will do material change to cost of construction, little bit for sure. But also as you know, Dahlias is a dynamic price point system. It is not linked to volume sales or not linked to any categories. The Dahlias will continue to rise. Just to let you know, from the past year alone, there has already been a 25% increase in Dahlia's pricing and we are selling. So both, yes, to answer your question, that plus, of course, commensurate revenues as well.

**Badal Bagri:** Puneet, just to add one more point, our margin for this project will remain intact despite what we are doing. Intact to positive, I would just say, but I would leave it intact for this point of time.

**Puneet Gulati:** And lastly, if you can also elaborate on what your plans for this calendar year in terms of new products or phases that we should watch out for?

**Aakash Ohri:** Well, this calendar year, we are working on Arbour 2, as you know, the senior living. And we've got our residual business to do. And then, of course, now we are back to, we re-introduced Dahlias and that is before the main final Big Bang launch. So, we will try and use this quarter as well for that. And look forward to the senior living launch, as we had talked about.

**Ashok Tyagi:** And Puneet, if you are asking for the Calendar '26, will see at least one major group housing launch in DLF City. It will see the next phase of Westpark in Mumbai. It will see a launch in Panchkula. It will hopefully see Goa. So, I mean, all of those launches will happen. Most of them in the calendar, maybe something will fall into Q4 next year, but I think most of them should happen in this calendar.

**Puneet Gulati:** So, Goa should be now next year, fiscal year, not this whatever potentially.

**Ashok Tyagi:** In this fiscal, there are eight weeks left. Let's see if we can pull out in this eight weeks.

**Puneet Gulati:** Okay, great. Thank you so much and all the best.

**Moderator:** Thank you. We'll take our next question from Pritesh Sheth from Axis Capital. Please go ahead.

**Pritesh Sheth:** Hi Sir, thanks for taking my question. Just on Dahlias, so, any specific set of inventory planned to be open for this quarter in terms of if you can quantify that or everything is open for now, but we are taking it, you know, invite by invite. So how should we one look at that?

**Aakash Ohri:** Dahlias has been open always. I don't think we've restricted any inventory or any tower. So, we've been getting a phenomenal response. And I'd be happy to, at any given point in time, show you the graph there and so Dahlias is doing very well.

**Aakash Ohri:**

So, Dahlias, there is basically, as far as sales is concerned, it is open because also, please understand that these are high value transactions. So, it will be unfair for people. Yes, the price difference between certain values, depending on the preferential location charges that they carry, obviously are different from what they will be to maybe lower apartments or lower placed apartments or certain other things.

So that's like any other kind of development that we do. But Dahlias has got some amazing view with the new Lake Park that we are building, which is one of the most phenomenal green spaces that you will see. It's a hybrid of Hyde Park and Central Park. So, it's going to be one of its kind. And that carries its own price point.

And then, of course, the south side carries its own. So, it's open. It's by invitation. And all I can say at this point in time, we have got healthy traction. We are doing well and now we've got great traction from the rest of India. In fact, from top equity and capital market brokers also have started to realize that, look, with all the geopolitical issues going on, converting financial assets to hard assets is prudence today.

So, I think Dahlias is doing pretty well there and also the NRIs continue to respond. We just clocked in Super Luxury, one of the most renowned NRIs. I won't name him at this point in time, but one of the most respected and I think in the top three NRI persons in the world has just bought DLF Super Luxury. So, we continue to get good traction from across the world. The Rest of India is responding extremely well and of course, our local markets as well.

**Pritesh Sheth:**

Sure. And how should we think about the monetization? Obviously, we don't want you to rush on that. But in general, like initially when we launched, we had a target of, I mean, we have internal targets of probably monetizing it in three years. That still holds or longer or shorter? What would be the time now?

**Aakash Ohri:**

No, so Dahlias, as I said, first of all, let me tell you, it's a dynamic pricing policy. As you know, the valuations, the turnover is about Rs. 42,000 crores and when we started off, it was about Rs. 29,000 crores. So, you've seen it grow. And as far as the monetizing is concerned, we had started with a four-year plan.

And because we've done well, what we had planned to do, we've almost doubled that target in just about one year. So, I think we're not going to stop anything. But based on what the price points are going to be, I feel that it'll take its own time and that's how Super Luxury should.

**Pritesh Sheth:**

Sure, sure and just to reconfirm, Arbour 2 the senior living will get launched in Q4, along with the next set of inventory.

**Aakash Ohri:**

Yes. So we're working towards that. We are right now in various stages of permissions and all. So yes, we're working towards that.

**Pritesh Sheth:**

And what is the revenue potential, GDV potential for that?

**Aakash Ohri:**

That is about close to, now it will be close to about 2,000 odd.

**Pritesh Sheth:** Okay. Okay. Fair enough. And just on the commercial side, Sriram sir, what the exit run rate look like now with these leasing that has happened in the quarter, maybe for FY 26- 27, if you can.

**Sriram Khattar:** Yes. So, exit run rates are now getting more and more difficult to forecast because exit run rate, which we say have in March, we multiply it by 12. And then the escalations that come up there, and then the new build out, which keeps getting leased and the operations commence and the rental start, it gets a little difficult to sort of only talk of the exit run rate.

So, as we stand today, our FY '26 will be about, the earnings for FY '26 will be in DCCDL about Rs. 5,900 crores and for DLF will be another about Rs. 550 odd crores. So, we, in that sense, FY'26 for the year, it will be about Rs. 6,400 crores for the rental business, for the annuity business.

Next year, the Rs. 6,400 crores will go to about Rs. 7,400 to Rs. 7,500 crores. In this, DCCDL will be about Rs. 6,300 crores. But DLF will take a big leap of about Rs. 1,150 crores because Atrium Place rentals will start coming in for the first three towers and the rentals for the three malls will kick in also.

**Pritesh Sheth:** Sure. So these are actual numbers that we project, rather than the exit run rate?

**Sriram Khattar:** No, not the forecasted numbers.

**Ashok Tyagi:** The rental income forecast for the next fiscal year. Yes.

**Pritesh Sheth:** Sure. Sure. That's pretty helpful. Okay. That's it from my side and all the best. Thank you.

**Moderator:** Thank you. We'll take an audio question from the line of Abhinav Sinha from Jeffries. Please go ahead.

**Abhinav Sinha:** Hi, and great to see the cash collections happening in the quarter. So just one question on the cash balance and its utilization that we have. So, are we looking for a bigger jump in dividend payout this year?

**Ashok Tyagi:** So, Abhinav, as we have told in the past also, that while obviously this cash number looks brilliant on paper, and it is, a large chunk of it unfortunately still is trapped in RERA and frankly, we will start getting the unlocking of the RERA cycle from fiscal 27, 28 onwards. So, which is where I think meaningful cash utilization questions will come.

On the dividend front, two metrics have been going in the last 3 years, if you see. The dividend that we received from Cyber City to DLF and the dividend that DLF distributes to its shareholder. So, we are hopeful that the same trajectory of growth on both of those metrics will continue.

**Abhinav Sinha:** Okay and sir, for DCCDL dividends, should we see it as a 75% of PAT ratio to continue or because I guess the last, the biggest chunk is actually given out in the fourth quarter. So, what's the thought there?

**Sriram Khattar:** So, the dividend payout, whatever percentage of the PAT was there last year, we at least propose to the Board to continue at that level for FY '26 and FY '27.

**Abhinav Sinha:** In DCCDL?

**Sriram Khattar:** That is in the ballpark of 75%-80%.

**Abhinav Sinha:** Okay. Okay. That's helpful. Sir, on the Kolkata IT SEZ, when is the completion expected of the transaction?

**Sriram Khattar:** Yes. So Kolkata SEZ, which is, if you may please recall, Kolkata, one asset which was in the books of DCCDL was sold and the deal closed in December of '25. Kolkata SEZ, which is in the books of DLF, we have got the first stage approval from the Board of Approvals. We are awaiting the state approvals on one or two issues, which we are working along with the buyers. And we are quite hopeful that we will be able to close it in the current quarter.

**Abhinav Sinha:** Okay. So, the recognition should happen in the fourth quarter itself entirely?

**Sriram Khattar:** Yes. But having said that, the deal was such that the rentals per month continued to accrue to us till the date of the final payment. So, in addition to the advance we received, the rentals continued to accrue to us till the date of sale.

**Abhinav Sinha:** Okay. Sir, one last question on the broader Gurgaon market. Now, I know, I mean, DLF branded products have continued to do very well. But we keep on hearing two-way news flows. Just wanted to hear your take on that.

**Sriram Khattar:** On what? Residential, retail, commercial?

**Abhinav Sinha:** Residential.

**Ashok Tyagi:** Firstly, it is -- I'll tell you, Abhinav, which is, and I'll hand this over to Akash obviously. But then I'm saying it with semi-seriousness and semi-light, that you know, all the Mumbai-based analysts anyway view Gurgaon market with some degree of scepticism. So that's one problem.

So even the slightest line hidden in somebody's stock exchange release, you know, gets flared up and then is projected to cover the entire market, which is not the case. But Akash, obviously you have a far closer connect with the market. So, your view on the Gurgaon market, sir?

**Aakash Ohri:** So, so Gurgaon market right now, I think this was a question also raised about maybe two quarters back. Gurgaon market right now has shown its robustness over years and also see, basically, please, there will always be all kinds of people operating everywhere, whether it's Mumbai or Gurgaon.

But if you see the kind of traction Gurgaon is getting, and you know, as I said, as far as DLF is concerned, I'm getting business for the Gurgaon markets from the rest of India. I have a very healthy pipeline and we've converted, so just to put it in perspective for all of you, our sales are about 25% NRI, our top line, and 15% are the rest of India sales coming in for Gurgaon alone.

Now, that is the kind of business that we are getting. As far as Gurgaon is concerned, it is extremely, extremely well kind of, what do you call, accepted and people are, and across price points also, whether it's super luxury, luxury, premium floors, plots, I mean, you name it, and Gurgaon is right now the most favourite investment option for people across the board.

So, there is enough depth in the market. People are choosing this by choice and, also a good reflection to all of this year-after-year, month-after-month, quarter-after-quarter is the collections that we report.

So, if there was any strain in anything that we would talk about, it will obviously, you will see a disconnect between sales and collection. So, the markets are strong, people are putting their money where their mouth is. And I think the growth potential is tremendous.

You see all the biggies coming to Gurgaon now. You name it and they're in Gurgaon. So why would they come into Gurgaon if there was any lack of depth or, if they'd assess it differently. But you look at all the top guys in the real estate market today, all of them are in Gurgaon now.

**Abhinav Sinha:** Yes. Thanks, Aakash sir, and all the best to the team. Thank you.

**Aakash Ohri:** Thank you.

**Moderator:** Thank you. We'll take our next question from Murtuza Arsiwala from Kotak. Please go ahead.

**Murtuza Arsiwala:** Yes. Hi, sir. In terms of, I think, part of the question you've already answered. You had a lot of commentary from Peer set about Gurgaon being sort of slow, etc. But you've kind of answered that already. So that's well taken. If you could give some color on, let's say, what FY '27 looks like. We're almost towards the end of FY'26 in terms of the building blocks to sales just beyond, Arbour 2 and Dahlias? That could be useful.

**Ashok Tyagi:** So, Murtuza, as I mentioned earlier that, I mean, from now till March 27, basically apart from Arbour 2, which senior living, which Aakash mentioned, we have one major group housing scheme in DLF City. We have the next phase of Westpark. We have the next phase of Panchkula. We will possibly have one more phase of DLF City Floors. We'll hopefully have Goa.

So, all of these are in the approval and launch queue, in that sense and Dahlias will continue to be the strong underpinning for this entire piece. So, fiscal27 honestly looks pretty strong right now.

**Murtuza Arsiwala:** Thank you so much, sir.

**Ashok Tyagi:** We will give you the guidance in numbers in May.

**Murtuza Arsiwala:** We'll wait another quarter.

**Moderator:** Thank you. We'll take our next question from Jatin Kalra from Bank of America. Please go ahead. Jatin, can you please unmute your line? Since there is no response, we'll move on to the next. I request Parvez Qazi from Nuvama to please accept the prompt on his screen.

**Parvez Qazi:** Hi, good afternoon, sir. So, one question from my side, I mean, for the next year, you gave the launch pipeline. If we leave apart Goa and take the other four projects, which is Mumbai Phase II, Arbour Phase II, Panchkula, and maybe the one group housing scheme in DLF City, what will be the total sales potential of these four projects?

**Ashok Tyagi:** So, honestly, I think, while we have the numbers, frankly, typically for the go-forward fiscal, we have traditionally done that, I mean, slightly more transparent disclosures when we do the annual call. And I'd like to stick to that.

But broadly speaking, the DLF City group housing should be in the range of a couple of million square feet plus hopefully, 2.5 million square feet with all the TDRs and all coming in. The Westpark should be about 1 million square feet and the senior living is there 0.5 million square feet. Goa, we know, Panchkula will be in phases. So I think there will be, and of course, Dahlias will continue to be ongoing selling.

**Parvez Qazi:** Sure, sir. Thanks and all the best.

**Ashok Tyagi:** Thank you.

**Moderator:** Thank you. We have a question from Jatin Kalra from Bank of America. Jatin, can you please unmute your audio and go ahead with your question, please?

**Jatin Kalra:** Hi, sorry, I think there was an issue earlier. My question has been answered. Thank you.

**Moderator:** Okay, thank you. We'll take our next question from the line of Akash Gupta from Nomura. Please go ahead.

**Akash Gupta:** Sir, First on the Q4 FY '26 and the FY '26 guidance. My question is that I think we have just one project, which is the Arbour senior living. So, that would be roughly 20 billion GDV, and we have done roughly 160 billion. So, should we expect Dahlias sales only to the extent to meet our guidance? Is that how should we think about the fourth quarter?

**Ashok Tyagi:** So look -- I mean, nice try, Akash. But we stick to the fact that we continue to be confident. Look, there was a time at the end of September quarter when we had done Rs. 15,000 odd crores of sales. When your brethren were saying that now revised the guidelines and -- because we knew that you could occasionally get a rough over as well.

So, I think we stay confident to meet our original guidance in that sense. Whether frankly, that guidance will lead us to Rs. 20,438 crores or Rs. 21,744 crores, I'm not getting into that. But we had given you a guidance range, and I think we broadly stay on good for that. Aakash, over to you, boss, if you want to add to that, sir.

**Aakash Ohri:** Yes. I'd love to give you any guidance you want me to. So, no problem there. The only thing is that, yes, we've given something we are not planning to just fit that bill. But I think one thing good about our setup is that there are two things we are very conscious about.

One, we are extremely cautious about compliance, and we like to make sure that everything is there before we make third-party commitments. And I think that is one thing that takes a lot of courage for a company to do.

And second, as we've already been highlighting, there's a severe construction resource crunch and other issues that are going on. So, there's no point, just going into a situation where just you just for the number's sake and for doing things you continue to just be on that treadmill and make commitments and then struggle to meet them in the construction.

So, I think that's also something that as a Company we have taken a call that we want to make sure that our construction processes get stronger and better. So, I don't see any harm in that. I think both these display a tremendous amount of strength. We have also demonstrated our sales prowess. So, I think, you all need to now, please look at it from that perspective.

When we're asked to do what we're asked to do, we will. So, I don't see numbers a problem because as I say to you, I said it earlier also, the world is the market for me. And today, a DLF brand painstakingly for over years, you know, customers have been with us and stay with us.

I mean, everybody gets very excited anything new comes in. And I relate to that. But I think this is where we are. It's a very strong brand today. Great pull. So, I think one step at a time, ladies and gentlemen. So I think that's what Mr. Tyagi also mentioned. And I'd like to say that also. I'd like to second that.

**Akash Gupta:** Understood, sir. Actually, my next question is on Privana and the IREO land parcel. I didn't see that, I think, in the FY '27 line-up. Is that stacked up for FY '28 now?

**Ashok Tyagi:** So, on the IREO land parcel, as I think I mentioned last time also, that we are now getting in hopefully the final leg of the entire approval, etc. And I think at some stage, it will now come up for launch. I mean, it's a huge land parcel, as we know, with potential GDV of 8 million or 7.5 million square feet plus, which frankly could be in the range of Rs. 27,000 crores, Rs. 28,000 crores.

So, I think that's something that will have to be handled with extreme degree of planning. So, we clearly get the other products that I spoke about, you know, out of the way before that. But I mean, of course, that will come up for development and launch hopefully in the not too distant future.

**Akash Gupta:** Got it. And Privana, that's FY '28.

**Ashok Tyagi:** Privana, the last, I mean, the next phase -- Aakash, you have some visibility?

**Aakash Ohri:** No. So Privana, we may bring in Privana in Q3, Q4. But again, as I think we're concentrating on first finishing of the three, the successful sold outs that we've done and collections are in line with all that. Construction going on full swing next time when you guys are here in May. Obviously, the whole thing is planned to show you there as well. So I think the next phase will be sometime in later part of Q3 or Q4.

But that's the final call that we take is post this quarter when we kind of make our annual guidance. That's when we will run it by you. But see, we're okay with, as Mr. Tyagi had mentioned to you, there will be one DLF Gurgaon launch. And it can be either, it can be both. So, we'll see. Just give us -- let's finish this quarter. I think we'll make those announcements.

**Akash Gupta:** Understood, sir. And sir my one final question is on the medium-term launch pipeline, which is roughly 600 billion and along with the inventory we have, which is 200 billion. How much time do you think should we expect this entire inventory and launch pipeline to be consummated?

**Ashok Tyagi:** Three to four years.

**Akash Gupta:** So, if we assume four years, that's roughly Rs. 20,000 crores annually. Is that how we should think about it?

**Ashok Tyagi:** You're absolutely right. So, at Rs. 20,000 crores, I think we achieve all our financial and stakeholder goals. Good year. It will hopefully be a number higher than that. In a one-of, you know, problematic year, it could be Rs. 18,000 crores Rs. 19,000 crores also, but broadly. And again, the good thing is that after that 80,000, the next 40,000 is identified clearly.

If the markets continue to be buoyant and if it continues to be strong, it's not that we have to then desperately go around scouting land. Land is there, licenses are there, you know, frankly. So, if it's in the drawing board, so in the next six months, those things can be on the market.

**Badal Bagri:** Akash, there's one thing which we have reiterated several times, that we have an identified set of pipeline, which we have talked about in the near future and we continuously work on these identified projects. We are not dependent on anybody else except for our own assessment of how the market is and our ability to deliver.

Our ability to move forward any project out of these and incrementally add more projects because land is already available with us, is at our own will and flexibility. So, the timing of this could be a quarter here or there, but in terms of our ability to say where all and what all projects are going to come in has always been there.

**Akash Gupta:** Perfect, sir. Thank you so much for detailed explanation. That's all the questions I have.

**Ashok Tyagi:** Thank you.

**Moderator:** Thank you. We'll take our next question from Kunal Lakhani from CLSA. Please go ahead.

**Kunal Lakhani:** Yes, hi. Good evening. Thanks for taking my question. Just to follow up on the previous question, like I understand you have an identified pipeline for the next mid to long term. But just looking at your cash flows and your Rs. 11,000 crores of cash plus the Rs. 43,000 crores that you'll make from your existing projects, you have alluded to us in the past that you may look at certain markets like Noida, right?

Any update on Noida firstly and then any opportunity outside of Gurgaon that you're looking at, where your pipeline is? But outside of Gurgaon, are you looking at any other opportunities or any other markets?

**Ashok Tyagi:**

So, as we mentioned and I have mentioned in the past, you're right, that I think clearly Noida continues to be one area of interest. We haven't, frankly, I mean, we have one land parcel which is under litigation, as everybody knows. But beyond that, we haven't come across something which is completely clean, take-worthy and available.

But clearly, Noida continues to be one segment and Mumbai continues to be the second segment. But again, Mumbai, we believe that The Westpark parcel that we have, hopefully, if we keep on working and expanding the circle of Westpark, this could potentially be a very long term and a very deep land parcel for us, in that sense.

But again, if there is something else which is of interest and which comes up, clearly, that will be the second thing. And then, of course, what we do with the balance of the money, I think is an important point. Shareholder returns will be an important thing. But also, as the money comes out of RERA, frankly, land replenishment and how best to deploy it into assets with higher yield and all will be issues that will work in the next year or so.

**Kunal Lakhani:**

Sure, sure. But no new market besides Noida and Mumbai that you're looking at, at least in the mid-term.

**Ashok Tyagi:**

No. Delhi, of course, continues to be there, but beyond that, no.

**Kunal Lakhani:**

Okay, so just to follow up on that again, on Delhi, any clarity on the second phase of Moti Nagar?

**Ashok Tyagi:**

So, the issue, I'll tell you honestly, is that Moti Nagar, we are working with the government to see and basically to ensure that the infrastructure around Moti Nagar can actually get enhanced to truly make it like a far more upscale neighbourhood. I mean, Moti Nagar is central Delhi.

And I think that that is a process which will take some time, but I think we would ideally like to hold on to the next phases of Moti Nagar launch till such time that the infrastructural work being planned by the government, there's a visibility on that and there's a certain execution that has happened.

But clearly at some stage, you're right that the next phase of the Moti Nagar piece will happen. There's a 7 million plus square feet that is available there. The Moti Nagar Mall is getting commissioned this year, Midtown Plaza. Midtown Plaza is getting commissioned in the next quarter and so we continue from our standpoint to do everything to make the experience of the residents there.

I mean, already now we have in excess of 8 million square feet between Capital Greens and one Midtown resident who are, I think they're almost 3,500 residents who are already staying there. So, improving their quality of living and just trying to work with the authorities to see how we can improve the infrastructure, including the massive green around that area.

**Kunal Lakhani:**

Great and one last question. You did give clarity on the health of the NCR market in a previous question. But just to follow up on that in terms of like I understand DLF is doing really well. You're getting response for your projects, but how is the industry or your peers doing? One of your peers earlier in the month kind of alluded towards some kind of a slowdown. Some of the

other peers out of Bangalore also colluded towards a cautious outlook on the NCR market. I mean, just your thoughts on the overall market, not just your products?

**Ashok Tyagi:** In all fairness, we don't comment on individual peers. But to just borrow from what Akash mentioned earlier, a lot of the major real estate players are coming to Gurgaon. Some of them have announced very marquee launches in the next calendar. So, clearly, I think Gurgaon, I mean, again, NCR overall is three different markets.

But Gurgaon specifically continues to be a market which does attract attention and hold attraction for even other players who are not present in Gurgaon so far. So, I think there is an underlying thing. Yes, obviously, they'll be one of people who may have had some headwinds in that sense. But I mean, we do believe that the underlying strength of the market for credible names continues to be there.

**Kunal Lakhani:** Thank you. Very helpful. And all the best.

**Ashok Tyagi:** Thank you.

**Moderator:** Thank you. Our next question is from Gaurav Khandelwal from J.P. Morgan. Gaurav, please unmute yourself and go ahead with your question, please.

**Gaurav Khandelwal:** Yes, hi. Good evening. Thanks for letting me ask my questions. My first question is just to understand the company ethos a bit better. I'm just wondering what will it take or is there any intention or no intention to, let's say, scale up your deliveries closer to the other big listed players. So, they're talking about 15, 18, 20 MSF of deliveries every year. So, what exactly is your thinking on these lines where we are and is there any possibility of this scale changing in the next three to five years?

**Ashok Tyagi:** So, I'll tell you, Gaurav, actually, million square feet is about the most irrelevant metrics entry in this industry. You have to focus on the sale value we are generating. You have to focus, not only you, anybody, you have to focus on the margin that is being generated. You have to focus on the free cash flow that is being generated.

And frankly I truly I would say appreciate this that over time if the entire community who's studying this industry moves. I can launch, I'll tell you frankly, I can launch a 10 million square feet somewhere on the outskirts of Haryana or UP or Ghaziabad. That will add volume, that will add execution headaches. Will it add cash flow? Will it add margin? And I think that's the question that we have asked ourselves.

And frankly, yes, we have a sharper or a higher threshold of margins that meet our products. And I think we clearly products that don't meet those margins. I mean, we ourselves have some land parcels, which we have not developed so far, because we believe that there is an eventual margin that those products will realize, which is not available today.

So, we are definitely, Gaurav, from an ethos standpoint, not going to chase volume for the sake of volume. We were the original pioneers of the volume journey and we have seen the downside of that better than anybody else.

**Gaurav Khandelwal:**

Right. That's super helpful, sir. But just as a follow up to this, in your current business then is supply availability of contractors, the Grade A contractors, is that a hurdle or not really?

**Ashok Tyagi:**

It's not a hurdle, but it's clearly a constraint and you have to work on that. So, we do keep on expanding the pipeline of contractors, I mean, the last 12 months, I think we have added three or four new contractors with whom we have not worked in the past. A couple of old contractors have retired.

So, I think clearly, going into the contracting piece, we have ourselves strengthened our technical backbone, humongously in the last 24 months, the number of senior technical people that we have taken, because now we clearly realize that we are going to do a lot of that to ensure better supervision. For Dahlia, we have lined up Samsung to do the project management. So, I think we are clearly looking at all possible tools to ensure that whatever we undertake, we execute and execute it well.

**Sriram Khattar:**

May I just add you talked of this million square feet, I think what's probably lost is that today in the rental business, we have projects in pipeline totalling to about 12 million. So, if you add that and you add the residential side, 40 million square feet.

**Badal Bagri:**

Over 40 million square feet is under construction at this particular point.

**Sriram Khattar:**

So, 40 million is under construction. So I do not know if there are any developers who are doing 40 million a year ago.

**Ashok Tyagi:**

They need to be fair, but I think we feel that this 40 to 45 is what we believe we can, as today, this is what we can execute well. And hopefully, I mean, this number was a lower number three years back and hopefully, as the competence keeps on strengthening, I'm sure this number can go up in a calibrated manner.

But 40 to 45 million is frankly what we used to be at the peak in 2010-11. So, I think we are where we feel we are now being, I mean, we are being constructively stressed, but I think we are still able to keep. What also happens is that we have a tremendous, I mean, we have an enormous architecture of the compliance framework.

I mean, the total number of individual compliance items that gets vetted and checked and audited every quarter is, I won't give you exact number, but it's a five-figure number. So, I mean, you know, it's just a, I mean, it's an elaborate engine that works, you know, unfortunately.

**Gaurav Khandelwal:**

Well, no, that's phenomenal and thanks for that color, and yes, commercial, of course, I completely agree, you are the largest operator in the country. And just my final question, which is more of a housekeeping question. On slide 28 on your cash flows, there's a inflow of Rs. 131 crores on account of government approval and others. Can I just better understand what is this number?

**Badal Bagri:**

Yes, Gaurav, there is an investment which was made in one of the subsidiaries which was returned back this month of close to Rs. 250 odd crores. And that is included in that line, and hence, it's shown as a recovery rather than expense.

**Ashok Tyagi:** Actually, it's Rs. 120 crores of government outflow and Rs. 250 crores was the refund that we got. So I mean, we had given an ICD to our Mumbai project and hopefully, because of the boisterous collection, that money was returned back by the JV Co. to us. So that Rs. 250 crores came back.

**Gaurav Khandelwal:** Got it. Perfect Thank You. Those were all my questions.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand over the call to Mr. Ashok Tyagi for closing comments. Over to you, sir.

**Ashok Tyagi:** Thank you. Thank you so much for this extremely insightful conversation. I mean, yes, I mean, I'll address the elephant, you know, that state that as Badal also mentioned and Akash mentioned, this quarter did visually have a very low key pre-sales number.

So, I understand that. But I mean, we explained the reason for that, because basically, the fact that we consciously and regulatory held back the Dahlias sale and that anomaly has been fixed now. And hopefully, it's back in the pipeline now.

Our launch pipeline continues to be exactly as we had mentioned and articulated in the past. And while obviously, Akash and his team have to work, and have worked tremendously hard in the last three or four years. I think that will continue as we bring more and more of these products into the market. The construction back engine has been strengthened over the last few years and continues to be so.

But obviously, when we are not looking just at a launch, we are looking at our 100% certainty that we'll be able to bring that launch to the consumer's hand in the time period that we have mentioned. Financially, of course, we have our five-digit surplus cash with us. It is still with RERA, but hopefully from fiscal '27 onwards, we should begin seeing a very systemic unlocking of that.

And I think that that's where things should start really strong and the commercial engine just keeps on outperforming quarter-on-quarter, year-on-year. And hopefully, in the next, you know, 12 to 18 months with the Downtown Chennai, Atrium Place, the three malls, and then the next phase of Downtown begin to commission, Downtown Gurgaon. I mean, this engine will just keep on growing. And hopefully also we continue to be in a safe and a sweet spot. And just that's it. Thank you.

**Moderator:** Thank you, members of the management team. On behalf of DLF Limited, that concludes this conference. Thank you for joining us and you may now exit the meeting.