



- ❑ DLF limited (DLF) reported revenue decreased by 16.8% YoY to Rs 16,430 million as compared to Rs 19,750 million on a consolidated basis. New Sales bookings for Q2 FY26 were at Rs 43,000 million, led by successful maiden launch in Mumbai, “The Westpark”. Pre-sales for the H1 FY26 reached over Rs. 1,57,500 million, aligning well with the company’s full-year target range of Rs. 2,00,000–2,10,000 million. Collections at Rs 26,720 million. H2 collections to improve as milestones kick in; FY27 collection guided at Rs 1,30,000–1,40,000 million.
- ❑ DCCDL rental income grew to Rs. 13,620 million, which reflects a 15% growth YoY. PAT grew by 23% for the same period. DCCDL net debt stood at Rs.1,73,350 million as on September end and net debt-to-EBITDA on an annualized basis stood at a healthy 3.1x.
- ❑ Several retail properties, along with the Gurgaon Atrium Place, are expected to begin contributing between FY26 and FY27, adding a steady annual rental income of approximately Rs. 10,500–11,100 million. This includes around Rs. 6,000–6,500 million from the Atrium project and roughly Rs. 4,500–4,600 million from the three malls combined.
- ❑ Consolidated EBITDA were at Rs 2,836 million in Q2 FY26 as compared to Rs 5,020 million in Q2 FY25, down by 43.5% YoY. Consolidated PAT were at Rs 11,801 million in Q2 FY26 as compared to Rs 13,812 million in Q2 FY25, down by 14.6% YoY. EBITDA and PAT margin were at 17.3% and 71.8% in Q2 FY26 as compared to 25.4% and 69.9% in Q2 FY25 resp.
- ❑ The overall gross cash balance stood at over Rs. 92,000 million, of which around Rs. 83,500 million is held in RERA accounts. During the current quarter, the company repaid Rs. 9,630 million of debt, bringing the outstanding debt as of September 30 to Rs. 14,870 million.
- ❑ DLF is poised to gain considerably from the recent interest rate reductions, which are improving housing affordability and stimulating demand—especially in the premium housing segment where DLF has a strong presence. Backed by its trusted brand, a solid pipeline of luxury developments, and a sound balance sheet, the company is well-placed to leverage the ongoing real estate uptrend. Additionally, its steady rental inflows and strategically located land reserves enhance its long-term investment attractiveness. We maintain a ‘BUY’ coverage with a target price of Rs 1,000

Key takeaways from Concall

- ❑ **Upcoming Launches-** DLF has secured all approvals for its Goa project, with launch preparations underway and expected either Q3 or Q4 FY26. In Gurgaon, the Dahlias (super-luxury) project will see an invite-only tranche in Q4 FY26, with a full launch in Q1 FY27; over 55% is already sold with Rs 1,000 million+ units. Arbour 2 (Senior Living) and Panchkula launches are planned for H2 FY26.
- ❑ FY27 will feature Hamilton 2 (Gurgaon), another Privana phase, Westpark Phase II (Mumbai), and continued Panchkula activity. Work on the IREO parcel is progressing, with approvals expected by end-FY27. Management remains flexible on launch timing, guided by approvals and demand dynamics rather than quarterly targets.
- ❑ **Atrium Place, Gurgaon (JV)-** The project spans 3.2 msf, of which 2.1 msf received occupancy certification this quarter and 1.9–1.95 msf is already leased with tenant fit-outs in progress. Rent inflows are expected to begin from December, with the first three towers contributing by April next year. The remaining 1.1 msf will be completed by May–June, also fully leased, with rentals starting 6–7 months after handover. Once stabilized, the project is projected to earn Rs 6,000–6,500 million annually.
- ❑ **Retail Assets:** Midtown Plaza (OC received), Summit Plaza (OC in Q2), and Promenade Goa (OC expected in Q4). Rentals typically begin 4–5 months post-OC after tenant fit-outs. These assets are expected to add ~Rs 45,000–46,000 million in annualized rentals by FY27. The Downtown Gurgaon project (7.5 msf) is under active construction, aiming for mid-2028 completion, while Chennai Towers 4 & 5 are progressing faster, slated for early 2028.

Financials:

(In ₹ mn)	Q2 FY26	Q1 FY26	Q2 FY25	Chg BPS	6M-FY26	6M-FY25	Chg BPS
Net Sales	16,430	27,167	19,750	-16.8%	43,597	33,374	30.6%
Operating Expense	13,595	23,525	14,730	-7.7%	37,120	26,067	42.4%
EBITDA	2,836	3,642	5,020	-43.5%	6,477	7,307	-11.4%
Other Income	6,188	2,642	2,058	-	8,829	5,733	-
Depreciation	295	345	377	-	640	750	-
EBIT	8,728	5,939	6,701	30.2%	14,667	12,289	19.3%
Interest	631	786	935	-	1,417	1,947	-
Profit before tax	8,097	5,153	5,766	40.4%	13,250	10,342	28.1%
Exceptional Item	2,352	-	-	-	2,352	-	-
Share of profits in associates/JV	4,116	3,805	3,378	-	7,921	6,432	-
PBT	14,564	8,958	9,144	59.3%	23,523	16,774	40.2%
Tax	2,763	1,332	(4,668)	-	4,095	(3,485)	-
Consolidated PAT	11,801	7,626	13,812	-14.6%	19,428	20,259	-4.1%
Margins	Q2 FY26	Q1 FY26	Q2 FY25	Chg BPS	6M-FY26	6M-FY25	Chg BPS
Operating Margin %	17.3%	13.4%	25.4%	-816	14.9%	21.9%	-704
Net Margin %	71.8%	28.1%	69.9%	189	44.6%	60.7%	-1614

(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
Net Sales	64,270	79,937	99,170	1,32,413
Operating Expense	43,034	58,850	73,475	95,348
EBITDA	21,236	21,086	25,695	37,065
Other Income	5,313	10,022	11,025	12,348
Depreciation	1,479	1,507	1,803	2,219
EBIT	25,070	29,602	34,917	47,194
Interest	3,564	3,972	3,187	2,851
Misc Item	10,931	13,699	6,468	6,468
PBT	32,437	39,329	38,198	50,810
Tax	5,201	(4,339)	6,112	8,130
PAT	27,235	43,668	32,086	42,680

Margins	FY-24	FY-25	FY-26E	FY-27E
Sales Growth %	-	24.4%	24.1%	33.5%
Operating Margin %	33.0%	26.4%	25.9%	28.0%
Net Margin %	42.4%	54.6%	32.4%	32.2%

(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
<u>Liabilities</u>				
Equity Share Capital	4,951	4,951	4,951	4,951
Reserves & Surplus	3,89,358	4,20,552	4,52,638	4,95,319
Total Shareholder's Funds	3,94,308	4,25,502	4,57,589	5,00,269
Minority Interest	8	-	-	-
Long-term Liabilities	24,390	16,721	16,721	16,721
Other Long-term Liabilities	14,606	15,053	15,053	15,053
Deferred Tax Liability	15,967	5,118	5,118	5,118
Short-term Liabilities	1,41,366	2,22,001	2,04,934	2,78,906
Total	5,90,645	6,84,395	6,99,414	8,16,068
<u>Assets</u>				
Net Fixed Assets	39,507	35,880	39,110	45,822
Long-Term L&A	27,706	26,541	26,541	26,541
Non-Current Investment	1,97,569	2,09,806	2,09,806	2,09,806
Other Non-Current Assets	340	445	445	445
Current Asset	3,20,184	4,03,712	4,15,500	5,25,442
Assets as Held for Sale and Discontinued Operations	5,339	8,012	8,012	8,012
Total	5,90,645	6,84,395	6,99,414	8,16,068

Key Ratios	FY-24	FY-25	FY-26E	FY-27E
EPS (₹)	11.0	17.6	13.0	17.2
P/E (x)	68.8	42.9	58.4	43.9
P/B (x)	4.8	4.4	4.1	3.7
ROE	6.9%	10.3%	7.0%	8.5%

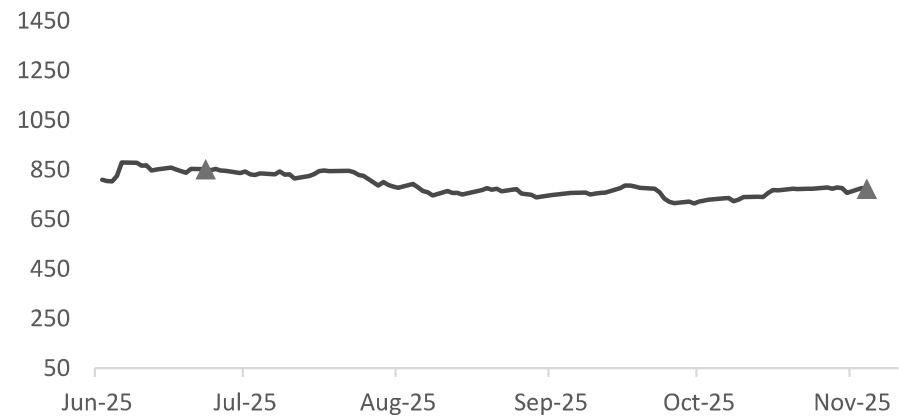
Source: Company, Anand Rathi Research

Key Risks:

- ❑ **Growth dependent on initiatives taken by the government:** DLF’s dependence on the NCR real estate market remains elevated, which exposes the Group’s sales to any region specific downturn in demand.
- ❑ **Exposure to execution and market risks and cyclicalities in real estate sector:** DLF has significant plans of expanding its ongoing portfolio to maintain the growth momentum and strengthen its market presence in the existing as well as new micro-markets, which exposes the Group to execution and market risks. While new projects will offer diversification in terms of geography (expected launches in Goa, Tri City, etc.), any decline in demand may adversely impact the cash flow position.
- ❑ **Environmental and social risks:** The real estate segment is exposed to risks of increasing environmental norms impacting operating costs, including higher costs of raw materials such as building materials and cost of compliance with pollution control regulations. Environmental clearances are required for commencement of projects and lack of timely approvals can affect business operations. The impact of changing environmental regulations on licenses taken for property development could also create credit risks.

Rating and Target Price history:

DLF rating history & price chart



DLF rating details

Date	Rating	Target Price (₹)	Share Price (₹)
23-Jun-25	BUY	1,000	852
06-Nov-25	BUY	1,000	757

Source: Bloomberg, Anand Rathi Research
NOTE: Prices are as on 6 November 2025 close.

Source: Bloomberg, Anand Rathi Research

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