DLF LIMITED
DLF Gateway Tower, R Block,
DLF City Phase – III, Gurugram – 122 002,
Haryana (India)
Tel.: (+91-124) 4396000, investor-relations@dlf.in

30th July 2024

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, 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 Call	26th July 2024
2	List of management attendees	- Mr. Ashok Kumar Tyagi – Managing Director and Chief Financial Officer, 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
3	Web-link of the Transcript	**https://www.dlf.in/qu-result/q1-earing-Transcript-july-2024-25.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: 2024.07.30 15:44:02 +05'30'

R. P. Punjani
Company Secretary

Encl.: As above

For Stock Exchange's clarifications, please contact: Mr. R. P. Punjani - 09810655115/ punjani-rp@dlf.in Mr. Amit Kumar Sinha - 09810988710/ sinha-amit@dlf.in

"DLF Limited Q1 FY'25 Earnings Conference Call"

July 26, 2024

MANAGEMENT: **MR. ASHOK TYAGI – MANAGING DIRECTOR & CFO, DLF LIMITED**
MR. SRIRAM KHATTAR – VICE CHAIRMAN & MD, RENTAL BUSINESS
MR. AAKASH OHRI – JOINT MANAGING DIRECTOR & CHIEF BUSINESS OFFICER

Moderator: Ladies and gentlemen good day and welcome to DLF Limited's Q1 FY'25 Earnings Conference Call.

We have with us today on the call Mr. Ashok Tyagi – Managing Director and CFO, DLF Limited, Mr. Sriram Khattar – Vice Chairman and MD (Rental Business). Mr. Aakash Ohri – Joint Managing Director and Chief Business Officer.

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.

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

Ashok Tyagi: Thank you and good afternoon, everybody. I hope that all of you have had a good opportunity to go through our analyst Presentation and our Result details.

In all fairness it was a good quarter. Our pre-sales number was in the range of 6,400 crores, predominantly headlined by the extremely successful launch of Privana West. Our PAT numbers obviously given that they are on the complete contract method and are driven by the possession letters that was issued but again good at 646 crores. And I think the most heartening number that really everybody should draw lot of enthusiasm from is the entire cash flow number, where really if you see between our DLF and Cyber City numbers together, we did in excess of 2,500 crores of free operating cash flow during the quarter. And that actually does paint itself to have extremely formidable run rate of free cash flow going forward.

The DevCo business continues to run very strongly because of the strong pre-sales. And there are these big tenfold launches that happen in which Aakash and his team do a phenomenal job of taking the market and there are those maintenance sales which continue. Our collections performance has continued to go from strength to strength which has resulted in the cash flows being strong as well. And all of this has been supported extremely strongly by continued robustness in the rental business, both on offices and malls. And frankly our faith in the rental business is even more reinforced by the quantum of capex that we are doing on the rental side, both in DLF Cyber City as well as on the non-DLF Cyber City capex.

So, frankly with that I rest myself and then let's go to questions. The budget obviously was a very interesting budget. There has been a lot of noise around indexation. But really once the noise is sort of filtered out, I don't think it has too much of a bearing on the way the sales behaviors will be. So, I think with that I would hand you over for the question queue.

Moderator: Thank you very much sir. We will now begin the question-and-answer session. To ask a question please click on the 'raise a hand' icon tab available on the toolbar or on the 'queue' tab available on your screen you may also post text question on 'ask a question' tab available on your screen. Kindly turn on your mike when the operator announces your name. For participants joining through the audio bridge, to ask a question you may press star and one on your touch tone telephone. If you wish to remove yourself from question queue, you may press star and 2. Participants are requested to use headsets while asking a question. Ladies and Gentlemen, we will wait for a moment till the question queue assembles. The first question is from Puneet Gulati from HSBC. Please go ahead

Puneet Gulati: Yes, Thank you so much and congratulations on great numbers. My first question is on the margin side. If I were to take out the other income, which was higher if you can comment on that as well and excluding the other income the margins were a little weak. What all products have gone into that margin recognition if you can give some color, it will be very useful?

Ashok Tyagi: So, in all fairness Puneet as you are aware that the reported numbers and the reported margins are based on the possessions issued for a product mix that was sold between 3 to 5 years back. As the proportion of Camellias possessions start reducing and I think now there are just about 30-35 Camellias left for giving possession now, you will see at times some of the slight softening and obviously it will be buoyed at times by luxury floors coming in for completion, etc., So, I wouldn't sort of put too much attention on the historical reported margins. Our embedded margins for new product launch continue in the late 30s and hopefully with the LUX 5 during the later part of this year we should be back to the mid-40s that we have charted ourselves for. As far as the other revenue is concerned, I think clearly with now with us carrying a cash balance about 5,000 crores in RERA accounts alone and about 2,000 odd crores in addition to that, our quarterly interest earnings on fixed deposits, both mandatory and otherwise is now running it in excess of 125 crores a quarter. Then in this particular quarter there were some other interest incomes including one from an income tax refund that was ordered in the case of DLF Limited from the tax department.

Puneet Gulati: What was that number?

Ashok Tyagi: The number of the income tax refund?

Puneet Gulati: Yes.

Ashok Tyagi: I think that the total income tax refund ordered is about 600 crores or 550 crores and the interest component of it is in the range of 80 crores to 90 crores. The third point was that there was a provision that we had made for an advance that we had issued that we had given for a collaboration about 15 years back and there was a fallout between the landowner and us and it was all in arbitration because of which at one stage about 5 or 6 years back we had made a provision of about 75 crores. We have got a finally an arbitral award in our favor and though the arbitrary award is in all fairness and a number far higher than the provision reversed but since it's open for further adjudication, what we have done is we have reversed the provision that was made about 5 years back about 75 odd crores. So, I think those are the three points that are there on the other income side. And of course, there's a standard recurring other income because some of the incomes of our clubs and all also frankly get classified as other income. So, that's the ongoing piece. But yes, this quarter the other income is a slightly higher number than what it normally is.

Puneet Gulati: And secondly if you can talk a bit about the construction cost, while your collections have moved up, construction cost on a quarter-on-quarter basis is actually a little low. Should we assume that this is how it will trend or is there room for it to meaningfully go up from current levels in the current fiscal year itself?

Ashok Tyagi: No, this will go up for sure. And the reason right now is that if you see the launches, the high rise launches that we have done in the last 15 months. So, Arbour was launched in March of '23, Privana South was launched in December of '23 and Privana West in April of '24. Only Arbour has acquired serious construction phase right now, Privana's South contracts and all have been awarded. The contractors have mobilized, executions commenced. Privana West that process should begin in the next couple of months. So, really what you'd see is that maybe in about a couple of quarters you would actually see construction hitting full throttle.

Puneet Gulati: Ok. And what would that number look like?

Ashok Tyagi: I think our construction is on an ongoing basis. Yes, we believe that on a full total basis from Q3, the construction outflow on the DevCo side should be a number north of 800 crores.

Puneet Gulati: And lastly you also increased the launch guidance in some sense. What are the new projects that you've added there?

Ashok Tyagi: So, at least for this quarter, Puneet there are no new projects. What's happened is that, I think clearly we were understating the pricing expectations from LUX 5 and we have rationalized them now. So, by and large the 5,000 or 6,000 crores that's been the increase from last quarter to this quarter is predominantly driven by a more realistic price expectation on LUX 5. The pricing expectations on the Privana family on Mumbai and on Goa broadly remain the same that they were in the last quarter.

Puneet Gulati: And also, the 11.6 million square feet has also gone to 12.8, so some bit of new projects.

Puneet Gulati: That is a true up as the final plans of some of these projects have frozen.

Moderator: We will take the next question from the line of Pritesh Sheth from Motilal Oswal. Please go ahead

Pritesh Sheth: So, just first question on a little bit of noise off late which was created in Gurgaon about little slower sales in (+7) crores or little higher ticket size category. Obviously not for you guys but for some other competitors. So, just wanted your thoughts on, are you seeing at least some exhaustion in terms of price increase at certain price point, there would be certain section of customers who are right now probably moving away from the absorption. So, just your thoughts on that.

Ashok Tyagi: So, obviously we haven't seen that slowdown in our case but I will really hand over to Aakash who knows this market inside out.

Aakash Ohri: So, we've done in about 15 months as you all know, we've done about close to 22,000 crores of sales and which includes Arbour, which includes both the Privanas that you saw. They hover around $1 million each unit. So, right now, as I see it the demand is further consolidating also towards a better and a good product. I say this extremely humbled with the fact that the kind of response that DLF gets today is, I strongly believe, is because of all the work that we have done on ground which includes not only of the product but working on the immediate geography and on the infra that we are known to do. So, I think the endorsement Pritesh is of what we see and the kind of response that we are seeing, very important for you all to know that our bookings are around—we don't do the 5-10 lakh, we charge a Rs. 50 lakh booking amount, so these first of all most of the people who come in with this kind of money are very serious. Second I am also happy to report to your point that even after we sell out, within one month there is the process of these agreements that are signed that further solidifies the sales because then you are practically the customer signing on the 10% agreement. Happy to report to all of you that even after that should there be any discomfort in customers and there have been like 20 odd in the most recent Privana West, I can report to you, have all been reinstated with an additional increased cost. So, the process right now as we go along is of course how we are going about the whole business and the latent demand that a DLF product still has and our delivery schedule and our commitment. So, I feel based on all of that our price points stay where they are. Also Mr. Tyagi had made a mention yesterday also that if you have seen our collections have been on an all-time high, it has been a record collections this quarter as well. And you please track us down the last six quarters, you will see what I mean. So, therefore, this is a strong endorsement of a DLF brand and of a DLF product. I don't see any slow down at this point in time. I am being very honest with you, and I don't see anything right now because right now as we play the whole world together. Any launch is a global launch for us whether it's the NRI, domestic or other cities in the country. We are seeing very robust demand. We are seeing extremely good customers with good paying capacity and a very very good eclectic mix of people coming and buying these products. So, that's it from me.

Ashok Tyagi: Another thing Pritesh because this is normally a noise level of investor versus real so-called resident. Actually, in the sales that Aakash and his team have done in the last 2.5-3 years, the proportion of re-trade that has come in the market is minuscule. So, it's not that people who are buying are exiting in a hurry by making that Rs. 50 lakhs profit or something. They're all here to stay for at least a medium term if not 100% case the long term. So, that earstwhile speculative market continues to be away from all of these launches.

Aakash Ohri: And also, to add to you Mr. Tyagi, in nine months of time after every launch you're almost taking about 35%-40% of the cost of the thing. So, we don't promote speculators to that point.

Pritesh Sheth: Just a follow up on that. I mean while we remain confident on demand would you be equally confident on price increases as well? If at all we want to take let's say Privana where we have had a very couple of successful phases. So, are you seeing some kind of exhaustion there or still there is scope of prices going up depending upon the quality of the product that we are going to launch?

Aakash Ohri: No exhaustion. If you are saying again, I don't work in one geography Pritesh. So, for me as I said to you again, I repeat the whole world is one playing field for me. When I launch, I do a global launch. So, it is not restricting me to one NCR geography. My customers today are coming from all over. I have a very strong NRI pipeline as we reported in our closure of last year, we have a 25% top line. So, please understand for us when we launch a product for us our outreach is all over. Plus, again I reiterate the fact that people are today endorsing a DLF brand and they're endorsing a good DLF product, and I see and let me put it another way to you that these are only what, how many, the next launch will have another maybe 800 to 1,000 people. That's all. You are looking at it from the overall number of 8,000-10,000 crores. I look at it from the point of view units. So, for me an 800 unit is to source say about maybe 1.5 - 2x the people all over the world. So, I'm sure somebody is doing well at that point in time who's going to be affording this particular thing and that's about our principles, that's how we've been operating.

Pritesh Sheth: Second and on the cash allocation from here on. So, last year we have had like couple of big transactions, one in Mumbai, one in Gurgaon. Will we have a plan of at least signing up like a couple of projects in a year considering the kind of cash flows that we are generating, or we would just be opportunistic in terms of investing into these newer projects if it makes sense from margin profitability perspective.

Ashok Tyagi: So, while we have broadly always indicated that we would like on a medium-term basis to allocate our free cash flow to growth and shareholder returns on broadly a half-half basis. But I think it will depend year to year. There is no set target that we have to acquire 10 million square feet of GAV or something because frankly we have enough GAV of our own. But clearly like we did in Sector 61 or Mumbai, if there's interesting opportunity that crops by which is available at the right cost and in a market which is either underserved or contiguous market we are, we will always be open to it. But frankly it's not that we are aggressively pursuing any inorganic opportunity as of now.

Pritesh Sheth: Just one last for Sriram sir. On the SEZ leasing, it has almost remained flattish in last probably couple of quarters I would say 85%-86%. How do you see the trajectory going ahead? Let's say by end of the year what kind of leasing targets do you have internally for the SEZ portfolio specifically?

Sriram Khattar: So, our SEZ portfolio before the denotification started was in the DLF system including DCCDL 16.5 million, out of which we de-notified about 10% about 1.6 million. This has been now I think 70%-80% leased out and I think as we go forward in the next three-four quarters the leasing momentum will pick up further because of two reasons. One the Ministry of Commerce and the development commissioners of the SEZs in the various states are now getting to the process of denotification which in the first one or two rounds was a little tedious as people did not know as the officials did not know what stance to take and how to go about it. Now that process is settling down. That is number one. Number two, if you take Gurgaon, the vacancy in Cybercity Non-SEZ which is about 13 million square feet is only to 2-3% now. So, any new inquiry that comes in is shown the likely vacancies to be coming up in SEZs or the existing vacancies for them to take up. So, I am cautiously optimistic that in the next three-four quarters this will show a lot of traction. I will also share that we have sort of the rental rates for the non SEZ or the non-processing declared areas are slightly better than the rates that we get on SEZ.

Pritesh Sheth: But no specific targets on leasing as of now, it would be as and when it comes?

Sriram Khattar: We have yearend targets. Our vacancy today in offices is about 8 odd%. We plan to take it down overall to between 6% and 7%.

Pritesh Sheth: Sure, that's it from my side. Thank you and all the best.

Moderator: We will take the next text question from Parwez Qazi from Nuvama Group. And the question is, what are the completion timelines for DT Gurgaon Block 4 of 2 msf and DT Chennai Block 3 of 1.7 msf.

Sriram Khattar: I will take that question. Downtown 4 Gurgaon the OC is expected by the end of this year. However, after the OC comes there is a fair amount of other development, landscaping and other work to be done. We think this building will complete in all its ramifications by February-March next year. Downtown 3 in Chennai, we expect the OC to come in end August, early September, most likely September and by the time the landscaping and the other things are completed, it should be by the end of this year. However, our handover to tenants will start once the OCs come and for both the projects, we expect the rental incomes to start flowing in from May next year.

Moderator: We will take the next question from the line of Praveen Choudhary from Morgan Stanley. Please go ahead

Praveen Choudhary: I have two simple questions. One is the launch timelines for some of the projects that you are expecting in the second half festive season, especially Mumbai project. Also, in the Mumbai project we saw last quarter in your presentation, it was in the premium segment. And now I find it in the either super luxury segment or luxury segment. So, was there any change in expectation of ASP there? And my final question is related to a question that you might have got earlier about Gurgaon market. The ASP increase is quoted very high in different media and different reports by JLL, etc., I just wanted to understand if such kind of ASP increase is visible, would it attract speculators? Even though I agree that the last 2 years you may not have seen but are you seeing in the last 3 to 6 months?

Ashok Tyagi: I will address the launch sales pipeline piece and then refer to Aakash for the average selling price increase question. So, our launch pipeline remains what we had indicated earlier which is that hopefully if all approvals come in time, we should have the Goa launch in this quarter before

September end and we should have the LUX 5 launch in the next quarter. Mumbai, right now the approval process is on along with the requisite clearance, etc., The first slum rehab building of about 35 odd stories is ready now. And I think the shifting of the tenement dwellers will begin. So, we are expecting that again to hopefully get launched by December, maybe over flow to January. But I think December is the target right now. And Q4 should see one more launch of the Privana family. Whether it's in the Privana landscape or adjoining one I think is open to discussion. But clearly one more Privana like product should hit the market in Q4. In addition to this, there will be small launches of Chandigarh and a couple of commercial launches.

Aakash Ohri: So, with regard to your ASP and in attracting the investors I think we mentioned in the previous conversation also that for us our intent has been to look at retail customers. Our intent has been over the last 2 years, we have deduped our list even if somebody is asking for two units, mostly we say no. Our intent is to spread our base as far as we can so that we can seek that end customer. And that is how we have been going about our business. So, as far as investors are concerned and speculators are concerned, there are two things. One is that our price point entry barrier itself is very high. So, that is the first level. Second should we see somebody repeatedly trading or not retaining their properties, we generally put them last in our priority. So, the allocation process also as it goes should we find any miss and our checks and balances are on a monthly basis because these are linked to our collections. So, therefore, anytime collection flags off a name or an occurrence which is other than what it should be the systems then kick in and identify those problems and then get in. So, that is how we have put our checks and balances. So, therefore, speculators to a large extent, I don't think we would attract them or even for them it's not going to be easy. So, I think for us we want to play it absolutely safe and low down. I feel that for us it takes a lot of effort to reach to that end customer and we are happy to do that. Our systems are geared up to do that and that is what we do on a daily basis. So, we mine irrespective of the launch or a product, we continue to mine every day for a new customer and our various categories and various price points are open and therefore we keep putting them in various buckets. As and when we launch and we know what category they are and what level of investments they want to make and as and when we launch post our RERA approvals then we reach out to these sets of people who we have continued to mine as I said earlier and then that's how we operate. So, I hope Praveen if that has answered your question.

Praveen Choudhary: Yes, Thank you so much and congratulations for good collections.

Moderator: The next question is from Kunal Lakhan from CLSA. Please go ahead.

Kunal Lakhan: Firstly, you've rationalized the pricing in your new launches. Does that make any changes to your full year guidance and for your presales of 17,000 crores?

Ashok Tyagi: So, right now, we are not officially re-guiding you to a higher number. But I think it's a logical conclusion that there should hopefully be some upward bias to that. Maybe wait one more quarter. By the end of next quarter, we should be far closer to our actual launches. And hopefully I mean again as we have mentioned last time the 17,000 crores number basically still budgets in about a (90%+) sale level on all other launches and a small introductory sale level on LUX 5 and hopefully that's where possibly the upside could come in. I think hopefully by the time we are again talking to each other in October, we will really have a completely trued-up number of this.

Aakash Ohri: I'm just adding to what Mr. Tyagi just mentioned, Kunal. There's also a very strong second market that we monitor. And I am happy to report two transactions in the second market in the last one week. One of Grove which is in the DLF 5 geography which is crossed Rs. 30,000 a square feet. And recently just today an hour back we closed a Crest 4,000 square feet unit at 49,500. It's touched Rs. 50,000 a square foot Crest. So, again no matter what we say obviously you can take with a pinch of salt. But please if you monitor the kind of work that is happening on the ground in terms of the second and third sales, you will understand where these price points and where these customers, these are all they are not speculators. They're people who are buying for themselves or their family. So, therefore, the valuations that you will see obviously will have to reflect the facts on the ground.

Kunal Lakhan: And the fact that you said that excluding LUX 5 the rest of the launches you're expecting at least 90% to be sold out. That clearly puts you northwards of that 17,000 crores numbers.

Ashok Tyagi: We hope so, yes.

Kunal Lakhan: On the collection side, your collections excluding Privana launch should be around say about Rs. 2,500 crores now, would that be an accurate number?

Ashok Tyagi: Yes. So, you're right. It will be about 2,500-2,600 crores excluding the Privana West. And I think Kuldeep can give you the details offline. So, I don't have that number rightly available.

Aakash Ohri: It will be about 2,700-2,800, so you take out the recent PrivanaWest about 800 odd units.

Kunal Lakhan: This number should also inch up considering your last year's sales number and then Privana also contributing from like next quarter onwards, this number should see a significant jump?

Ashok Tyagi: So, now I think now frankly the numbers are, they are reflecting the regular installments of both Arbour and Privana South. The Privana West installments will start coming in now from maybe Q3 onwards. But the fact is that even in the first 6 months you collect about 35% so that there is a there's a significant upward collection that also then eventually aligns itself with the construction milestones, etc., So, I think the number will stay in the 3,000 odd crores range. Again, the new launches could occasionally provide a bubble but ballpark this 2,900 to 3,000 crores is I think what a quarterly collection for the next two quarters at least should stay at.

Kunal Lakhan: Just to follow up on that, Arbour, it's been it must have been at least a year and a half since Arbor's launch.

Ashok Tyagi: 15 months.

Kunal Lakhan: So, how much would you have collected in that project by now?

Ashok Tyagi: 45%.

Kunal Lakhan: So, like 15 months 45%?

Ashok Tyagi: Yes.

Kunal Lakhan: My last one is on a is a bookkeeping question actually. We used to have this surplus cash potential slide until last quarter which is not there in this quarter. If you can give some details from that slide in terms of balance cost of construction….

Ashok Tyagi: In all fairness I will tell you. So, we have the data, Kuldeep will give you. We just thought that data in all fairness Kunal, was a legacy of the cash crunch time when you wanted to convince analysts and more importantly convince yourself that you will have the money to complete the projects. I think really with the RERA now being a scale that risk no longer exists. But you're right we have that number. I will give you off the cuff. Ballpark our receivables of the projects that we have launched till the 30th June is about 21,000 crores have to be collected. We have about 10,500-11,000 crores is our total cost to complete. Of that 11,000 crores, 5,000 crores is already residing in the RERA account today. So, basically, of the 21000 crores collection that is to come, about 6,000 odd crores will need to be spent more on construction and the balance really would be margin. In addition to all of this we have about 3,000 crores of ready inventory including a few Camellias which obviously will also be 100% sales generation. So, we had that slide that's been put in here. We will restore it on popular demand if you want from the next quarter.

Kunal Lakhan: That will help. And also, the CAPEX on DLF as well as DCCDL balance.

Sriram Khattar: On DCCDL this year's CAPEX will be 1,800 crores and going forward in the next 2-3 years this will go up by about 18%-20% from this ballpark figure of 2,000 crores.

Kunal Lakhan: And on standalone that number was about 700 crores balance CAPEX that would be slightly lower now.

Ashok Tyagi: What do you mean by the standalone?

Kunal Lakhan: On the DLF side.

Ashok Tyagi: So, the residual CAPEX on the three malls that DLF is constructing is about 700 crores. And the residual CAPEX on the Atrium Place which is a JV with Hines is again about 700 odd crores.

Kunal Lakhan: Thank you so much and all the very best.

Moderator: The next question is from Abhinav Sinha from Jefferies. Please go ahead.

Abhinav Sinha: Khattar sir, on DCCDL maybe I missed this but what is the driver of the jump in rentals this quarter and what is the exit run rate we are looking at?

Sriram Khattar: So, the jump in rental is a combination of two things. One, the accrual that comes on an annual basis and the other is the start of the rentals in Downtown 1 and 2 in Chennai. The exit for this which we had given the guidance earlier is 5,000 crores. But next year the jump up will be rather significant because Downtown 4 in Gurgaon Downtown 3 in Chennai and the full rentals of Downtown 1 and 2 will come into play. And therefore, this will go up significantly in FY26.

Abhinav Sinha: So, north of 6,000 crores next year?

Sriram Khattar: My sense is it will be while I cannot officially say, it will be about 5,800 to 6,000 crores.

Abhinav Sinha: On the DLF malls plus Atrium that we are constructing, can you give us some similar guidance because some of these are nearing completion also?

Sriram Khattar: Atrium Place is as you know a joint venture with Hines where DLF owns two thirds equity. The total which we are building there is 2.9 million. There are three blocks of about 650,000 each and one block of 850,000. The first three blocks, the OCs will come between January, February and April next year. And Block 4 which is the bigger block it will come in October next year. The rentals next year will be in the ballpark of 240-250 crores though when all the four blocks are completed on a steady state, the rental will be about 580 to 600 crores. I may also share that we have started leasing that and we've already leased about 400,000 square feet. That is one area of focus in the current year to ensure that we continue to lease the buildings at least 80%-90% before we get the OCs.

Abhinav Sinha: And similarly for the malls also.

Sriram Khattar: So, there are three malls that are coming up. I will give you the details one by one. One is what we call the Midtown Plaza, which is the baby mall. out of the three it's about 200, odd square feet, that gets completed end of this year, and the rental should start by April next year. The next one coming up will be Summit Plaza where the rentals will start in Q1, early Q2 of FY26 and the DLF Promenade in Goa which is 700,000 that will get completed end of next year and the rental of it will come in April '26.

Abhinav Sinha: And this will total up to another roughly 250-300 crores?

Sriram Khattar: Yes, this is 300 crores.

Abhinav Sinha: When all these three are done?

Sriram Khattar: Yes, and this is about 1.3 million.

Abhinav Sinha: And any plans to sort of retain them or transfer to DCCDL, any thought process there?

Ashok Tyagi: Once they are in a final rent yielding mode at that time we will talk to Mr. Khattar and GIC and depending on how the two of them decide we will discuss.

Sriram Khattar: Yes but having said that as the excellence in maintaining, the excellence of tenancies, the excellence of operations is seamless between whether the asset is owned in the books of DLF or in DCCDL.

Abhinav Sinha: Tyagi sir, one last question from my side. On the Ireo piece, we are expecting a launch next year. Is there anything outstanding legally or payment wise or is just the process of planning it?

Ashok Tyagi: There are basically two major parcels. One is 19.5 or 20 acres; one is 7 acres. The 20 acres was already a group housing license. So, the transfer of license process is going on. I think that should really be completed in the next very short time. The balance 7 acres was a part of a plotted license and there's a migration of license exercise. There's a certain protocol process in the government. That's going on to convert it into a group housing license and the two of them will be combined. So, I think by the time both of them are done, we expect it to be end of this calendar definitely for sure if not end of this fiscal and hence the plan to launch it in the early part of next year. Yes, there will be some governmental charges, etc., that I think are due. But if you recall, the total cost that we had paid and committed for the entire 28 acres to the sellers was about 1,250 odd crores. And I think all told the approval, etc., for getting it to the requisite 3.5 FAR is I think another 400 to 500 crores. Some of it which has been expended, some of it will be expended across the next three to four quarters.

Abhinav Sinha: Thanks and all the best.

Moderator: The next question is from Puneet Gulati from HSBC. Please go ahead.

Puneet Gulati: For the land acquisition payment of Rs. 413 crores this quarter does that relate to the same Ireo thing or is it for some other land parcels?

Ashok Tyagi: Actually, it does not. So, about 225 or 230 crores of it actually, it was a question of how you classify it, is actually the TDR payments for the Privana TDR. So, what happens in TDR is that basically either you have surplus land which right now we don't have, or you acquire those sort of licensable or those TDRable lands in the market and then send it to the government. The government gives you the TDR certificates. So, this 230 odd crores is the land cost of those TDR certificates and the balance 170 odd crores is some partner payments to our collaborators and some smaller land acquisitions for contiguity. But the big chunk here is TDR, it was just to sort of bring everybody up to speed. The total cost of TDR land plus approval all together runs to about Rs. 1,800 to 1,900 a square feet which frankly given the sale prices of (20,000+) is a fraction. And the cost of residential TOD is actually under Rs. 1,000 a square feet. So, obviously we do want to maximize the TOD and TDR entitlements, not blindly but in the places that we are launching.

Puneet Gulati: And the government charges of 330 odd crores, that that excludes the TDR payment?

Ashok Tyagi: The land payment for TDR, that is in the land charges and the approval charges which is normal license fee, TOD approval charges, TDR approval charges, those will get classified in the governmental charges.

Puneet Gulati: And lastly, you also talked about potentially maybe buying some land parcel which is interesting. Would you ever be looking at Dwarka Expressway market or you would largely focus on your side of Gurgaon?

Ashok Tyagi: I don't think Mr. Ohri is interested in Dwarka Expressway right now. I mean currently no.

Aakash Ohri: Puneet we have got so much happening on our side of the place. So, I think we'd like to stick there.

Puneet Gulati: Thank you so much and all the best.

Moderator: Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. Ashok Tyagi for closing comments. Over to you sir.

Ashok Tyagi: Thank you so much. It was a very engaging discussion and obviously coming off a decent quarter, you guys asked everything that there was to ask, especially about the launch pipeline, about the rental business, capexs, the run rates. And we will continue trying to hopefully carry on the good work on both the RentCo and the DevCo sides. Currently frankly is one of those virtuous cycles where the markets for both residential, retail malls and offices, all the three segments where we operate in are all witnessing an upcycle. So, without getting reckless in terms of in terms of launches or pre-sales, we will continue to sensibly keep on launching and monetizing the stuff that we have and hopefully continuing on our journey towards cash flow and margin. And really hope to see all of you again in October. Thank you.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of DLF Limited that concludes this conference. We thank you for joining us and you may now exit the meeting. Thank you very much sir.