

DLF CHAIRMAN'S SPEECH BY DR. K. P. SINGH 47TH ANNUAL GENERAL MEETING, 2012

Ladies and Gentlemen.

It gives me great pleasure in welcoming you all to the 47TH Annual General Meeting of your Company.

On behalf of the Board and on my own behalf, I would like to place on record my deep sense of appreciation and gratitude to you, our esteemed shareholders, for your continuing support.

The Annual Report for the year ended 31st March, 2012 along with the Directors' Report and audited Annual Accounts of the Company have been circulated to you and I request your kind permission to take them as read.

I am sure you will have noted that although the year gone by has been a very challenging one not only for India but for the entire global economy, and despite the difficult external environment of slow GDP growth, high interest rates and persistent inflationary pressures, your Company's overall financial performance has been moderate.

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At one level, the growing number of crusades and controversies that have surfaced may be viewed as a reflection of the urge for transparency and social justice and as a process of cleansing and strengthening the democratic system that is one of modern India's principal assets.

However, it would also be pertinent in this context to recall the wise words of President Pranab Mukherjee, in his address to the nation on the eve of Independence Day: "When authority becomes authoritarian, democracy suffers; but when protest becomes endemic, we are flirting with chaos".

It is clear that these developments are leading to a challenging scenario in which the decision making process of the government has slowed down, resulting in delays in vitally needed policy formulations.

Inevitably, all this has had an adverse impact on the growth momentum of the country's economy and affected the confidence of the business community as well as the citizens.

The country can ill-afford a deceleration in growth rates and consequent shrinkage of employment opportunities for young job-seekers. As of now, there are 550 million people below the age of 30. In less than a decade, India will have an estimated three quarters of a billion energetic young men and women, clamouring for gainful employment, craving for a higher standard of living, and fired by soaring ambitions and aspirations fuelled by the power of the media and the spread of information and knowledge with skills which go far beyond the old style academic degrees. These citizens of tomorrow cannot be denied adequate avenues for gainful employment and opportunities to fulfill their aspirations for a better life. Their energies cannot be allowed to be directed away from

productive pursuits. Otherwise, India's unique demographic dividend could turn into a demographic nightmare.

For India, therefore, it is of vital importance to revive the growth momentum, which has unfortunately slackened. Unlocking the potential of the housing and construction sector is one of the key revival tools.

This process can be kick-started almost immediately through certain crucial changes in policy approaches aimed at providing easier access to capital at substantially lower interest costs and creating an investor-friendly atmosphere in the urban development and housing sector.

However, this calls for a paradigm shift in the mind sets of our policy makers, bureaucrats, and the judiciary, who, in my humble opinion, have historically been somewhat apprehensive about the role of the private sector developers in the sphere of housing and real estate development.

Elsewhere in the world, the housing industry is given pride of place as an aggregator of national development and where the efforts and contributions of professional private sector developers are given both policy support and judicial recognition.

Unfortunately in our country, there has not only been an inclination to tar both professional developers and fly-by-night unauthorized real estate operators with the same brush, but also a collective myopia regarding the serious consequences of delay and neglect of urban development priorities.

As a result, the ground reality is that there are serious shortfalls in providing adequate urban infrastructure. The cost of not paying attention to our cities is enormous. The policy vacuum is leading to worsening urban decay and gridlock, a declining quality of life for citizens and a growing reluctance among investors to commit resources to India's urban centres.

The time has come for political leadership, bureaucrats, judiciary, media and civil society to realize that turning around our cities and releasing their dynamism will be critical for India's future economic growth. A recent McKinsey study has shown that cities will generate 70 per cent of net new jobs created till 2030, produce more than 70 per cent of India's GDP and drive a near four-fold increase in per capita income across the nation. In fact, the urban economy will provide 85 per cent of the total tax revenue, which will be used to finance development all over the country and thereby directly benefit the estimated 200 million rural Indians who live in the proximity of the 70 largest cities.

To my mind, the urban development and housing sector is destined to be the new sunrise industry of the Indian economy and your Company, which has established itself as the leader in real estate development in the country with a pan-Indian presence and continue to be in the forefront of the mission of Building India for the future, by spearheading India's urban awakening, building inclusive cities and sustaining the country's economic growth.

At the same time, conscious of our responsibility to set new industry benchmarks in terms of community development and social outreach, concerted efforts are being made to ensure that the societal initiatives of DLF Foundation achieve meaningful and measurable outcomes in terms of nurturing educational talent, imparting job skills and providing healthcare facilities to the underprivileged sections of society.

I would like to take this opportunity to thank all the stakeholders, including our customers, employees and 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.

I would like to specially acknowledge the commitment and dedication of the entire DLF team, working tirelessly to realize the corporate agenda, for meeting stakeholder's aspirations and helping us in creating and sustaining a

world-class enterprise.

I seek your continued support in taking the Company to higher growth.

On the occasion of your Company's 47th AGM, I would like to once again thank all of you - our valued Shareholders - for your continued support.

Thank you,

(Dr. K.P. Singh)

Chairman

DLF Limited

7th September, 2012

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]