

DLF LIMITED
49TH ANNUAL GENERAL MEETING
DLF CHAIRMAN'S SPEECH BY DR. K. P. SINGH
GURGAON, AUGUST 29, 2014

Dear Shareholders,

It gives me great pleasure in welcoming you all to the 49th Annual General Meeting of the Company.

As we enter the 50th year of our corporate mission of 'Building India' and 'Building Lives', I would like to place on record my deep sense of gratitude to all shareholders and stakeholders of DLF Limited for your steadfast and unstinted support and trust through thick and thin, in times of prosperity and in the face of external challenges.

You must have already perused the Annual Report for the year ended 31st March, 2014 which has been circulated to you along with the Directors' Report and audited Annual Accounts of the Company. With your kind permission my request is to take them as read.

As you are aware, during the year gone by the macro-economic environment in the country was not very inspiring. There was a downturn in the growth rate, inflationary pressures were persistent, industrial growth was largely flat, flow of investments was sluggish and there was an adverse external payments position. As a result, 2013-14 proved to be a difficult phase for the real estate sector as a whole, mainly due to the government's tight monetary policy to control inflationary pressures leading to rise in borrowing costs both for industry and the consumer.

Since it has been our endeavour to safeguard the interests of our stakeholders at all times, we were focused on minimizing the impact of these odds by reducing the debt position, divesting non-core assets and taking other strategic decisions to weather the storm.

In pursuance of these strategic objectives the Company's overall debt witnessed a significant decrease, although the increase in the cost of borrowings continues to impact the finance costs.

It is heartening to note that in the Budget for 2014-15, the Hon'ble Finance Minister Shri Arun Jaitley has provided some much-needed proposals to stimulate the real estate sector. This is a welcome beginning even though more steps need to be taken to reverse the downturn in the sector. There is a need for a holistic appraisal of the issues on the ground and for a comprehensive package of investment-friendly incentives and housing finance schemes to revitalize the housing industry.

I would also like to thank the Finance Minister and SEBI for bringing much awaited regulations on the Real Estate Investment Trusts (REITs) which would help unlock significant value to the developers and provide investors with an attractive investment option. REITs could over time be a source of significant Foreign Investment in India. Though the basic guidelines have been released, some residual issues still need to be tackled to fully leverage the potential that REITs offer.

Similarly, the Hon'ble Prime Minister's vision of 'Housing for All' and his plan for '100 Smart Cities' are indeed laudable, because they indicate an awareness that if India's growth is to be truly inclusive and if the aspirations of the country's youth for a better life are to be fulfilled, then we will need both affordable housing for the poor as well as modern, high-tech urban developments. We would be keenly awaiting the next steps in this direction.

The ground reality is that the real estate development sector is plagued by antiquated laws, outdated regulations and needlessly cumbersome red tape. Whether we talk of obsolete land acquisition laws, obstructive environment laws, short-sighted town planning norms or the unwieldy bureaucratic systems currently in place for obtaining clearances at each stage of project implementation, every aspect of the legal and regulatory framework is crying for reforms.

It needs to be recognized that the housing and construction industry and the real estate development sector is the largest contributor to the country's GDP. It also provides employment to the largest number of unskilled labour. There can be little doubt that if the real estate development sector is provided the required policy environment, it can and will prove to be the most powerful engine of all-round national growth with a positive multiplier effect throughout the economy.

I would now like to turn to the overriding responsibility that all of us have towards ensuring that the fruits of growth and prosperity are shared by all sections of our society, particularly the underprivileged.

I would like to applaud the Hon'ble Prime Minister Shri Narendra Modi for taking the initiative to launch two grassroots programmes - Adarsh Gram Yojana and Swachh Bharat Abhiyan - to bring about a qualitative change in the lives of the people through focused village-level development and providing every citizen with access to basic sanitary and hygiene facilities.

I am glad to inform you that DLF Foundation is rededicating itself to both these noble endeavors as a part of its social outreach agenda. We have always believed in taking our CSR responsibilities far beyond statutory obligations.

For the past seven years, the Foundation has been pursuing, on mission mode, a unique DLF Village Cluster Development initiative, aimed at transforming habitations in the proximity of our construction sites into model villages. Our very talented and highly qualified team has had measurable success in enhancing the quality of life of the inhabitants, especially women, children and youth, by providing sanitation and toilets facilities, basic hygiene amenities, medical care, primary education and nutritional schemes, including mid-day meals.

You will be glad to know that these ongoing efforts have been gaining wide recognition and the DLF Foundation has been the recipient of several prestigious awards in the year gone by. Among them are: Global CSR Excellence & Leadership Award 2014 for Community Development by ABP News; Global Sustainability Leadership Award for Best Community Action by World CSR Congress; and Pandit Madan Mohan Malaviya Award for Best Corporate Social Responsibility Practices in Education-2014 by CSR Times.

We feel greatly encouraged by such tangible appreciation of our grassroots mission over the past seven years and I am sure our Prime Minister's clarion call in his Independence Day address will further motivate us to redouble and intensify our focus on village development schemes to provide a better life for all.

I would like to take this opportunity to once again thank all the stakeholders, including our customers, suppliers, central and state governments, regulatory authorities, investors, bankers and financial institutions, for their continued faith and trust in all our endeavours.

I thank all my colleagues on the Board for the value addition and contribution in governance of the Company keeping in view the stringent regulatory environment.

I would like to specially acknowledge the commitment and dedication of the entire DLF team, who are working tirelessly to meet stakeholder aspirations in the challenging external environment.

I seek your continued support in taking the Company to higher growth, success and innovation.

On the occasion of your Company's 49th AGM, I would like to once again thank all of you - our valued Shareholders - for your continued support in our shared mission of contributing to India's growth.

Thank you,

(Dr. K.P. Singh)
Chairman
DLF Limited
August 29th, 2014
Gurgaon.

[This document does not purport to be a record of the proceedings of the Annual General Meeting. The speech can also be accessed at www.dlf.in]