

DLF looking at Mumbai, Bengaluru to build commercial assets - ET RealEstate

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NEW DELHI: Buoyed by the joint venture deal with global investment firm [GIC](#), realty major [DLF](#) on Monday said it will accelerate development of [commercial](#) properties and may foray into cities like Mumbai and [Bengaluru](#).

DLF, the country's largest [realty firm](#), also plans to follow the strategy of selling housing units after reaching an advanced stage of construction instead of marketing at pre-launch and launch stage.

"We intend to create a pure play in our commercial and residential businesses," DLF's Senior Executive Director (Finance) Saurabh Chawla told analysts.

While the residential business will be driven 100 per cent by DLF, the commercial segment will be run through a joint venture with Singapore's sovereign wealth fund GIC, he added.

Chawla said the development of commercial properties will accelerate in partnership with the GIC and now the JV would explore opportunities in markets like Mumbai and Bengaluru where the company does not have presence right now.

These cities will be on "high agenda", Chawla added.

DLF group has [commercial assets](#) of over 30 million sq ft, with an annual rental income of Rs 3,000 crore, but these are largely in Gurgaon and Chennai markets.

Last week, DLF promoters sold 33.34 per cent stake in rental arm DLF Cyber City Developers for Rs 8,900 crore. The remaining shares of promoters would be bought back by the DLF Cyber City for Rs 3,000 crore.

Promoters would get gross proceeds of Rs 11,900 crore and an expected net proceeds after tax of Rs 10,500 crore.

On residential business, Chawla said the company has an unsold housing stock of Rs 14,500 crore and is waiting for market to revive to sell these housing units.

He said the company expects an infusion of over Rs 13,000 crore into DLF from promoters and institutional investors and the amount will be used to cut debt of the housing business segment significantly.

Going forward, Chawla said the company intends to sell properties only when construction reaches to an advanced stage.

DLF has a net debt of nearly Rs 26,000 crore, of which Rs 5,500 crore pertains to the DLF Cyber City Developers.