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Operator: Ladies and gentlemen, good day and welcome to DLF Ltd.'s Q2 FY27 earnings conference call. We have with us today on the call Mr. Ashok Tyagi, Managing Director, DLF Ltd.; Mr. Akash Ohri, Managing Director and Chief Business Officer; and Mr. Badal Bagri, Group CFO, DLF Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference and meeting is being recorded. I now hand the conference over to Mr. Badal Bagri. Thank you, and over to you, sir.

Badal Bagri – Group CFO: Good afternoon, everyone, and thank you for joining us today. We are pleased to report yet another strong performance, reflecting the underlying quality of our assets, disciplined execution, our brand strength, and prudent capital allocation across a well-diversified mix of development and annuity businesses. Strong cash generation and a robust balance sheet continue to position us well for sustained growth in the future.

I will briefly talk about the operating and financial highlights. New sales bookings for the quarter stood at approximately 3,800 crores. We launched Arbour, the luxury retirement housing address, which received an extremely strong response with a complete sell-out—complete sell-out. We continue to see absolutely strong demand for our super-luxurious project, Dahlias, in the current quarter as well. Overall collections stood at 2,780 crores in the current quarter, resulting in operating cash flow of approximately 1,858 crores. The net cash position stood at approximately 15,100 crores despite a very, very strong dividend payout in the current quarter of close to 1,980 crores.

Our rental portfolio stood at 50 million square feet. The portfolio has now achieved its highest-ever occupancy levels, at 96% in terms of area and 97% by value. This continues to be among the highest in the industry. The rental business maintained strong momentum, delivering healthy top-line growth and high-teen growth in profitability.

Moving on to the financial numbers, overall consolidated revenue stood at 2,298 crores. This includes a one-time gain of 738 crores, which is accounted for as other income and is due to the valuation of one of the investments we have made in one of our JV companies, as per accounting standards. EBITDA stood at 1,060 crores, resulting in a net profit of over 1,300 crores. The gross margin potential of our development business continues to stand at approximately 40,000 crores, with a potential cash generation of over 42,500 crores.

For DCCDL, our consolidated revenue stood at 2,014 crores. EBITDA stood at 1,537 crores, resulting in a net profit of over 750 crores for the current quarter, reflecting year-over-year growth of 17%. With this, I would like to hand the conference back to all of you for the Q&A.

Operator: Thank you very much. We will now begin the question-and-answer session. Participants connected through the audio call may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants connected through the webcast may click on the "Ask a Question" tab, accept the prompt "Connect via Zoom," after which you may click on the "Raise Hand" icon to ask your question. The operator will announce your name to proceed with your question. Kindly accept the prompt, unmute your audio,

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and turn on your video while asking your question. Please note that participants are requested to announce their company name before proceeding with their question. We will wait for a moment while the question queue assembles.

The first question is from the line of Punnet. Kindly accept the prompt, unmute your audio, and proceed with your question. Kindly announce your company name before proceeding with your question, sir.

Punnet – HSBC: Sure. This is Punnet from HSBC. Congratulations on the good launch of Arbour. My first question is, are you happy with the time it took to launch and sell? Typically, you sell out much faster. This time, it extended into a couple of days in October. Any thoughts on that?

Badal Bagri – Group CFO: A couple of days into October? I thought the entire sale was completed by September 30, but Akash...

Akash Ohri – MD & Chief Business Officer: Yes, Punnet. The sales concluded. What we do is that we take the initial booking, which is a substantial amount, as you know—50 lakh rupees. Everything concluded before September 30. The paperwork and all that sometimes takes time, but here even the forms, KYCs, and everything else had to be completed. We report once the money is in the account and the forms and KYCs are completed. We do not report otherwise.

Badal Bagri – Group CFO: Out of the 1,985 total potential, close to 1,900 crores was reported in the current quarter. There were just six or seven units, or so, which spilled over and were subsequently recorded in the system. We report what is recorded in our financial system.

Akash Ohri – MD & Chief Business Officer: That was because of some NRI money. As I said, we only account for money that has come in. Verbal confirmations, written confirmations, and even the codes that came in—the SWIFT code sometimes takes time to tally because of the bank holidays and the weekend. That is how it works. I think we are a bit too precise in what we do. Technically, everything was done before September 30.

Punnet – HSBC: Understood. So, the booking amount, Punnet, was 50 lakhs—a 50-lakh payment. That is very clear. Secondly, on Dahlias, you talked about taking price increases. Are you already seeing those price increases, or should we still expect them after the launch of the experience center?

Akash Ohri – MD & Chief Business Officer: If you see this time's report, Dahlias has been seeing a price increase. In fact, it has already gone up by almost 10% this time as well. After the experience center, once the show-and-tell begins, it will continue. Including Camellias, we did gross sales of about 1,900 in the total super-luxury segment this quarter.

Dahlias has shown a very, very strong performance. This time, North sales took place. You may have seen prices of approximately 123, 124, and 125 crores per unit. Those are the 10,000-square-foot units. We also reported one penthouse at approximately 271. This time, there were more North sales than South sales.

Dahlias' price algorithm makes sure that there is an increase with every sale. It is not linked to velocity; it is a progressive pricing mechanism.

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Punnet – HSBC: Got it. North commands better value, you said, versus South.

Akash Ohri – MD & Chief Business Officer: Yes. There is a 25-odd crore—20 to 25-odd crore—price difference between North and South.

Punnet – HSBC: When should we expect the launch of the experience center?

Akash Ohri – MD & Chief Business Officer: The experience center should be ready soon. We are on the last leg, unless GRAP or anything else stalls it. We are now putting everything together. We hope that, if everything goes well, it will be ready by December.

Punnet – HSBC: So, a meaningful pickup into Q4, then.

Akash Ohri – MD & Chief Business Officer: Q3 as well. We have demonstrated enough, Punnet. If you see the current position, we are nearing approximately 280 sales. So far, 274 units have been sold. We have also sold 276, with two more units having been added. That is what I am saying—we are nearing almost 280.

There has also been a consistent pace of sales as far as Dahlias is concerned. If you have been tracking it for one and a half years, you would have seen this. A reasonable amount of trust has now been established. Most importantly, the price point had to be established and understood by people, and that is now a given.

I am happy to also tell you that most recently, in the South, we achieved about 100 crores—we just crossed 100 crores per apartment—which is also a new landmark. What is happening is that this has become the new norm, and that is how it is progressing.

Punnet – HSBC: Understood. That is very clear. Secondly, regarding commissioning, is no major commissioning expected in FY27 and FY28 apart from Arbour, or should we expect any change in the completion plans?

Badal Bagri – Group CFO: That is true, Punnet. As we have said, our inflection point is 27-28 with Arbour, and thereafter a series of projects will start getting completed. From 27 or 28 onward, starting with Arbour, you will see a series of projects getting completed.

Akash Ohri – MD & Chief Business Officer: Because then, Punnet, we enter that virtuous cycle over the next three years after Arbour, with the three Privanas and Dahlias itself. I think we are hopefully in the last four to four-odd quarters of the shadow of the earlier period—post-Camellias and pre-Arbour.

Punnet – HSBC: Got it. Very clear. On the commercial side, for DCCDL, what should we expect in terms of commissioning in FY28 and FY29?

Management: For DCCDL, we continue to work on the balance office towers of Downtown Gurgaon, the Mall of India Gurgaon, and Downtown Chennai. Correct me, Naveen and Badal, but I think by and large...

Management: By FY30, everything would be EBITDA, yes.

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Punnet – HSBC: But in FY28, Block 7 of Downtown was supposed to come in, at 2.3. Is that on track?

Management: Block 7 should come in next year, yes. Goa should come in by December, and Chennai by the next calendar year.

Punnet – HSBC: Sorry, which one?

Management: Goa, Downtown Chennai, and Building 7 should all happen in the next period. Goa will come in this fiscal year and the balance next fiscal year.

Punnet – HSBC: Okay. So, Chennai Block 3 should come in—3.6 million. Next year should therefore be a big year even from those completions: 2.3 plus 3.6 within DCCDL.

Management: Blocks 4 and 5, Blocks 4 and 5 of Downtown Chennai.

Punnet – HSBC: How much is that in total?

Management: 3.6 million square feet.

Punnet – HSBC: 3.6. Okay. That is very clear. Thank you so much, and all the best.

Management: Just to add one additional point, Puneet, and this will be relevant for everyone, this also depends on the mix and the kind of sale that we made. On a saleable basis, on average, we were well ahead of 100,000 per square foot in realization in this quarter. That price increase has been realized, and it has come a long way from the time when we launched it.

Punnet – HSBC: Understood. Got it. Thank you so much.

Operator: Thank you. Participants on the audio bridge may press star and one to ask a question. Participants connected on the webcast may click on the “Ask a Question” tab, accept the prompt to connect via Zoom, and click on the “Raise Hand” icon to ask a question. The next question is from the line of Abhinav Sinha from Jefferies India. Please go ahead.

Abhinav Sinha – Jefferies India: Hi, sir. It is good to see the results this time. My first question is on the rental component. We have seen DLF rentals climb to about 120 crores this quarter. What is the exit run rate that we should expect?

Management: The exit run rate, with full potential, should be close to 175–180 crores per quarter this year. On an annualized basis, it would be close to 750 crores annually.

Abhinav Sinha – Jefferies India: Excluding Atrium?

Management: Excluding Atrium, yes. I am talking only about DLF, Abhinav—the DLF portfolio.

Abhinav Sinha – Jefferies India: Yes, just the DLF portfolio. My second question is on cash flows. Construction expenditure seems to be running a little lower in the first half of the year, and we are also hearing about the Delhi government imposing many restrictions on construction in the months ahead. What is the outlook on these cash flows, commensurate with the inflows that you will receive

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from customer installments, and broadly on completion timelines?

Management: Honestly, regarding the completion timeline, give or take a quarter, we do not foresee any challenges right now. You are right that the last quarter and possibly this quarter could see a slight blip in construction outflows, primarily for two reasons.

First, we are now entering the phase of labor migration back for the Chhath festival and everything else that happens during this quarter. Second, the GRAP guidelines printed in the papers pertain to Delhi, and the Delhi government has announced them. Typically, in Gurgaon, we have seen GRAP continue for 30 to almost 30 to 40 days once those guidelines come into play and those specific thresholds applicable to them are reached.

Let us see. Currently, air quality continues to be satisfactory, but we are entering the challenging AQI season. There may therefore be continued challenges in construction outflows during Q3. However, I do believe that fundamentally the contractors are in place, their labor arrangements are in place, and we should see decent progress this quarter as well. After GRAP, I definitely think this challenge should disappear.

Again, this is a concern, but I do not think it is a crisis by any stretch.

Abhinav Sinha – Jefferies India: Thank you for that. Just one last question. On the dividend, I know the company has stepped up the payout. Do you think you can migrate to, say, a quarterly or half-yearly dividend in another couple of years, given that we now have very strong and consistent cash flows?

Management: Look, this is something on which I will hold my horses because I myself do not know the answer. What we are doing is clearly establishing a more predictable dividend pipeline from DCCDL to DLF on a regular basis. For now, DLF dividends continue to be annual. We will see in the future, but right now our guidance continues to be for an annual dividend.

Abhinav Sinha – Jefferies India: Great. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Pritesh Sheth. Kindly accept the prompt, announce your company name, and proceed with your question.

Pritesh Sheth – Axis Capital: Hi. Pritesh here from Axis Capital. First, just a bookkeeping question. I see two different inventory numbers reported in our presentation. On slide 12, we have mentioned the balance surplus from unsold inventory as 15,000 crores, while on slide 14, we have mentioned it as 11,000 crores. How should I look at these two numbers?

Management: Pritesh, the value of the inventory is 15,000 crores. The margin on that inventory is 11,000 crores. If you look at page 14, it says that 10,825 is the balance margin yet to be recognized. The 11,000 crores is the margin on the value of the inventory.

Pritesh Sheth – Axis Capital: Sure, sorry. I misunderstood that. Thank you for the clarification. My second question is on the land spend that we have undertaken over the last two quarters. I recall

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that the last quarter involved a large Noida payment. This quarter also, we made approximately 350 crores of land payments. Are there any opportunities that we are looking at, and can you provide some details?

Management: In this matter, Pritesh, if you recall, about 2 years ago we completed a transaction through the acquisition of bonds relating to 28.5 acres of land from IREO. The 19.5 acres had been conveyed to us about 18 months ago. There was a 7.06-acre parcel that still had some encumbrances that needed to be removed. Those were removed this quarter, and the complete payment for it was made in this quarter.

We also entered into a collaboration for a fresh 7.48 acres of land, which is contiguous to this 28-acre parcel. Eventually, we will have a 36-acre land parcel in Sector 61. A small payment was also made for that. This is again coming through a bank delinquency route. The proceeds from this will be paid to the lenders of that company.

Pritesh Sheth – Axis Capital: Interesting. So, the project potential has increased after this additional 7 acres?

Management: It has increased. Hopefully, by Q4, we should be able to conclude this entire transaction.

Pritesh Sheth – Axis Capital: Are you gearing up for a launch next year?

Management: First, let the land transaction be completed; we will launch it as well. Do not worry.

Pritesh Sheth – Axis Capital: Okay. For the next 2 quarters, what will the sequence of launches look like? For example, Mumbai in Q3 and Magnolia 2 in Q4—is that timeline correct?

Management: Pritesh, before I hand over to Akash, we have set out reasonably transparent guidance on our medium-term launches. Frankly, it is now all driven by the approval processes, whether in Mumbai or Gurgaon. The two projects you mentioned are definitely on the anvil, but I would defer to Akash.

Akash: I agree. We are gearing up for both the Mumbai launch in Q3 and, of course, a Gurgaon launch. Dahlias will continue, along with some other residual inventory. That is the position.

Pritesh Sheth – Axis Capital: Got it. Just one last question. With the Delhi Master Plan getting approved, I know it is still at an early stage, but is there any opportunity apart from the existing land we have between Midtown and Chanakyapuri? Is there anything else that gets unlocked through this approval?

Management: We have no other land parcels apart from Midtown and Chanakyapuri. Let us see how this policy plays out, and then we will think about it. For now, it is still early days, frankly.

Pritesh Sheth – Axis Capital: Sure. That is it from my side. All the best. Thank you.

Management: Thank you, thank you.

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Operator: Thank you. The next question is from the line of Parvez. Kindly accept the prompt, announce your company name, and proceed with your question.

Parvez – Nuvama: Hi, good afternoon, team. This is Parvez from Nuvama. I have one question. You had earlier given the exit rental guidance for the rental assets in DevCo. It would be great if we could get the same guidance for DCCDL as well.

Management: The exit rental for DCCDL would be close to 6,800 crores, Parvez.

Parvez – Nuvama: When do we expect the Mall of India Gurgaon to be completed? Will this be FY29 or FY30?

Management: FY30, Parvez. FY30.

Parvez – Nuvama: Thank you, and all the best.

Management: Thank you.

Operator: Thank you very much. Participants, you may press star and one to ask a question. The next question is from the line of Satyender Bedi. Kindly accept the prompt, announce your company name, and proceed with your question. Satyender Bedi, may I request you to accept the prompt, unmute, and proceed with your question? Satyender, if you can hear us? Due to no response, we move to the next participant.

The next question is from the line of Samarth Khandelwal. Kindly accept the prompt, announce your company name, and proceed with your question.

Samarth Khandelwal – ICICI Securities: Am I audible?

Operator: Yes.

Management: Yes.

Samarth Khandelwal – ICICI Securities: Yes, good morning—good afternoon, sir, and thank you for this opportunity. I am from ICICI Securities. My name is Samarth Khandelwal. My question is regarding the Hamilton project. Have you decided what kind of product it will be, and when can we expect it to be launched?

Akash: That is not the name of the project; we have yet to name it. It is in the same vicinity, but it is going to be a luxury-plus product, and we aim to launch it in Q4. It is in the heart of DLF City, so please expect a luxury product. It is going to be one of its kind and will be at par with our recent luxury launches. It is in DLF Phase 4, and we are scheduling a launch sometime in Q4.

Samarth Khandelwal – ICICI Securities: That is wonderful to hear. Thank you.

Management: Thank you.

Operator: Thank you very much. The next question is from the line of Gupta. Kindly announce your full name and your company name, and proceed with your question.

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Akash Gupta – Nomura: Hi. Thank you for taking my question. This is Akash Gupta from Nomura. Congratulations on the good booking performance as well. My question is on the DCCDL rental portfolio. I wanted clarity on how we are looking at the new volumes coming into DCCDL between FY28 and FY30. I am a little confused about when Block 3 for Chennai is coming, when Blocks 4 and 5 for Chennai are coming, and when Blocks 5, 6, 7, and 8 for Gurgaon are coming. I wanted annual visibility.

Akash: In Chennai, Blocks 1, 2, and 3 are already operational. Blocks 4 and 5 are under construction. Together, they comprise 3.6 million square feet and will become operational by the next calendar year.

Regarding Downtown Gurgaon, which comprises Blocks 5, 6, 7, and 8 and the MOIG, completion is targeted toward the end of FY28 and FY29. Most of the blocks will become operational between FY29 and FY30.

Akash Gupta – Nomura: Understood. Is the Mall of India Gurgaon also scheduled for FY30?

Akash: FY30.

Akash Gupta – Nomura: Understood. That was my question. Thank you so much.

Management: Thank you.

Operator: Thank you.

Operator: The next question is from the line of Satinder Bedi. Kindly accept the prompt, unmute your audio, announce your company name, and proceed with your question.

Satinder Bedi, we are unable to hear you.

Due to no response, we move on to the next participant. The next question is from Shrenika Jain. Kindly accept the prompt, announce your company name, and proceed with your question.

Shrenika Jain – JP Morgan: Hi. My question is regarding revenue. The company name is JP Morgan. Revenue for the first 2 quarters is still below market expectations, although launches have been very good. Marketing expenses and other expenses have increased significantly. Market expectations are still very high, but revenue is still not meeting expectations. When can we see revenues of the kind we saw in the earlier 7–8 quarters?

Management {? Badal ?}: Hi, Shrenika. Regarding revenue from the launches, are you talking about accounting revenue or sales?

Shrenika Jain – JP Morgan: Accounting revenue.

Management {? Badal ?}: Shrenika, we follow the completed-contract method of accounting, which effectively means that once the project is done and over, and we receive an OC, we are able to recognize the revenue in the P&L, as opposed to POCM accounting.

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The projects that get completed and that we are able to offer to customers are then recognized. We highlighted earlier that our revenue inflection point, relating to almost 75,000 crores of projects launched and sold so far, will begin in 27–28. You will see the inflection point in 27–28, and over the next 2 to 4–5 years, this entire revenue will be recognized.

The second thing that you should understand from an accounting revenue standpoint is that, for both Cyber City and Atrium Place, even though we control 67% and should normally be consolidating their revenues and EBITDA into our accounts, the minority partners have certain AVM rights. Because of those rights, the auditors believe that consolidation should not take place.

In accounting terms, the entire revenue of Cyber City, which is about 2,000 crores a quarter, and Atrium Place, which is another {? 150–odd crores ?} a quarter, is not consolidated, even though we have majority control of those entities.

Shrenika Jain – JP Morgan: My second question is: what is the key reason for other expenses increasing so sharply this quarter?

Management {? Badal ?}: Other expenses include brokerage, marketing, and so on. As you understand, we continue to take into the P&L all the overheads incurred to make and develop future projects. Those are the overheads that we continue to incur. In this particular quarter, there was a marginal increase versus the previous quarter, but on average it is in line with what we generally have from an overhead perspective.

Shrenika Jain – JP Morgan: What is the forward guidance for other expenses?

Management {? Badal ?}: It will be in a similar range. The average of the last 2 quarters should be considered {? forward guidance as well ?}.

Shrenika Jain – JP Morgan: How should we look at the forward guidance for other revenues?

Management {? Badal ?}: Other income will continue to be recorded in the manner in which it has been recorded. The first one was {? Joyas ?}, almost 4–5 quarters ago, which was a settlement that was taking place in the company. That was also a very positive business outcome that was achieved, and it was included as other income.

In this particular quarter, you have the fair valuation gain, which is due to accounting guidance. Apart from that, on average, you will have almost 100–200 crores—150–200 crores—of other income, which consists of interest income, interest from other subsidiaries, and so on, and this will continue.

Shrenika Jain – JP Morgan: Okay. Thank you.

Operator: Thank you very much. Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to Mr. Ashok Tyagi for his closing comments.

Ashok Tyagi: Thank you very much. I am sorry for bringing all of you into this call on a Saturday in the early afternoon, but because our meeting was on Friday, this became unavoidable.

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As Badal explained, until Arbour is commissioned sometime next year, the accounting revenue will depend on the launches made earlier in the post-Camellias but pre-Arbour phase. Those will be the key drivers, along with any miscellaneous asset sales that take place. This is a small passing phase.

Fundamentally, the three key drivers of our business are strong pre-sales of the identified products, strong cash and margin generation, and continuously sustained and strong growth in the rental business. We continue to work on and hopefully deliver on all three engines.

The first half—I mean, the first quarter—was relatively quiet from a pre-sales standpoint. {? Aranya ?} should hopefully have started that entire process, and in the next 2 quarters, as we mentioned, we should have a couple more launches, apart from the continuing sales of {? Dahlias ?}, which of course continue.

Our focus continues to be on strong cash management and strong margin generation. RentCo will hopefully continue to grow strongly. Atrium has been commissioned, and I think this is the first year in which Atrium will be fully, fully rent-generating. Summit Plaza was commissioned in this quarter, Midtown Plaza was commissioned, and Downtown—sorry, Promenade Goa—should be commissioned hopefully around the Christmas–New Year timeframe.

All of these are long-term rent-generating assets. Our focus continues to be on doing all this with an extremely strong focus on governance and compliance. With that, I look forward to reconnecting with you in January. Thank you.

Operator: Thank you very much. On behalf of DLF Ltd., that concludes this conference. Thank you all for joining us. You may now leave the meeting and disconnect your lines. Thank you all.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.