



“DLF Limited
Q4 & FY26 Earnings Conference Call”

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Moderator:

Ladies and gentlemen, good day, and welcome to DLF Limited's Q4 FY26 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 the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

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

Badal Bagri:

Good evening, and thank you all for joining this call today. We are pleased to report a strong close to FY26, wherein we have delivered robust earnings, healthy sales booking and strong cash generation, supported by sustained demand momentum across our development business and continued strength of our annuity business.

This performance reflects the underlying quality of our assets, the Brand strength, prudent capital allocation and disciplined execution across a well-diversified mix of development and annuity business. Some of the key operating and financial highlights would be that we had a record collection of over INR13,500 crores in this fiscal, representing a growth of 15% year-over-year, which led to healthy cash surplus generation of over INR 7,700 crores, reflecting a growth of 25%.

It is important to highlight that our collection efficiency across all our projects continues to remain extremely high indicating the strong underlying demand of our products and high quality of sales. Our net cash position at the end of FY26 stood at INR 14,155 crores, of which close to INR 11,200 crores are in the RERA escrow accounts, signifying a robust balance sheet strength.

It's important to reiterate at this point of time as per our commitment, we achieved zero gross debt position in the development business in the last fiscal. New sales bookings for the year was in line with our guidance and stood at INR 20,143 crores, led by successful sellout of Privana North in Gurugram, West Park in Mumbai and very well supported by our super luxury offering in Dahlias. In Q4, we had a sales of close to INR 3,967 crores, which was primarily led by Dahlias.

It's important to highlight that in a particular quarter, we were able to sell 32 Apartments of Dahlias, which by itself is a remarkable feat. We were able to meet our guidance despite of deferral of a couple of our launches in the last fiscal year.

Our rental portfolio stands at 50 million square feet and continues to operate at industry-leading occupancy of 95%. In terms of financial highlights, our consolidated revenue stood at ~INR 2,452 crores, with a gross margin of approximately 46%. Net profit for the quarter was INR 1,256 crores. Overall revenue stood approximately INR 10,000 crores with a gross margin of 39% for the fiscal.

EBITDA was over INR 3,000 crores and net profit on a reported basis was INR 4,408 crores excluding exception. The net profit for the financial year was INR 4,256 crore, representing a growth of 16%. For DCCDL, I think we had another outstanding year with revenues close to INR 7,400 crores, a growth of almost 15%. EBITDA at over INR 5,700 crores a growth of 16% and net profit before exception of INR 2,726 crores, a growth of almost 38%.

In line with our stated commitment of enhancing shareholder return, combined with strong performance and growing cash flows, the Board has recommended a dividend of INR 8 per share for shareholders' approval, which represents a growth of 33% year-over-year.

With this, I will hand over to Sriram to talk about the annuity business.

Sriram Khattar:

Good evening, everyone. Let me share with you the rental business highlights for Q4, mainly and some for the year FY '26. The few highlights of Q4 are; the Atrium Place, our joint venture with Hines is now fully leased. We have got during the year, the occupation certificate for three towers, and the OC for the fourth tower is expected in Q2 of FY '27, though it is fully leased, it's in the final stages of completion. The 3 malls Midtown Plaza is 95% leased and operational as we speak. Summit Plaza is 95 to 97% leased, and we expect to open it most likely in the second half of July.

Promenade Goa, we have a line of sight of leasing to the extent of 50%. We expect the mall to be completed sometime in the month of August, and the opening will be 2, 3 months thereafter. We've had exceptional growth in this year. As Badal was mentioning, we have a high growth in our EBITDA or NOI as we call it, a 34 to, 35% growth impact. This has been rather exceptional given the fact that some of our assets got completed at the end of the previous year, and their entire income came because they were 100% leased in the current year.

I would request you not to take that as a basis for the future, because in our business, to construct the property and to bring it to market takes the cycle of 4 years, and every quarter and every year, it may not be the same. However, our 4 to 5-year guidance remains intact, that we will have mid-teens growth in NOI and 20 to 25% growth as a CAGR basis for the next 4 to 5 years.

The offices business is strong. Our occupancies in the non-SEZ areas are 98 to 99%. We have SEZs, which are at about 88 to 89%. However, the value of income loss because of vacancy is now down to about 3.5% in the overall portfolio, and our teams are working hard to continuously try and see how this gap can be further met.

The good part is that all the newer properties where the rental rates are higher are 99 to 100-odd percent leased, occupied and generating revenue. The recent issues related to AI and then the war between Iran and U.S. has not had any impact on the portfolio per se. However, there are large tenants who are reviewing their internal processes and internal decision-making and there could be some deferral in their decision-making without it in any way disturbing the structural strength of the business.

The retail business continued to do well. Our ability to create experiences for the tenants continuously improve the quality of our retail offering. And we see in the current year, a growth of about 10 to 11% in our income from the existing properties, plus, of course, the

3 new malls that come up, that would be the incremental growth. If there is any questions after Ashok finishes, we'll be happy to answer that.

Badal Bagri:

We can take the questions now.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We'll take our first question from Puneet Gulati from HSBC.

Puneet Gulati:

My first question is with respect to the cash flows first. There seems to have been some increase in marketing brokerage cost for the quarter and also overheads. How should one think about these trends?

Badal Bagri:

Okay. Marketing brokerage, our brokerage payout is linked to collections. And as in their milestones basis, which the payout happens, so if you recall, there was a reasonably robust collection in the previous quarter. And thereafter, the brokerage becomes due, and hence, you have seen a slight bump up in the current quarter on a sequential basis. So I would say, you should consider that.

Marketing is normal phenomena, and the overheads could be some year-end provisioning, etc. But the way you should look at is the overall number for the full year should be taken as a guidance. I don't think, our overheads are going to change any further. In fact, it should be around the similar numbers going forward as well. But looking at quarter on quarter basis, can be slightly misleading.

Puneet Gulati:

And from the taxation perspective also, should one think that you've been getting the benefit of tax refunds, is that era largely over or...?

Badal Bagri:

So, I think in the current year, we had some accumulated losses in 1 - 2 of the legal entities where we are now comfortable and we have recognized the deferred tax assets in the last financial year. And from a refund perspective, no, I think there will be the amount which we are seeing in the current year, I think we should continue to see those kinds of flows coming through in the future as well.

Puneet Gulati:

Understood. That's very clear. The more important part is, how should one think about the launch pipeline for this year?

Ashok Tyagi:

Okay. So Puneet, I mean Aakash, I'm not sure -- Aakash unfortunately is traveling, so his connection is patchy. So Aakash, you want to talk about the launch pipeline?

Aakash Ohri:

Puneet, we've got a healthy launch pipeline, almost about INR 20,000 crores. And we've got some good Gurugram products, we've got Mumbai, we've got Goa. And we've got some residual, and of course Dahlias. So we've got a good set and looking forward to that.

Puneet Gulati:

In Gurugram, what should be a target which all projects should we focus on? And what is the progress on Goa in terms of approvals?

Aakash Ohri:

So...

- Ashok Tyagi:** Go ahead, Aakash.
- Aakash Ohri:** No, Gurugram, we've got 2 good projects. We've got the senior living and we've got the Hamilton 2. These are good products. And Goa, of course, approvals are all done. There is a PIL, we don't want to create third-party rights just right now. We're just going to make sure that we are clear, and then we'll bring in Goa. But Goa, we're all ready to go.
- Puneet Gulati:** And Privana, any chance during the year, last phase?
- Aakash Ohri:** No, no, not right now. Next year.
- Puneet Gulati:** Okay. And then Khattar ji, on the commercial side, any projects that you think will get completed in FY28?
- Sriram Khattar:** Yes. So FY28, the 2 new towers totalling to 3.5 million in Downtown Taramani, will get completed.
- Puneet Gulati:** Okay. And for FY'27, it's just the Atrium where we should expect OC?
- Sriram Khattar:** Please don't call just the Atrium. It's 3.2 million square feet and will generate about INR 700 crores of rent. And in addition to that, the 3 malls will get completed and will be leased. The benefit of full rentals of all Atrium Place Towers and for the 3 malls, while the income accrual will start this year, the full income will come in the following year.
- Puneet Gulati:** Understood. And what should be the exit rental for FY27 or DCCDL separately and for the rest DLF asset?
- Sriram Khattar:** If I said separately, but I think the total should be about INR 8,200-odd crores. Just on the lighter way, it could have been \$1 billion had the Iran US war would not have happened.
- Moderator:** We'll take our next question from Nilang Mehta from HSBC Asset Management. Please go ahead.
- Nilang Mehta:** Good evening, sir, and thanks for the opportunity. I just wanted to check a pipeline which we show now medium term, we're showing around INR 60,000 crores of medium-term pipeline for launch. And I just go back to our previous presentation and go back to Slide 23 of the presentation for the year end, we had INR 67,000 crores of pipeline.
- So in last 3 years, pipeline, at least the future pipeline seems stagnating while obviously, I understand you've done launches and grown the business or presales to the current level in the last 3 years. But just wanted to think how have you seen this number when you look at next few years, at least, maybe not next year, but why is this number not increasing? Are you not confident about the market?
- Ashok Tyagi:** So Nilang, this more or less like a status update of the INR1,14,000 crores pipeline that we had projected, I think, about 2 years back for a 5-year cycle. So every quarter, we update on how much of that INR1,14,000 crores has been launched? And what is the to be launched pipeline.

So basically, it needs to be connected to that INR 1,14,000 crores that we had said. Obviously, this launch pipeline is not the end all. We have like the next phase also identified, but we will obviously unlock it at the pace at which the market can comfortably absorb and we're at a pace which does not overstrain our own execution capabilities.

Nilang Mehta:

Yes, just I think what Puneet has asked in terms of launch pipeline for next year, I missed it. So, what's the number you're looking like? And what's the pre-sale target for next year?

Ashok Tyagi:

Okay. So Nilang, basically, just to answer your earlier question also because I think you had -- I mean, the audio was slightly poor. about 2 years back, we had laid out a pipeline of INR 1,14,000 crores of launches across the medium term of 5 years. So, every quarter, we give an update against how much has been cumulatively launched and how much is to be launched. That's how the INR 60,000 crores number comes in. So, it's not that the INR 60,000 crores, I mean, launch pipeline that we had. We have projects lined up even once this is done.

And this is being sort of phased out in a manner where we believe the market can absorb at the products that we are offering and something which we believe that we can execute well. To the point that Puneet raised earlier, just to reiterate what Aakash said, next year, we should definitely have, in the current year, FY'26,27, we should have 1 big launch in DLF City, for sure, which should hopefully be in the INR 8,000 to INR 9,000 crores range, if not higher. We should have the Arbour Senior Living launch, which we have spoken about.

We should have the next phase launch of Westpark. And Dahlias will continue selling, at some stage Goa should also come into play. So from a guidance standpoint, we had mentioned I think last year as well, that we believe that we will broadly stay on this trajectory of a INR 20,000 crores of sales guidance and ballpark about INR 9,000-odd crores of new margin creation every year.

And I think we should hopefully be comfortably placed on that trajectory. Obviously, this guidance can go up if there's demand, and if the demand sort of continues to be strong, there is always an upward assessment for it and an upside risk to it. But a 20,000 number broadly in that trajectory, I think we are comfortable.

Nilang Mehta:

Okay. Thank you, sir.

Moderator:

Thank you. Next question is from the line of Abhinav Sinha from Jefferies. Please go ahead.

Abhinav Sinha:

Hi. Sir, thanks for taking my question and just a couple of details on the project pipeline that we were just discussing. So, on Arbour Senior Living, what is the size and timing that we are looking at? And similarly, if you can update us on the Dahlias Experience Centre?

Ashok Tyagi:

So, the Arbour senior living should happen in the next few months. I mean it could be 1-month or 3 months, we'll have to see. But clearly, these projects that I mentioned have a fair chance of being launched in this calendar year, they're very comfortably. Dahlias Experience Centre, I will defer to Aakash. Aakash, what's the current time line of the Dahlias Experience Centre being ready?

Aakash Ohri: Around Diwali. Yes. So, we're doing something nice, something that has not been done so far, at least presentation-wise in the country. So, I think it will be nice for everyone to see, and we'll definitely organize a show for you all also.

Ashok Tyagi: Yes. The only risk we do is that by the time the Experience Centre is commissioned, you may actually have sold out a large number of Dahlias.

Aakash Ohri: No, sir, may your words come true! I hope that happens because then the analysts are never happy. Then they tell us Dahlias 2. So, we'll at least have something to tell them during that show. No, but God is kind. I think we've done phenomenally well in Dahlias. I'm sure you'll note this quarter alone, we've done about 32 and plus 2 of the Camellias.

And what has happened is right now that as far as this entire thing is concerned, we've been able to create demand, which is in fact, we've been able to do sales in the entire country, I don't think if we put all the developers together. I don't think anybody has crossed to double-digit in the INR 100 crores sale mark.

But I think this speaks volumes of the Dahlias and the commitment that DLF brings on the table on super luxury. So this is huge. As far as anybody is concerned, please don't judge us with the real estate thing, but I think it's phenomenal for the business and, of course, the industry as well and the demand people keep talking about, it's pretty large, very well accepted, and we're doing about 100 plus, as you know. Dahlias is now touching about INR 135 crores per sale, that's where we are.

Abhinav Sinha: Sorry, can you hear me clearly now?

Ashok Tyagi: Go ahead.

Abhinav Sinha: Yes. Sir, on the dividend side, which has been increased this year to INR 8, I fully appreciate that. Where do you see this setting given the current pace of FCF generation?

Ashok Tyagi: Look Abhinav, dividend is driven by 2 pieces. A large chunk of this dividend is driven by Cyber City's dividend to us, frankly. And I think broadly about two-third of this dividend is really Cyber City's dividend. Cyber City, like a normal proper operating rental company with its debt to NOI at a very comfortable sub 3.5 level is generating more FCF and will continue, hopefully, growing its own dividend cycle. DLF cash flows themselves are growing. So again, we do not offer a dividend guidance.

We have never done it in the past. But if you see the trajectory across the last 4 or 5 years, it has been one of continuing growth in dividend. And if things stay well, hopefully, that trajectory should be maintained. But again, no guidance on that, yes.

Moderator: Next question is from Samir Jasuja from P.E. Analytics Limited.

Samir Jasuja: This question is for Aakash, if I can get some sense on the weighted average per square feet sales of the last 32 Dahlias? And what was the first 10 units sold and last units sold. So, what's the real price appreciation that has happened over the last 1.5 years?

Aakash Ohri:

We've done about 60% already done. And this 32, you can safely say they've gone about almost INR 100 crores. About INR 90-odd crores because of the South and North, there's a South orientation, and there's North orientation. North looks over the lake park and everything else and the South looks, as you know, into the Aravallis. And there is a price difference between the South and North, which is about between INR 20 to INR 30-odd crores, depending on the size and PLC.

And then, of course, we've got the north side. As far as when we started off, what was about INR 60 crores is now INR 90 crores. And what was about INR 75 crores is now about INR 110 crores. So there has been a phenomenal growth, but I don't want you all to kind of look at that right now at the moment because this is just the beginning. And I feel it's more to do with what the entire offering is going to be.

Once you see Experience Centre and see what we're actually up to, you would be happy to kind of acknowledge the fact that super luxury in India, the definition that is super luxury, is a completely different one as far as this is concerned. So, Dahlias is something far more superior than the Camellias which has made a benchmark for industry in the country, I think you'll all be very happy to see whether Dahlias is heading to.

Also, as I said, we recently hosted a dinner for all Dahlias owners. Everybody, but Mr. Ashok Tyagi attended it. But it was good. It was phenomenal. And I wouldn't call it a show of strength, but I think more to do with building a camaraderie. And actually, a lot of people had this whole thing about they started to compare price points and all. And that's what I wanted to bring out in the open that whoever boarded this journey in the beginning obviously have benefited enormously with the kind of first stage. So, I think that's where we are Samir.

Samir Jasuja:

So just 1 follow-up question. We have already a product like Camellias. So what is the price per square foot of a ready product like Camellias compared to an under-construction product like Dahlias, which, of course, is going to be far more superior, but just the price differentiation between a super luxury ready product and an under construction product on a per square foot basis, if you can throw some light on that, please?

Aakash Ohri:

So a Camellias right now is trading now -- we're talking about super or carpet?

Samir Jasuja:

Apples to apples, whatever?

Aakash Ohri:

Okay. So Camellias today right now is trading between anything between INR 80 to about INR 150 crores. Now the good thing is that the Dahlias has caught up much faster than we expected it to, which is we thought we will achieve this target in about 4 years, but we've done it in about 1.5 years. in terms of per square foot realization. And that's where I'm saying that if you do apple-to-apple, Dahlias would be maybe almost at par at the Camellias today. And now that is actually a pain point for me, for Camellias, because I feel there's a good headroom there.

I feel that we will be able to achieve the next lot as far as Camellias is concerned or the next valuation will be the next jump for Camellias will be at least INR 25 crores an apartment. But it's going to be a progress driven by people who are wanting to live in immediately versus waiting out for about 4 years.

- Samir Jasuja:** So just to -- I still didn't get that answer. Can I take Camellias at INR 120,000 per feet on super and maybe Dahlias, I'd say, INR 95,000 per feet on super, would that be a correct estimation?
- Aakash Ohri:** You can take Camellias INR 1,20,000 per square feet on super, but Dahlias.

average right now you take about a INR1 lakh...
- Samir Jasuja:** 20% differential?
- Aakash Ohri:** Right.
- Ashok Tyagi:** And Samir the interesting thing of course, since, apart from you most other people on this call would be from Mumbai, that these prices of Camellias or Dahlias today. If you convert it to carpet, there'll be carpet north of INR 150,000 per square foot, INR 160,000 a square foot. Frankly, compared with the super lux products in Mumbai, be it Worli or South Mumbai. So, I mean, Gurgaon pricing of the super lux has, frankly, caught up, if not exceeded that in South Mumbai.
- Aakash Ohri:** So, we have exceeded Mr. Tyagi?
- Ashok Tyagi:** No. I don't want to say we exceeded, but only thing that we definitely hit that level for sure. Absolutely.
- Aakash Ohri:** No, I reiterate we exceeded.
- Moderator:** Thank you. Our next question is from the line of Gupta. Please introduce yourself, your company name and go ahead with your question, please.
- Akash:** This is Akash from Nomura.
- Akash:** Hi, my first question is on the presales guidance of 200 to 220 billion and this is the third year we are coming up with this guidance. So, peers have now gone to presales of 300 billion to 350 billion and we are still at 200 billion to 220 billion. So, I just wanted to know your thoughts as to when should we think about growth on the presales front?
- Ashok Tyagi:** So my advice honesty will be for all analyst that presales is about the wrongest metric that you can use to track us or frankly any of the substantial real estate players. I mean, if you also look at some of the other players, some of them are no longer chasing presales. I mean we can do presales of INR 50,000 crores a year also, frankly we have the land bank, we have the demand.

But what we have to do is chase margins, chase cash flows and where we believe our primary objective is chasing margins and cash flows and not chasing presales, frankly. So, we are comfortable with generating this INR 9,000 to INR10,000 crores of margin every year, generating about this INR7,000 to INR8,000 crores of free cash flow every year on the Devco side.

And obviously, building a pipeline for the future. From next year onwards, we also entered the virtuous cycle of completions from a bookkeeping standpoint. And frankly, I mean, chasing joint

venture deals or deals of lower-margin products or even higher margin products beyond this. I'm sure, at some stage, these numbers will grow. I'm not saying it will not.

But we are not going to chase the INR35,000 crores, a INR30,000 crores numbers just for the heck of chasing them. If you have a great product, maybe we will, we will achieve. So, there have been years and we have been the highest in presales for the year, but that was not because you were chasing presales. You were chasing margins and we were basically riding on all our products.

Akash: Understood, sir. Thank you so much.

Aakash Ohri : Also, Mr. Tyagi, if I can just add to what you said, I'd like to address the elephant in the room that most importantly, you all need to understand that the construction capabilities in our country are still limited. So, everybody can chase the presales number, but who's going to deliver on time.

And please understand with the monies that you are taking from yourselves as long as even if you're a consumer, how would you like it to make a commitment for your delivery and deliver in 8 to 10 years. So, I think that is something that this company is absolutely cognizant of Mr. Tyagi has told you what our capabilities of sales are and across the geographies, we are invited to participate post our Mumbai success and Panchkula as you know already.

A lot of companies and JVs are wanting to partner with them. So, I don't think that is something that we need to prove anymore. I think we've got capabilities of selling. We've got capabilities of making sure that we have the brand out there, but the delivery is something we are extremely, extremely cautious of.

Akash: Understood, sir. Sir, my second question is on your Mumbai strategy. I think we are launching the second phase of Westpark this year, what after that? How are we thinking about the Mumbai market going forward?

Ashok Tyagi: So, Westpark itself, overall is a total -- I mean, the Westpark as defined currently is a total pipeline of in excess of 5 million square feet super area. Against this, we have so far launched 900,000 square feet we should be launching the next phase of 800,000-odd in this fiscal, maybe 500,000 or 600,000 square feet the fiscal afterwards and we change it. We are also constantly looking how we can organically grow the Westpark geography and we are in conversations across with other development options in and around Westpark.

And obviously frankly our Mumbai team and our joint venture partners, we continue to look at any other interesting opportunities in Mumbai. So, we are in Mumbai now for good for sure clearly. We will continue to be cautious and calibrated in Mumbai, but we would be open to a lucrative and nice opportunities in Mumbai and Westpark itself should keep on going into a very strong core for us.

Akash: Understood. And sir, my third and final question is on the cash balance. So, we are already at INR 14,000 crores of net cash balance and generating free cash flow of INR 8,000 crores. Once that RERA balance unlocks, what's the plan with the cash because we are already sitting

on the land bank. So, any thoughts there and also on the revenue recognition front in FY '27, how should we think about that?

Badal Bagri:

Yes. So Akash, as you rightly pointed out of the INR14,000 crores of cash balance, almost INR11,200 crores are sitting in RERA balance. And all of these projects will start getting unlocked from FY'27, '28 onwards. That's when these cash will be available for us different things.

As stated earlier, I think we have a three-pronged approach. Number one is increasing shareholder return from the cash perspective. Second, we have an extremely healthy pipeline in DLF as well, mothership of annuity business and there is a large amount of capex, which is already kind of committed and will be invested for building the portfolio.

And third, is, as you rightly pointed out, we already have a reasonable share of land bank, but we are always open for opportunistic deal what will be margin accretive in our assessment. So that cash pool is always available for reinvestment. On the second question, it's linked to the first one itself.

As you know, our accounting policies are fairly conservative. We follow the CCM method, which is completed contract method. All our large projects starting from Arbour will start getting delivered from FY27, 28 onwards. So, from there, there will be a virtuous cycle of getting free of cash and also an extremely healthy margin, which is going to get booked in our P&L, which we always share, which is kind of getting accrued and just fitting for the final delivery.

Akash:

Understood, sir. Thank you so much.

Moderator:

Thank you. Next question is from Kunal from CLSA. Please go ahead.

Kunal:

Thanks for taking my question. On the 200 billion guidance, how much have you budgeted in terms of contribution coming from Dahlias in FY27?

Ashok Tyagi:

So look, I think this year, the Dahlias sales was about INR5,000 crores and hopefully it stays to INR 5,000 crores to INR 6,000 crores next year as well.

Kunal:

Sure. And then you said you have a launch pipeline of 200 billion for FY27. So, from that, you are expecting another 150 billion odd?

Ashok Tyagi:

We expect that the 13 to 14 million or 14 to 15 million, somewhere in that ballpark of sale to come through from that pipeline.

Kunal:

And then why is that? Because typically, if you see the barring Dahlias, whatever you have launched so far have forgotten sold at launch, including Mumbai projects. So just trying to understand your assumption that by 150 billion, 130 billion out of 200 billion of launch pipeline we expect?

Ashok Tyagi:

Kunal, it was the 200 billion the assumption is that maybe we will eventually may end up launching a subset of 200 billion. We, I think, you're right that so far, we have always sold 100%. I mean, Dahlias, of course, a calibrated soil, but we have sold 100%. But I don't think it's smart

in today's world to bank on everything to be a 3-day sale. So we do believe that of our launch pipeline. The balance, INR 13,000 to INR 14,000 crores should come comfortably for us to hit it to be on these INR 20,000 crores.

Kunal: Understood. Understood. And my second question was more on the land bank side, I mean you have articulated a plan for the next few years in terms of our 25 million square feet pipeline. But just wanted to understand on the land bank outside of your launch pipeline, right, especially the one in the north and metros, which is almost close to 40 million square feet. How marketable that is in terms of, like, say, in terms of time horizon of the next, say, 5 to 10 years?

Ashok Tyagi: No. Most of this is marketable. The North and metros pipeline. Most of this is marketable. It's a question of, some of these pipelines may not get the best pricing today, they will get in the next 2 or 3 years.

In fact, some parts of Gurgaon also, we believe it's better to wait 2 or 3 years to versus launch them today. I mean, Privana, when we launched versus had we launched it 6 years back, there would have been a world of difference in terms of the monetization. So I mean what is here these 137 million square feet of balance potential. All of this is monetizable for sure, in that sense. There is nothing like that in this sense. This is all monetizable and the only thing is getting the right price point, getting the right demand. And as Akash mentioned, marrying it to our execution capability.

Kunal: Sure. And lastly, any update on Moti Nagar Delhi project, the second phase of it?

Ashok Tyagi: Moti Nagar, we are hoping that the government will do some infrastructure improvements as well in Central and Western, Delhi in and which may be the right more opportune time for launching the next phase. The first phase is almost completely sold out, barring some small tail that is remaining. So I think it will happen, but I don't think it's going to happen in this fiscal for sure.

Kunal: But FY '28, you would aspire for that?

Ashok Tyagi: Yeah, FY '28, we will see now. FY '27 is not there right now.

Kunal: Thank you so much and all the best.

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

Parvez Qazi: Hi, thanks for taking my question. So a couple of questions for Sriram sir. One, on the 4 blocks, which are under construction in Gurgaon, DT 5 to 8, what is the construction timeline also same for the mall that we are making in Gurgaon. And the second question is of both, DT 5 to 8 in Gurgaon, and the Block 4, 5 in Chennai, what is the pre-leasing status considering that in our existing portfolio anyway, we don't have much to lease? Thank you.

Sriram Khattar: Yes. So let me start with Downtown Gurgaon Phase 2, Downtown Gurgaon, Phase 2 is an integrated development of 7.5 million square feet, out of which 2 million is the mall and 5.5 million is offices split into 4 Towers, as you rightly mentioned Tower 5, 6, 7 and 8 Out of

this, Tower 7, which is 2.2 million is nearly fully leased. So now we have released Tower 5 and 6 and they are in the process of being leased.

The finishing time lines are later part of FY'28, early '29. This, at the end of it will still leave Downtown as one which is in between when we have the multilevel car park today, which is in between ambience and Tower 2, 3 and 4. And that's so to be an iconic tower that we will start the construction about 2.5 years from now.

As far as Downtown, Taramani is concerned, the 3.5 million construction is progressing well. We are reasonably confident of its completion in Q2 of the next fiscal year. We have made certain project changes there because we have created a central atrium between Tower 1, 2, 3, 4 and 5, and that's turning out to be a very beautiful place. Out of 3.5 million, we have already leased about 500,000 and the balance leasing is on its way.

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

Moderator: Thank you. We'll take a next follow-up question from Nilang Mehta from HSBC Asset Management. Please go ahead.

Nilang Mehta: Yes. I just wanted to get some sense on the pending area, we have on SEZ what's the house that being deployed or rented out, that's one. Second is, based on the micro markets in which we are, if you could give some colour on supply and absorption and also the rental trends, what you're seeing?

Sriram Khattar: So, as a concept, SEZ is not something which is growing. It is showing a decline in trend. So out of our total portfolio of SEZ of about 16 to 17 million, we have already converted about 4-odd million into non-processing areas including a small portion, which we have even de-notified. However, there, the existing tenants who have not yet exhausted their 80-I tax incentives continued to take SEZ on lease.

The overall vacancy is about 10-odd percent out of which the lowest vacancy is in the Cyber City in Gurgaon and then we've got about 8 to 9% vacancy in Silokhera or 7% we can see between Silokhera and Chennai. And Hyderabad is at about 17 to 20% vacancy.

As far as the rentals is concerned, we are slowly striving to close the gap between the, say in Cyber City in Gurgaon, between the cyber city rentals and the SEZ rentals for the new take up. And that gap has now come down to within 10 to 12%. Chennai, we continue to get marginal rental increases. Silokhera, we continue to get marginal increases. And so is the case with Hyderabad.

Nilang Mehta: Sure. And could you give some colour on supply as well in these markets and absorption, which has happened so broadly.

Sriram Khattar: So, Gurgaon, I believe we've set a certain standard and quality of the office space, and we believe this is the first call for any global blue-blooded marque company that comes in, especially with GCC. We've just completed leasing the entire tower of downtown of Atrium place Tower 4 to a

single tenant from the US. We believe that with the quality of offering that we have and what we create in terms of the workplace solutions and spaces, we shall continue to be a leader here.

To some extent, this will also be reflected in Chennai, where we have now a fairly large operating portfolio exceeding 10 million square feet, going up to about 14 to 15 million square feet. We also created a benchmark about 2 years ago in crossing a rental of INR 100 in Taramani, the 450,000 square feet, 500,000 square feet that we have leased in Tower 4 and 5, I must share that the top floors which have a 360° view of the city and the sea have been leased at INR 145 to INR 150 per square feet and we expect average rental realization of between INR 125 per square feet, INR 130 per square feet there.

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

Ashok Tyagi: So, thank you once again for joining us on this year-ending call. As Badal and then Sriram mentioned, both on the DevCo and the RentCo pieces, though we continue to have a strong story. In fact, the rental business with the commissioning of the 2 Downtowns and the full throttle going on rental of Atrium Place, plays is actually poised to see a very exciting phase of growth.

On the DevCo, I could sense some degree of expectations that we should have given a higher sale than 20,000, but frankly, I would still encourage that we need to not only focus on pre-sales as a metric, but on the margins and cash flows. And I think once that entire sustainability comes into play, hopefully, the presales number will grow organically. That is very clear.

We have a reasonably strong launch pipeline, and Dahlias continues to be the base for our entire growth prospect. Our cash generation would continue to be extremely strong as should hopefully be our dividend trajectory. And our continued focus on the entire EHS and Governance pieces continues to be extremely, extremely strong, which at times leads to a more delayed start when we launch a new project because we just go through such an exhaustive checklist of our own.

But I think all in all, we are poised for a strong FY '26, '27 coming on the heels of a strong FY'25, '26, and look forward to connecting with all of you through the year. 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.