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30th January 2025

The General Manager Dept. of Corporate Services **BSE Limited** P.J. Tower, Dalal Street, Mumbai – 400 001	The Vice-President **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai – 400 051

Sub: Transcript of Earnings Call

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the transcript of the Earnings webcast.

Requisite details regarding the earnings webcast are as under:

S. No.	Particulars	Details
1	Date of Earnings webcast	27th January 2025
2	List of management attendees	- Mr. Ashok Kumar Tyagi – Managing Director, DLF Limited - Mr. Sriram Khattar – Vice Chairman and Managing Director, Rental Business, DLF Limited - Mr. Aakash Ohri – Chief Business Officer and Joint Managing Director, DLF Home Developers Limited - Mr. Badal Bagri, Group Chief Financial Officer, DLF Limited
3	Web-link of the Transcript	**https://www.dlf.in/qu-result/Q3-DLF-Earnings-Oct-Dec-2024-2025.pdf**

This is for your kind information and record please.

Thanking you,

Yours faithfully,
For **DLF Limited**

Ram Parkash Punjani
Digitally signed by Ram Parkash Punjani
Date: 2025.01.30 16:10:51 +05'30'

R. P. Punjani
Company Secretary

Encl.: As above

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"DLF Limited

Q3 FY '25 Earnings Conference Call"

January 27, 2025

MANAGEMENT: MR. ASHOK TYAGI –MANAGING DIRECTOR – DLF LIMITED

MR. SRIRAM KHATTAR – VICE CHAIRMAN AND MANAGING DIRECTOR -RENTAL BUSINESS – DLF LIMITED

MR. AAKASH OHRI – JOINT MANAGING DIRECTOR AND CHIEF BUSINESS OFFICER

MR. BADAL BAGRI - GROUP CHIEF FINANCIAL OFFICER – DLF LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to DLF Limited's Q3 FY '25 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, Joint Managing Director and Chief Business Officer; and Mr. Badal Bagri, Group CFO, DLF Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashok Tyagi. Thank you, and over to you, sir.

Ashok Tyagi: Thank you. Good afternoon, everybody. Welcome to the DLF Limited Q3 Analyst Call. As you must have seen the presentation by now, we've had a pretty solid quarter last quarter on both the development and the rental businesses. I mean, Dahlias obviously was the prime highlight of the last quarter and I think we did a sales of almost INR11,800-plus crores.

You must have seen the cash flows for the quarter are also extremely healthy at INR 1,800 crores. In fact, we are now sitting on a total cash balance of almost INR 4,500 crores. The profit after tax for the quarter is at INR 1,000 crores, which again, after a long time we have hit the 4 digit category from an operation standpoint.

We had promised a series of metrics over the last 2 to 3 years that we'll be doing. And I think you'd be glad to know that we are, by and large, achieving most of them, be it on sales, PAT, cash flow, margins and on the rental business. And we hope that we continue to sustain this in the quarters to come.

You know, frankly, you must have seen that while obviously during the course of the call, Aakash will speak a lot about the Dahlias and about how spectacular a success it has been, but in all fairness, frankly, I wouldn't be lying to say that it sort of has also surpassed our own targets and vision that we had for first quarter after its launch and we hope that this sustains.

We have other products in the offerings as well, which are outlined in the presentation. You may also have seen the notes to account that we have also made a provision of about INR 900 crores towards discharging certain tax liabilities under 'Vivad Se Vishwas'. These pertains to the old SEZ tax issues that we had about almost 12 to 14 years back.

And even though we have won those cases at every conceivable appeal level from CIT appeal to Income Tax Tribunal, but given the fact that it would take at least maybe a decade more for it to be finally adjudicated in both the High Court and the Supreme Court levels, we just wanted to ensure that we future proof our business from this uncertainty as well, uncertainty around that. And hence, we have moved in to do that. This will extinguish in excess of INR 2,000 crores of our contingent liabilities in our books as well.

Before I hand over to Sriram to speak about the rental business, I'd also take this opportunity to introduce our new CFO, Badal Bagri, who has joined us in December. Badal comes from an extremely checkered career with GE, GE Capital, Airtel, Reliance and we hope that he brings an extremely strong controls and extremely strong business awareness from him to take DLF onto even higher heights.

Sriram, I request you to chip in with some words about the RentCo business.

Sriram Khattar: Thank you, Ashok. So this is the first time we are changing the format slightly, where after Ashok gives the opening statement I'll spend a little time on the rental businesses. And this has happened because when we speak of rental businesses, the first thing that comes to our mind is DCCDL, the subsidiary that is there along with GIC.

But as we see the future and as we see now, the rental income on the DLF balance sheet also is continuing to increase and therefore, we will talk a little about the rental business in totality. And so it will be DCCDL plus, plus. So you, please, have to pardon me if the figures are not that very accurate to start with, but I promise you by the next quarter these will be completely fine-tuned as the overall rental business.

I'll first like to touch upon the vacancy level in offices and retail. Our vacancies now have come down to 7.2%, which in offices, which at the beginning of the year were at 9% and the 7.2%, the vacancies in our non-SEZ portfolio are down to about 2% now whereas the vacancy in the SEZ portfolio hovers around 12% - 12.5%. We are working quite hard in Q4 to see how we can bring it down to around 6% - 6.2%.

Retail vacancy continues to be around 2% in the portfolio, which is really a function of the churn that happens in the portfolio and the leasing and before one tenant vacates and the other comes in.

The capex program on the development of new assets is going quite strongly. We have commenced construction on downtown Gurgaon Phase 2, where we have 4.5 million - 4.6 million on offices and 2 million of retail. The construction has commenced there. The construction of Downtown 4, which was the last building in Phase 1, is getting completed. We expect the OC to come in this quarter. Tenant handovers have commenced and the 2.1 million tower is now fully leased, other than 60,000 - 65,000 square feet, which we hope to complete within the next 2 months.

Downtown Chennai, Downtown 3, which is fully leased. We expect the OC anytime now, and the rental also to commence in about 4 to 5 months' time. Construction on Downtown 4 and 5 in Chennai, which is about 3.6 million, started in Q3 and is progressing well.

The construction on the 3 malls, which are in the DLF portfolio, which totalled up to 1.3 million, is moving…

Moderator: I'm sorry, sir, you're not audible.

Sriram Khattar: Hello? Can you hear me now?

Moderator: Yes, sir. Please go ahead.

Sriram Khattar: Which was in the 2 malls in the Delhi NCR were a little delayed because of the GRAP and the stoppage of construction. But otherwise, we are on complete track on that. The construction on Atrium Place is moving on track. Atrium Place, as you know, is a joint venture with DLF Holdings 2/3 equity and Hines U.S. holding 1/3 equity. 2 million should get completed by early next quarter. And Phase 2, which is 1.1 million, will be about 10 to 12 months after that.

Our SEZ, the total stock that we had, which was vacant was 2.3 million square feet, out of which we have applied for 2.2 million square feet for de-notification. 1.9 million of that has been approved by the Board of Approvals and out of this 1.9 million, 1 million has already been leased.

On sustainability, we continue on our path to be the global leaders. We, as you know, have achieved LEED Platinum for all our operating buildings. We have got LEED Platinum Zero for water discharge for all our buildings, both are sort of leaders globally. And now we are working on LEED Zero for waste, where about 60% of the portfolio has got LEED Zero waste. And by 30th June, we plan to convert the entire portfolio to LEED Zero waste.

We are working on our carbon neutrality. And sometime in the coming quarter or the quarter after that, we will make an announcement on when we believe we will be completely carbon-neutral.

ICRA and CRISIL who rate our debt, ICRA has improved our rating from AA+ stable to AA positive a few weeks back. CRISIL is in the process of reassessing our rating, and their report should come out by probably February end.

During the quarter, DCCDL sold its IT park in Kolkata, which was a 1.2 million square feet asset. We sold it for INR 675 crores, and we got cash of about INR 637 crores after adjusting for the security deposits and the net current assets.

This is from my side. I will now hand over to...

Ashok Tyagi: We can now open for the Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. Participants connected on webcast may click on Ask a Question tab available on your screen. For participants joining through the audio bridge, to ask a question, you may press star and 1 on your touchtone telephone to ask a question. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use a handset while asking a question. Ladies and gentlemen we will wait for a moment while the question queue assembles. We'll take our first question from the line of Praveen Choudhary from Morgan Stanley. Please go ahead.

Praveen Choudhary: Thank you so much for taking my call and Congratulations for a phenomenal presales quarter. I have 2 questions. The first question is related to the demand situation in Gurgaon. There has been a lot of market data points suggesting that there might be some over-exuberance in the last 12 months. So if you can update us a little bit on the Gurgaon market, whether it matters to you for your Dahlias project or not, but in general.

And the second question was related to the investment property. It seems like there are a lot of completions going to happen. Just wanted to understand, again, in terms of long-term target for that asset, will you monetize it? Would you divest it? Or would you continue to keep both the assets together as in DP and IP business together in the business? Thank you.

Ashok Tyagi: Aakash on the demand, please

Aakash Ohri : Okay. So as far as the demand is concerned, I feel that the markets in Gurgaon are now maturing and Gurgaon is no more a geography related purchase story anymore. It's agnostic to investments that are coming into Gurgaon are from all over the world, and of course, all over the country.

So, what is happening today, I will speak for DLF first, where a DLF product is now almost akin like right now what people are doing is, it's something, which has been compared to what people generally like investing in stocks and the market and all. So, a DLF product that way with the liquidity it has and the appreciation that it has given people across the board and Gurgaon markets that has already given that particular increase, is why it is being preferred.

In fact, today, price points, the CRE, which is a data analysis company, has started to compare price points of Gurgaon to Dubai and London and all. See, we are not into all that speculation, but all I can say to you is that the way the infrastructure is being planned in Gurgaon, the proximity to the airport, most of the Fortune 500 companies, I mean, a very robust office business, leisure, hospitality, the best homes to live in, I think the quality of life that Gurgaon today gives in its entirety is something that is driving this growth. It is no more an investor's market. People want to come and live here.

And of course, it has given a very strong rental returns to people who don't live here and own properties here. So, from all aspects, Gurgaon is something that, I feel contrary to what you are saying, is just about establishing itself after almost a long time and I see this trend going forward. That's what I feel.

Ashok Tyagi: And Praveen, I'm sorry, I didn't fully understand your second question, investment properties.

Praveen Choudhary: Thank you so much. Yes, I was asking that the DCCDL as well as your own business are both growing very well. My question was that, is there a chance of monetizing those assets, so you can use those money to higher returns? That was the question, actually.

Ashok Tyagi: No. So, we remain, frankly, equally committed to both the businesses, the DevCo and the RentCo. And frankly, neither us nor our partners, GIC, are in any hurry of any form, frankly, for the monetization exercise.

As Sriram pointed out in his opening remarks, we have just begun the next huge capex build-out cycle. And I think, clearly, we should at least wait for its completion in the next 4 to 5 years, before something of that sort happens.

So at least right now, we are staying committed on the operating piece of the business. And frankly, there are no immediate plans on any monetization.

Sriram Khattar: Operating and growth.

Ashok Tyagi: Operating and growth.

Praveen Choudhary: Great. Thankyou. And if I could just follow up on last question from my side is Mumbai and Goa market, where you are expected to launch some really marquee projects and we have been waiting for. Can you update us in terms of either timing or what should - what is, if any, the delay, the reason for delay? And also how is the demand looking at this point in time?

Ashok Tyagi: So, the demand is, you can mention it.

Aakash Ohri : Yes. Just one more thing, Praveen, since you all work on numbers and not on emotions, basically, Gurgaon, if you see 15 months when 3 projects that we had to do, I'm talking about DLF right now, we did about INR 22,000 crores. And in the last 12 months, if you just see the 'Privana', 'Dahlias' and the other stock that has been sold, it's about INR 24,000 crores.

So, if you see the kind of business go down, that's just DLF's numbers. I'm sure if you just add up everybody else's, you will see the kind of numbers that Gurgaon is continuing to do. And these are hardcore money in the account. That is one.

Then going back to Mumbai and Goa. Mumbai right now, I'm seeing a good kind of a demand. Mumbai, I'm seeing the expectations also quite reasonable in terms of what we are looking at what price points approximately. But overall, I think there is a good amount of excitement for a DLF product to come into Mumbai.

Goa is one of its kind. It's a super-luxury project in Goa, as you all know, and that has its own set of demand. So overall, right now, so far, so good.

Ashok Tyagi: Yes. And again, to your point, there's no delay happening in Mumbai or Goa. But yes, those are newer geographies for us from an approval standpoint and the approval cycles are underway in both the places.

Hopefully, once the approval cycles complete, we should be in a position to launch. Right now, the way it looks, it looks Mumbai should launch first and Goa maybe after some time.

Praveen Choudhary That's super clear and once again your figures are exceptional, so keep it up and congratulations.

Ashok Tyagi: Thank you.

Moderator: Thank you. I now request Pritesh Sheth from Axis Capital to please accept the prompt on his screen. Pritesh, I request you to turn on your webcam, unmute yourself and go ahead with your questions please.

Pritesh Sheth: Yes. Am I audible?

Ashok Tyagi: Yes Pritesh.

Pritesh Sheth: Yes. So, congrats on great performance. First, I am just trying to understand the mix of demand that we've got in Dahlias. How much is incumbent population from NCR, India, NRI, whatever insights you can provide us because these numbers are like beyond our expectations. So just trying to understand where that's come from.

Aakash Ohri : Yes. Pritesh, So it's the Golf Links community, first, in that order I'm going. Then NCR, then NRIs and then rest of the country. NRIs have contributed to about 12% of our sales in Dahlias. About 50% has been the community, friends and family and people who live there, who have been referred who are there as tenants, their references.

And the rest, I am seeing a good traction coming from the other metros as well as Tier 2 cities that I saw. In fact, I mentioned on one of the calls even for Camellias. So that's the kind of. See, if you recall, in one of the conversations, I'd also mentioned that every product that DLF is bringing in today, we are doing a global launch. So ,we are not only geography specific as far as our launch is concerned. But I think post the approvals in all, then we go ahead and kind of go seek the market everywhere else.

And but we are in continuous conversations with our customers all over the world and in India. And I think that is what has given us this first fill-in.

Pritesh Sheth: Got it. Interesting. Just two more, again, on Dahlias. One, on the pricing side, while whatever we have sold is at INR 65,000 per square feet roughly on sellable and whatever inventory that is left is right now priced at INR 85,000 per square feet.

Are we like since, we are going to phase it out, are we building some bit of price increase in those numbers? Or whatever is left is anyways like high-ticket size and the base price itself is going to -- was always planned to be higher than the initial units?

Ashok Tyagi: So, Pritesh, just one mathematical correction before I hand over to Aakash, INR 65,000 is the average price that we have obtained in the first 173 apartments. We have exited more at a mid-70s price point right now. So really, the delta is from mid-70s to mid-80s and not from INR 65,000 to INR 85,000 really in that sense.

And , of course, the way the pricing grid and the attributes of each apartment are virtually no 2 apartments have the same price, really. And so, it's a very complicated grid that Aakash has created because only he understands. And hence, I will hand it over to him.

Aakash Ohri: Yes. So basically, how this is working is that this was the first price, and of course, there was a community offer and all that, which, going forward you will see that also being withdrawn. And the inventory available, right now, there was a certain mid-floor and low. So obviously, the price points for the others, as they come along, will be at higher price points.

We have achieved some benchmark pricing here as well, which are very, very encouraging. But at this point of time, I don't want to just give you a number for the sake of it. But extremely encouraging to see what our first phase of price exits have been. So, have we been able to answer that question, Pritesh?

Pritesh Sheth: Yes, yes. Absolutely clear. And how are you planning to phase it out now, the balance inventory? So, we'll have some bit of sales -yes.

Aakash Ohri: **Yes,** right now, I think we're taking a very short breather, very short. But I think we will get up because sometime around mid this year, we will be doing our experience centre. That will be another show and tell. That's going to be another experience that people will go through. And of course, before that, I think just give us this little time to just be kind of, in a way, I'd love to say celebration, but...

Ashok Tyagi: Recalibration.

Aakash Ohri: Recalibration is what I can say. I mean, we are not - so that's where we are right now. But I think, see, again, a product like this is going to be hard to beat and I say this with utmost humility that I don't think you've seen a product like this.

Also a USD 4.5 billion launch for 1 condo in the world, I don't think there is any comparison. But also, it's a very far. I mean, as an Indian, I think I'm extremely proud to see a product like this unveil in our country. So, there will be enough coming in.

And again, as one more last thing I'd like to say to you is that, see, with Dahlias, we're not in a hurry to sell off everything. If you remember, I'd given you a 4 year sales plan earlier, right? So, in super-luxury, this is not like, say, a 'Privana' or a 'Floors' or anything else that I'd like to do first day first show, that those numbers itself have been large, but the per unit cost here, I'd rather you benchmark our success with the per-unit sale cost rather than the inventory cost. There, you will get far more confidence, and you will see those numbers getting better with every sale.

Pritesh Sheth: Amazing. Just one last from my end on the rental side. I know like you want us to look at combined but just wanted to get a sense of plans at the DLF side of commercial. Since we are almost done with the 3 malls and Atrium Place, what's next for DLF side of commercial business?

Like, will we take up a few more projects there? Or probably right now, the focus would be on the 2 downtowns and then move on to the Cyber City 2, which is always planned for?

Ashok Tyagi: So, Pritesh, obviously, you are right that we are, in the next 12 months focusing on completing the 3 plazas and Atrium Place. And on the Cyber City side, the 2 Downtowns. But clearly, I think Mr. Khattar and the team is working on the next sequence of options on the DLF side that we could potentially commence construction on. And Sriram, if you would want to answer.

Sriram Khattar: Yes. So, there is a fair amount of potential that we have and we are assessing the potential in new Gurgaon and Hyderabad to see what we can do there. I think by the time we have the next analyst call after the 12 months are over, we will have far more clarity on that.

But clearly, the growth rate of rental assets in the books of DLF will be higher than the growth rate of the rental assets in DCCDL, primarily because DCCDL has a very large base compared to that of DLF.

Pritesh Sheth: Got it, that's very helpful, that's all from my side, all the best, you are doing amazing work. Thank you

Ashok Tyagi: Thank you Sir.

Moderator: Thank you. I now request Amit Goela to please accept the prompt on his screen. Amit kindly turn on your webcam, unmute yourself and go ahead with your questions please.

Amit Goela: Yes, Hi sir, Congratulations on a great set of numbers. Sir, I've got 2 questions, one is for Sriram. Sriram, on DCCDL, if you look at it, your debt-to-EBITDA has been consistently coming down, whereas your rentals have gone up. Like it's now down from 5.6 to 3.2 - 3.3. Now you've got almost 12 million square feet coming up for expansion. So do you think the same trajectory will continue or there can be some changes there?

Sriram Khattar: Well, I think the trajectory will, by and large, continue but we have started discussing with the shareholders that having come to a figure of between 3 - 3.5 should we go down further or should we look at using the cash generation for future expansion.

I think that is still in the melting pot, and we are working on what to do further. We realized that just reducing debt for the sake of reducing debt is not a good idea, especially for an annuity company, and we are sort of focusing on it. Do we have a ready answer? Not yet, but in the next few months, we will.

Amit Goela: Thanks Sriram, Tyagi ji, I've got one more question for you. Sir, excluding Dahlias, you've got almost INR 30,000 crores of revenues to be booked now going forward. How do you see this spanning out? Because this should throw up a lot of cash also as the revenues keep getting one is the cash from the sales, which is happening upfront and the actual cash coming from the business sublet.

Ashok Tyagi: So, Amit ji, the issue is that across Arbour, the 2 Privanas that we have launched, now Dahlias and going forward the launches that we will, a lot of cash, you are correct, will keep on accumulating in the system. I mean, frankly, the way it's structured, a large chunk of it will continue to be escrowed in the 70% RERA account. As you may have seen, I think in December end, INR 7,000 crores is escrowed in the RERA account.

And I think, really, Amit ji, by the time our natural completion cycle of the high rises that we have launched, which is Arbour onwards, which we expect in about 27 odd months from now, once that cycle begins completion, you will see, hopefully, a far robust jump in both the revenues booked as well as the cash flows unlocked from RERA in that sense.

So, the next 2 years, frankly, would be more calibrated. We still generate a lot of cash, but a lot of it could still stay trapped in the RERA account. Hopefully, from early FY'27, FY28 onwards, we expect this virtuous cycle of the high-rise completions to come into play. And that's where you really see serious amounts of both cash and margins being recognized in the books, sir.

Amit Goela: Okay, Thank you Sir. Sir, just one last question. Sir, in terms of given the kind of size like which has been acquired, like now construction has also becomes very critical, so sir, like what kind of square foot construction you're like in terms of million square feet or you are looking at an annual basis? And are you looking to hasten up the process so that like the whole delivery cycle shortens a little bit?

Ashok Tyagi: So, I think including the 2 downtowns that Sriram spoke about, I think our total square footage under construction is now approaching 40 million square feet. We believe that with the current bandwidth that we have, I think a number of between 40 to 50 is what I think we should be efficient at.

A number beyond that could begin testing us, really. But again, I think, to a large degree, it's about internal bandwidth, Amit-ji, and it's about the contracting ecosystem, which we have, you know, you have heard us earlier also on the constraints that are there. We continue to sort of negotiate them on a project-by-project basis.

But I think, really, if you were to ask us, they won serious constraint to growth beyond this number would be the contracting ecosystem. But I think we can comfortably handle between up to 40 million to 50 million square feet of construction at a certain degree of, you know, on a simultaneous basis, sir.

Amit Goela: Okay. Congratulations again Sir, Thank you so much.

Ashok Tyagi: Thankyou Amit Ji.

Amit Goela: Thanks, Sriram.

Sriram Khattar: Thankyou Amit.

Moderator: Thank you .We'll take our next question from the line of Abhinav Sinha from Jefferies. Please go ahead.

Abhinav Sinha: Hi and congrats to the whole team on strong set of numbers. Sir, just quickly on the pipeline on Figure 7. Sorry, Slide No.7, launch calendar. So, this year, we now have Mumbai to come and Privana Phase 3 is next year, right?

Ashok Tyagi: So, Abhinav, that 3 projects, Goa, Mumbai and Privana Phase 3 are all under the approval process. Our current reading of it is that it looks that the Mumbai approval should come hopefully in the next few weeks, and we should be able to launch it. And the other 2 could overflow into the next quarter.

But again, while we have to report on a quarterly basis, this is not unfortunately a business, which is executed on a quarterly basis. So, our three projects are under the approval cycle and we are hopeful at least one of them should be able to make it to the finishing line within this quarter.

Abhinav Sinha: And sir, can you detail the Mumbai product now? Or still too soon?

Aakash Ohri : No, right now, let the approvals come through, but we've already, whatever, it's a premium plus product. It's going to be, we're going to bringing the DLF lifestyle there. It's going to have the DLF kind of clubhouse and the services available. And it's 1,100 to 1,500 odd.

So basically, I think right now, post the approval process, I think I'll be able to detail it further. But the overall basic stuff that I'd mentioned, I mean, what we had mentioned earlier also stays and it's going to be a good product for that TG, so something which is efficiently done. So yes, it's going to be a nice product.

Abhinav Sinha: Sure. And Tyagi sir, last question on the cash, the tax settlements that we have done, there is no cash impact, right, on a net basis?

Ashok Tyagi: No no . There will be a cash impact, which has not happened in Q3. There's a process to Vivad Se Vishwas, which is that you apply for the settlement. They then approve the settlement. Once they approve, then within 15 days, you have to deposit cash.

So, as we speak, so far, of the INR 900 crores, about INR 300 crores is the amount that has been accepted by the department and which is in the process of getting paid out. The balance quantum should definitely happen this quarter, but hasn't happened yet.

Abhinav Sinha: Okay. So, the whole INR 900 crores will be impacted in the fourth quarter, right?

Ashok Tyagi: Yes, in Q4, you will see a INR 900 crores cash outflow, absolutely.

Abhinav Sinha: And sir, what your liability used to be there against the DCCDL SEZ? It's now over after this thing, right?

Ashok Tyagi: So as against the SEZ of DCCDL with this, hopefully, our entire liability stands extinguished.

Abhinav Sinha: Ok, great and all the best to the team.

Ashok Tyagi: Thank you

Moderator: Thank you. I now request Parvez Qazi from Nuvama to accept the prompt on the screen. Parvez please turn on your webcam, unmute yourself and go ahead with your questions, please. Parvez can you unmute yourself, please.

Parvez Qazi: Am I audible now?

Moderator: Yes, please go ahead.

Parvez Qazi: Thanks for taking my question and congratulations for a great performance in Dahlias. So, a couple of questions from my side. Tyagi sir said that we expect 2 out of 3 projects maybe to spill over to FY '26. I think he had also mentioned that we'll probably see the launch of the project on the IREO land that we had bought in FY '26. So apart from these 3 projects, what could be the potential launch pipeline that we can see in FY '26?

Ashok Tyagi: Parvez, bhai see, we have a tradition that we speak about the pipeline for the fiscal year in the annual accounts closing call which we do in May. So let that tradition stay right now. But I think you are, I mean, look, the good news is that courtesy and transparency on the sales pipeline, all of you know the projects that we are working on, be it Sector 61, the IREO land, be it a couple of other projects in DLF City, be it the next phase of Privana, the next grounds in Chandigarh, Mumbai.

So, I think, clearly, some of these will eventually fold in into FY'25, FY'26 fiscal. But I'd that we are in the final throes of our planning exercise for that. So, I'd request that just hold your horses till the end of Q4 and we should be able to give you far more greater clarity. But there'll be no surprisingly new projects. It will be a part of this basket that you are well aware of.

Parvez Qazi: Sure, sir. The second question is our thought process towards future business development. I mean, considering the kind of strong cash flow that we are seeing, do we have plans to, let's say, buy more land in Gurgaon or maybe cities other than Gurgaon? What is our thought process there?

Ashok Tyagi: So see, Parvez, in all fairness, yes, we have cash. But as I explained to Amit Goela ji, as we speak, at least right now, a lot of that cash is still trapped. And you know that even though we are sitting on a huge net cash surplus situation, we still have gross debt. So, I think our, short-term goal is also to actually get rid of that monkey off our backs as well.

But clearly, if it's an interesting and a multiplicative land parcel that we get, like the one that we procured last year, we'll definitely be more than willing to enter into discussions on that.

The second point also you must appreciate is that unlike some of our other peers, there is enough land banks that we have both in Gurgaon, Delhi, Chandigarh, at least these 3. The Mumbai project that we are currently launching in the first 900-odd thousand square feet, frankly, the way we are accumulating the entire area, I think that number itself should, hopefully, over time cross a significantly higher number than that and that will keep us busy for maybe the next few years in Mumbai.

So, I think we have enough on the ground, but if we get something truly interesting or truly cost-effective, definitely, you are right, we have the balance sheet now to be able to go in and try those. But obviously, this is also a time when the sellers have also become more aggressive in terms of the price point that they're looking for. And in many cases, it may not always make sense.

Parvez Qazi: Sure, sir. And lastly, a question for Sriram Sir, it would be great if you could give your estimate of the kind of rental income in FY '26.

Sriram Khattar: So, FY '26, the rental income will be about INR 6,300 to INR 6,315 DCCDL and about INR 1,200 in DLF.

Ashok Tyagi: Exit run rate.

Sriram Khattar: No, He's saying for the year.

Parvez Qazi: Got it. Thanks, and all the best for future.

Ashok Tyagi: Thank you.

Sriram Khattar: Thank you.

Moderator: Thank you. Ladies and gentlemen, before we take the next question, would like to remind you, participants connected on webcast may click on ask a question tab available on the screen. Participants joining through audio bridge may please press star and 1 to ask a question. I now request Samir Jasuja from PropEquity to please accept the prompt on the screen. Samir, please turn on your webcam, unmute yourself and go ahead with your questions, please. Samir, can you unmute yourself, please.

Samir Jasuja: Yes, sure. Hi, Congratulations, everybody, on the fantastic results. I just wanted a few clarity on the cost of construction. It goes a long way that, for example, if you're selling Dahlias, let's say, INR 80,000 a square foot and if you're selling Privana, let's say, INR 20,000 a square foot, there would be some value addition in terms of costs that you would be incurring higher on the Dahlias project.

It will go a long way for the customer to understand and the analyst to understand as to what the component or the percentage of cost of construction is to the sale value of the asset. And if that, Sriram sir, can also answer on the commercial side. Because we have less visibility, we keep on getting asked questions why the cost of construction of DLF much higher than their peers.

Ashok Tyagi: Okay. So, Samir frankly, I don't have an answer for the last part of your question as to why is our costs higher except a factual acceptance that, yes, our cost is higher. I think that's it.

So if you see -- if you check out our filings on the Privana piece, I think our construction cost is ballpark in the range of INR 8,000-odd a square foot, INR 8,500 on a sale price of about INR 20,000, which broadly is a 40% ratio.

In Dahlias, frankly, we are expecting a construction cost to be in the range of ballpark 25% to 28% to 30% of our total sale price because the construction cost -- and in all fairness, I mean, I have to concede that we are in the process of fully pulling together the entire construction budget for Dahlias because it's not just the buildings that we are making, but also the infrastructure that we are creating along the Dahlias, which is where -- which will take some more time for us to fully understand the cost implications of it.

But we expect that, say the Privana, the cost-to-revenue ratio would be ballpark in the 40% piece. And in the case of Dahlias, I think we should be hopefully not more than the mid-20s.

Samir Jasuja: So, that would mean about INR 15,000 to INR 20,000 a foot on Dahlias?

Ashok Tyagi: Sir, we don't know including infrastructure, yes, including infrastructure, the numbers could approach those things. But frankly, as I said, I think we are maybe a quarter away from having a complete grip on these numbers, but I wouldn't be surprised if the number does enter those ranges that you're talking about.

Samir Jasuja: And sir, the same question to Sriram sir, with respect to being LEED certified and all that, what is real cost of construction that happens? And this, sorry, was on carpet area or super area, sir?

Ashok Tyagi: Super, I'm talking super area here.

Sriram Khattar: This is on GLA.

Samir Jasuja: Saleable area.

Sriram Khattar: So Samir, on the rental businesses, say, Block 4 DLF are downtown in Gurgaon, our cost of construction is about INR 6,200 to INR 6,300 a square foot of GLA. Now this is about 2 years before Block 5, 6 and 7 and 8 come into play. And therefore, if you add the annual inflation to it and then you add the additional cost of the structure because of the change in the building codes that are likely to come, we are already planning for that, I would guess our cost will go up to about INR 8,000 to INR 8,200 a square foot.

Samir Jasuja: This is for office area, sir?

Sriram Khattar: Office areas.

Samir Jasuja: And retail GLA is 50%. So, will that be INR 12,000?

Sriram Khattar: No, no. In offices, the ratio is 1:1.43. In retail, it is 50%. And in retail, because the level of finishes and common areas have to be done very differently and it's not a bare shell in that sense, that cost will be in the ballpark of INR 10,000 to INR 10,200 a square foot.

Samir Jasuja: Got it. Thank you so much sir.

Moderator: Thank you. I now request Puneet Gulati from HSBC to please accept the prompt on the screen. Puneet you may please unmute yourself and go ahead with your questions.

Puneet Gulati: Okay. Great. Yes, Thank you so much. My first question is, first of all, congratulations on Dahlias, extremely well done. On Dahlias, to start with, have you offered everything, the entire 420 units, to customers? Or was only a certain part of the inventory initially offered and more will be opened up later?

Aakash Ohri: No. So thanks. Dahlias, as far as the inventory is concerned, most of it was offered. Some basically higher floors and they have different price points. And therefore, they come in different phases. But anybody who's wanting to pick up anything at a future price point is more than welcome.

But right now, I mean we did not hold back on inventory. We let people choose, and the price points were according to what they chose. And of course, every, I repeat, every apartment in Dahlias is differently priced from the other.

Puneet Gulati: Understood. That's helpful. Secondly, on the office portfolio DCCDL, there was a sale of Kolkata asset. What drove this sale of assets? You're not short in cash. Any thoughts there?

Sriram Khattar : Well, if you look at the total rental portfolio of DLF, it is in the -- if you look at the offices portfolio, it's about 43 million to 44 million square feet.

The Kolkata 2 assets were totalling 2.3 million in a city where there has been incremental leasing of 1 million, which is expected this year compared to a country's leasing of about 80 million.

And we also saw that while the rentals were going up, whilst they were going on an absolute terms, relatively, they were not making any dent on the P&L or the balance sheet. We also realize that if we have to put our management time and if we have to use our skill sets, we would rather expand in geographies, which give us renters which are 3 to 4 times the rental that we were expecting in Kolkata.

So the shareholders discussed this about 8 to 9 months back and then decided that if we get a sort of a benchmark price, we should go ahead. We were able to achieve it, and therefore, we disposed that asset.

Puneet Gulati: Understood. That's very clear. Thank you so much and on the tax side, should we think that INR 900 crores full hit will come in Q4 itself? Or could there be more? You mentioned the number of INR 3,000 to start with?

Ashok Tyagi: No, no. So, the bucket has been taken in Q3. So, bucket has been booked in Q3. The cash outflow will happen in Q4. And no, it's a finite number of this INR 900 odd crores that is there. So, there's no probability of it increasing on account of Vivad Se Vishwas right now.

Puneet Gulati: Okay. So that number is closed. Because even in this quarter, you recorded only INR 116 crores, sorry, INR 16 crores of cash outflow in DLF.

Ashok Tyagi: Cash outflow will come in Q4.

Puneet Gulati: And post that, should we think of tax outflows in similar ranges? Or would you be going back to 25% of PBT as cash outflows?

Ashok Tyagi: No, no. So I think we are possibly a couple of years away from hitting that full throttle cash outflow because of certain accumulated losses and all that we still have in our books. But I think, eventually, obviously, at some stage, the cash outflow on tax should be the equal to the book outflow on tax, but I think we are hopefully about 2 years away from that situation.

Puneet Gulati: Understood. And lastly, in your planned projects, this time on the slide you've excluded some projects of 5.5 on super-luxury gone down to 4.5. And similarly, on the luxury 3.8 in the plan...

Ashok Tyagi: No no, Because the Goa piece, have just moved to the next quarter, in that sense to the next fiscal.

Puneet Gulati: So, Goa was super-luxury, so that's out. And 5.8 luxury is down to 3.8. So, what has moved out there?

Ashok Tyagi: Well, basically, again, as we mentioned in the call earlier, the Privana Phase 3, which, frankly, I'm not ruling out, right now, we are also conservative plans for the next fiscal given the state of the approvals right now.

Puneet Gulati: Understood. That's helpful. And lastly, I think for Aakash, I think this is a major benchmark you have achieved. What is the next aspirational benchmark for you in terms of product and sales?

Aakash Ohri: I was just told before the call by Mr. Tyagi and Mr. Khattar to be -- don't celebrate right now. So, I am still in a very muted mode. I don't know what to say to you. But extremely grateful for the support that we've got. I think it's a validation of what DLF super-luxury does. And again, it's a validation of the people who've been through the experience and have supported us and the word-of-mouth thing.

So right now, I think what we've done right now is the first phase. And I'd like to continue this run, and it's just that we're taking a very short breather just to recalibrate and re-strategize as to how we want to bring in the rest because, as we had mentioned earlier also, that initially we thought there will be -- we plan to bring only a 10% stock in. But as you see, it's about 41%

So right now, without compromising on the valuation and the price points, I think the focus will be that. And also, we will kind of now expedite the entire show-and-tell experience. But mostly, the endorsement has come in from people within and I think I'd like to continue to invest in them.

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

Aakash Ohri: Thank you so much.

Moderator: Thank you. I now request Kunal Lakhan from CLSA to accept the prompt on a screen. Kunal you may please unmute yourself and go ahead with your questions.

Kunal Lakhan: Yes. Am I audible?

Ashok Tyagi: Yes Sir.

Kunal Lakhan: Hi Good evening everyone. So my first question was on your residual portfolio. If you look at DLF 5, there is still additional area of about 20 million square feet-odd. And I think last quarter, you had mentioned about that, going forward, DLF 5 would be, say, Camellias plus or like similar to Dahlias kind of a vision you have for the rest of the portfolio.

In that context, how should we look at the monetization timeline? And how would you bring this product to the market? And what is the timeline for this?

Ashok Tyagi: So, in all fairness, I think as Aakash mentioned earlier in the call, Dahlias total monetization timeline is in the 3-odd to 3 years-plus range, really, frankly. And depending the pace at which it monetizes is, obviously, you are right, we have both the plans as well as the area identified very clearly on what will be the successor to Dahlias in that sense. We'll just have to keep on finding out flower names, which end with a lia. But I'm sure there are enough available still.

And so I think that will happen. But at least, given that we are only a quarter from the Dahlias launch, I think your question, while strategic, may still be a trifle premature. But obviously, as we sort of start saturating the Dahlias, the next phase, we are, I think, prepared for what the next phase would be and the phase after that, etc.

And I think you are right, that ballpark 20-odd million square feet of development area still is very clearly available in the DLF 5. And I think it will take the time that it will. But I mean, again, given that it's super-luxury, these things obviously will also sell at a certain pace over time in that sense and that's the way it will be.

Kunal Lakhan: Understood, sir. My second question was on the overall segmentation pertaining to us as well as the overall market, right? So, when you look at say, Dahlias, right, almost like, say, INR 65 crores to INR70 crores kind of ticket sizes and then there is Privana, which is in the range of, say, INR 7 crores to INR 8 crores kind of ticket sizes, but there's nothing in between like between INR 8 crores to, say, INR 60 crores to INR70 crores. That segment of the market, do we intend to cater to? Is there enough opportunity over there? And I mean, what's the demand situation there? And how do we plan to cater to that?

Aakash Ohri : So you will see there is a segment that we are planning between this as well and that you will see in the coming years, especially next year onwards, you will see all of that coming into the market for sure.

We'd like to cater to this entire spectrum. And so, yes, in fact, that is something that is planned already. And previously, what you had mentioned about Dahlias and the DLF 5 and all that, I think that one kind of product benchmark or the geography in specific has been established for the super-luxury business.

And I think that's what we'd like to continue because, one, the expectation; second, the kind of infrastructure work; third, the other things that we are kind of putting it together there, I think that's a story that will be almost akin to what the Central Park in America is. I mean, if you see that, that's the only analogy I can use and that's how it's going to be.

Kunal Lakhan: Sure, sure. And my last question was on any update on the deed side of where we are, what are the partners thinking on those lines?

Ashok Tyagi: So I mean, currently, basis our discussion with our partners, there is, as we mentioned earlier in the call, no immediate plans of any monetization excise on the Cyber City front. In fact, we've just now started the mega capex build-out in both the downtowns of Gurgaon and Chennai.

And frankly, only once this cycle completes, I think, would be the right time. But again, this is, as we have maintained in the past also that the triggering off of the monetization of Cyber City will be a decision to some degree, which will need to be initiated by our partners because we clearly have no desire for diluting our stake. And we clearly are duty bound to honor their request as and when it happened, But I don't foresee that happening for the next few years.

Kunal Lakhan: Okay, Well understood sir. Thanks and congratulations for the great quarter and all the best sir.

Ashok Tyagi: Thank your sir.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand the call...

Sriram Khattar: Sorry to interrupt, I would like to make one clarification. I think Parvez asked a question of FY '26 rentals and I told him in DLF, the rentals will be INR 1,000 to INR 1,200. I would stand corrected, they are INR 800. INR1,000 to INR1,200 was for the following year. And therefore, I erred on that. My apologies sir.

Moderator: Thank you, sir. I now hand over the call to Mr. Ashok Tyagi for closing comments. Over to you, sir.

Ashok Tyagi: Thank you so much. And I think, today, we truly had a very, very engaging call. And hopefully, we continue to stay focused on the path that we have chosen. And I'd just like to have a sort of a moderating tone, which is that while obviously, we are all very buoyed by the Dahlias sales.

I think the metric that should truly excite us is not the INR 11,800 crores of the presales, but the fact that INR 8,000-plus crores of free margin has been booked on account of the Dahlias sales because I do believe that, at some stage, the industry and the analysts following the industry have to come out of this presales sort of mind-set and focus on the 2 metrics, which matter, which is margins and cash flows.

And I think we are very clear that, that is the sort of direction on which we'll continue driving our own DevCo. And hopefully, that's how we will. Thank you so much again. And hopefully, by the time we come back to you with our annual results in May, we should have some other some further developments to report. Thank you once again.

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.