

## **BUILDING FOR GROWTH**

**Speech by the DLF Chairman, Dr. K.P. Singh,  
At the 43rd Annual General Meeting on September 30, 2008**

Dear Shareholders,

It gives me great pleasure to welcome you all to the 43rd Annual General Meeting of your Company.

The year 2007-2008 has been very significant and historic one for your Company. At the very outset, I would like to share with all of you my deep sense of satisfaction over the sterling results achieved by your Company, which has grown on a large scale across all segments of the Real Estate sector and has successfully emerged as the largest developer in the country with a truly pan-Indian presence.

As you all know, the highpoint of the year under review was the very successful Initial Public Offering, about which we had discussed in detail at our 42nd Annual Meeting in September last year.

### **FINANCIAL PERFORMANCE**

The Consolidated Revenues of your Company have grown by 258 per cent from Rs 4,053 crore in Financial Year 2006-07 to Rs 14,494 crore in the year ended March 31, 2008.

There has been a 245 per cent increase in EBIDTA from Rs 2,906 crore in the previous year to Rs 10,017 crore in the year under review.

Net profit has grown by 306 per cent, from Rs 1,934 crore in FY07 to Rs 7,856 crore this year.

Similarly there has been a significant growth of 270 per cent in EPS, from Rs. 12.75 for FY07 to Rs 47.16 for 2007-08.

I feel it is sufficient on my part merely to highlight the outcome of your Company's operations and performance during this year. Your Company has been able to achieve a scale up of such dimensions due to systems that have been evolved and put into place for working as well as reporting.

### **CONSOLIDATION OF PAN-INDIA PRESENCE**

It gives me pleasure to report to you that on the basis of our superior business model, your Company has recorded significant improvements during the year under review, in the performance of each Business Vertical - Homes, Offices, Retail, Hospitality and Infrastructure.

At the same time, I believe that there is a need to temper our elation over the extraordinary achievements of the year gone by with a realistic approach to the challenges that lie ahead, especially in the context of the disquieting trends in both the global and domestic scenarios.

### **TURBULENT GLOBAL SCENARIO**

As you all know, the last few months have witnessed major upheavals in the global economy, most particularly the collapse of the big Five Investment Banks and the virtual collapse of the mortgage and home loan segment in the United States banking system.

## **DOMESTIC CHALLENGES AND RESPONSES**

Domestically, we have been grappling with higher oil import costs, stock market fluctuations and slow down of industrial growth. The dangers of complacency have been starkly underlined with inflation hitting a 13-year high.

The housing and infrastructure industry, and the real estate development sector as a whole, cannot remain immune to the global financial instability and the travails of the domestic economy. Your Company is fully alive to the inevitability of a turbulent phase ahead and has geared itself up to approach the challenges in the coming year with cautious optimism through well-considered strategies to tide over the credit crunch and to maintain the growth momentum.

As we all know, the rising aspirations of the people for a better quality of life have led to a spectacular growth in demand for affordable housing all over the country. I believe that good monetary policy should be directed at making it easier for citizens to obtain home loans.

It also needs to be recognized that the only way to reduce the severe shortage of urban housing is to increase the supply of affordable homes by enabling developers to step up the pace of building and construction activity to cater to the rising demand. This cannot be done by artificial constraints on access to credit.

## **PLANNING FOR THE FUTURE**

Against this background, I would also like to take this opportunity to assure all stakeholders that your Company is fully aware of the need for caution to be exercised in the emerging ground realities of the global and Indian economy and the paramount importance of wise planning for the immediate future as well as for longer term plans.

Your Company has foreseen the demand by the demographic expanse of India's population and has developed fully integrated plans for affordable and premium luxury housing; from individual offices to large floor plate based anchor clients; from neighbourhood shopping centers to destination and luxury malls; from convention centres to luxury hotels, business hotels, serviced apartments and clubs; from IT SEZs to multi-product SEZs.

The Real Estate sector will undoubtedly emerge as one of the largest players in the national economy. All our shareholders know that this sector impacts the core sectors of the economy and fundamental needs of the people. With a large consumer base as in India, the housing and infrastructure development sector will continue to register a steady, and sometimes spectacular, growth in its contribution to the national GDP.

## **CORPORATE GOVERNANCE**

Your Company's philosophy is to conduct business at highest ethical standards for the growth and prosperity of all the stakeholders on a sustainable basis in keeping with its corporate social responsibilities. The Company strives to maintain strict compliance to all applicable laws in letter and in spirit. The Company believes that large organisations have both an economic and social purpose and the principles of Corporate Governance are applied to achieve both these goals.

It gives me great pleasure to inform you that Your Company's adherence to the norms of good Corporate Governance has won international recognition by being conferred the prestigious 'Golden Peacock Award for Excellence in Corporate Governance' at the Ninth International Conference on Corporate Governance in London as recently as September 19 this year.

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company has not lost sight of its responsibilities as a change agent for accelerating the pace of socio-economic transformation across communities. We regard CSR as an integral part of the business strategy of the Your Company and the way Your Company conducts its business.

While the CSR initiatives of the company date back to the early days of its formation, a more recent development has been the setting up of the DLF Foundation as a public charitable trust in June, 2008 to undertake philanthropic measures alongside the CSR initiatives.

It gives me pleasure to announce that the DLF Foundation has been selected by His Royal Highness Prince Charles of Wales to spearhead the philanthropic activities of the Prince's Charities in India.

## **CONCLUSION**

The Financial Year 2008-09 will be a challenging year for your Company. The global liquidity and credit crises and inflationary pressures within the domestic economy would impact the business scenario.

To surmount such adversities the Company will have to perform at higher levels of efficiency by garnering more cost effective resources and working harder to sustain and enhance growth rates and increase business.

In conclusion, I see the coming year as one of consolidation and new initiatives in selected projects at prime locations across India, to give your Company robust financial results.

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

## **ACKNOWLEDGEMENTS**

I would like to take this opportunity to thank the Central and State Governments, investors at large, bankers, financial institutions, suppliers and customers for their consistent and resolute support. I thank all my colleagues on the Board for their unanimous support and immense encouragement. I would like to specially acknowledge the commitment and dedication of the entire DLF team, working tirelessly to realize the corporate agenda, meeting shareholder aspirations and helping us in creating and sustaining a world-class enterprise.

On the occasion of your Company's 43rd AGM, I would like to once again thank all of you - our valued Shareholders - for your unstinted support in our shared mission of Building India and Building for Growth.

Thank you.

(Dr. K.P.Singh)  
Chairman