

# **DLF LIMITED**

**Board of Directors**

Mr. K.P. Singh  
Chairman  
(Whole-time Director)

Mr. Rajiv Singh  
Vice Chairman  
(Whole-time Director)

Mr. T.C. Goyal  
Managing Director

Ms. Pia Singh  
Whole-time Director

Mr. Kameshwar Swarup  
Executive Director-Legal  
(Whole-time Director)

Non-Whole Time Director

Mr. G.S. Talwar

Brig. (Retd.) N.P. Singh

Mr. B. Bhushan

Mr. D.V. Kapur

Mr. K.N. Memani

Mr. M.M. Sabharwal

Mr. Ravinder Narain

**Company Secretary****Registered Office**

Mr. Hari Haran

Shopping Mall, 3rd Floor,  
Arjun Marg, Phase – I,  
DLF City, Gurgaon- 122 002  
(Haryana)

**Head Office**

DLF Centre, Sansad Marg,  
New Delhi-110 001

**Statutory Auditors**

M/s. Walker, Chandiok & Co  
Chartered Accountants,  
41- L, Connaught Circus, New Delhi-110 001.

**Registrars & Transfer Agents**

M/s Karvy Computershare Private Limited.  
Karvy House  
46 Avenue 4, Street No.1,  
Banjara Hills,  
Hyderabad-500 034  
Tel # 040-23420818, 23420828,  
Fax : 040-23420814  
Email : mailmanager@karvy.com

(Name of the Company changed from 'DLF Universal Limited' to 'DLF Limited' vide SRN A00344994  
dated 27/05/2006 issued by the Registrar of Companies, NCT of Delhi & Haryana)



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# Directors' Report

*Dear members*

The Directors are pleased to present the Forty-first Annual Report on the business and operations of the Company and Audited financial accounts for the financial year ended 31st March, 2006.

## Financial Results

	2005-2006	2004-2005
Gross Operating Profit	49,795.24	13,335.20
Less : Finance Charges	14,614.57	3,307.28
Profit before Depreciation & Taxation	35,180.67	10,027.92
Less : Depreciation	390.20	339.86
Profit before Tax	34,790.47	9,688.06
Less : Provision for Tax	12,046.68	2,918.43
Profit after Tax	22,743.79	6,769.63
Balance as per last balance sheet	31,701.77	25,884.82
Prior Period Items	–	0.67
Earlier Year Items :		
Income Tax	107.79	(0.35)
Transfer from :		
Capital Reserves	699.51	5.66
Profit available for appropriation:	55,252.86	32,660.43
Appropriation:		
General Reserve	2,700.00	800.00
Proposed dividend on Equity Shares	155.33	140.32
Tax on Dividend	21.79	18.34
Surplus carried to Balance Sheet	52,375.74	31,701.77
	55,252.86	32,660.43

## Dividend

Your Directors are pleased to recommend the payment of dividend @ 40% on the face value of equity shares of the Company for the financial year ended 31st March, 2006. The equity shares issued upon conversion of the debentures shall be entitled for pro-rata payment of dividend. However, the bonus shares allotted on 2nd May, 2006 shall not be taken into account for payment of dividend for the financial year 2005-06.

## Review of operations and future outlook

The year 2005-2006 witnessed exciting expansion and growth across all the business verticals of the Company. Most noteworthy amongst these was the Company's national expansion through land acquisition of major land banks in all the metro cities and urban centers in the Country.

Acquisition of 17.4 acres NTC mill land in Lower Parel, Mumbai through bidding for constructing a high end family entertainment center, expansion of activities in cities such as Hyderabad, Cochin, Mumbai besides significant development in the national capital, Delhi for developing high end office and retail space demonstrated the Company's intent to actively participate in the growing market demand for quality real estate development across the country. The Company also successfully launched its 'by invitation' premium luxury segment housing property 'Magnolias' adjoining the DLF Golf and Country Club, in Gurgaon.

Another landmark development was the strategic tie up with Laing O'Rourke, UK for tapping the growing demand in the areas of infrastructure, expressways, etc. The Company also expressed its intent to grow in the potentially strong business area of developing SEZs by obtaining approvals from the governments of Punjab and Haryana. Given its attractive growth potential and expansion plans the Company also worked and progressed on its plans to go public during the ensuing year.

## Subsidiary companies

During the period under review, 47 companies became subsidiaries of your Company. A statement showing details of subsidiaries, in terms of Section 212 of the Companies Act, 1956, is forming part of this Annual Report.

## Directors

In accordance with the Articles of Association of your Company, Mr.

Rajiv Singh and Ms. Pia Singh Directors, retire by rotation and being eligible offer themselves for re-appointment.

Further, due to pre-occupation, Mr. J.K. Chandra, and Mrs. Renuka Talwar, Directors of the company resigned from the Board of Directors with effect from 10th April, 2006 and 27th April, 2006 respectively. However, in view of their valuable contribution to the affairs of the Company, they were requested to continue as employees designated as Senior Executive Director – Projects and 'Director – International Affairs', respectively of the Company. The appointment of Mrs. Renuka Talwar is subject to the approval of the shareholders and the Central Government, being relative of directors of the Company.

Mr. K. Swarup was appointed as Additional Director by the Board of Directors of the Company on 12th December, 2005. He was also appointed as 'Executive Director - Legal' of the Company for a period of 2 years with effect from 1st January, 2006, subject to the approval of the Members of the Company. Resolutions pertaining to his appointment are being placed before the shareholders in the ensuing Annual General Meeting for their approval.

In view of the proposed initial public offering by the Company, the Board of Directors have appointed Mr. M.M. Sabharwal, Dr. D.V. Kapur, Mr. Ravinder Narain, Mr. K.N. Memani and Mr. G.S. Talwar as Additional Directors on the Board with effect from 21st April, 2006. The appointment of these Directors would enable the Board to meet the listing requirements of having independent Directors on the Board. Resolutions pertaining to their appointments as Directors are being placed before the shareholders for their approval. Mr. B. Bhushan and Brig (Retd.) N.P. Singh are already on the board as Independent Directors

Further, during the period under review, the Board of Directors also constituted various Committees of the Board to carry out various functions of the Board from time to time. The Board has following Committees:

Name of Committee	Members
(a) Audit Committee	Mr. K. N. Memani (Chairman), Mr. M.M. Sabharwal, Mr. T.C. Goyal, Dr. D.V. Kapur and Mr. B. Bhushan
(b) Remuneration Committee	Brig. (Retd.) N.P. Singh (Chairman), Mr. B. Bhushan and Mr. M.M. Sabharwal
(c) Shareholders'/ Investors' Grievance Committee	Mr. D.V. Kapur (Chairman), Brig. (Retd.) N.P. Singh, Mr. Ravinder Narain and Mr. K. Swarup

- (d) IPO Committee      Mr. B. Bhushan (Chairman), Mr. T.C. Goyal, Brig. (Retd.) N.P. Singh and Mr. Ravinder Narain
- (e) Corporate Governance Committee      Dr. D.V. Kapur (Chairman), Mr. K.N. Memani, Mr. M.M. Sabharwal and Mr. G.S. Talwar

## Conversion of debentures

During the period under review, 2% unsecured debentures were converted into ten (10) equity shares of Rs.10/- each for one fully paid debenture of the face value of Rs.100/- each held by the debenture holders.

## Bonus shares

Your Directors at their meeting held on 2nd May, 2006 have allotted 26,43,77,729 equity shares of Rs.10/- each to the shareholders of the Company whose names appear on the Register of Members on 27th April, 2006, being the record date for issuance of bonus shares in the ratio of seven equity shares for one equity share held by the Member on the record date.

## Sub-division of shares

To provide more liquidity to the shareholders of the Company and in view of the proposed initial public offering by the Company, your Board of Directors in their meeting held on 2nd May, 2006 have approved the sub-division of equity share of Rs.10/- each into five (5) equity shares of Rs.2/- each fully paid up, in accordance with the approval granted by the Members of the Company.

## Public issue

Your Board of Directors proposes to come out with a public issue of not exceeding 25,00,00,000 equity shares of Rs. 2/- each for subscription for cash in accordance with the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines) through the book building process in consultation with book running lead managers appointed for purpose of the public issue. The Members have accorded their consent at the extra – ordinary general meetings held on 20th April, 2006, 27th April, 2006 and 2nd May, 2006 for the purpose.

## Merger / amalgamation

The Scheme of Amalgamation under section 391-394 of the

Companies Act, 1956, of DLF Power Limited and DLF Phase IV Commercial Developers Limited (subsidiaries of DLF Universal Limited) with DLF Universal Limited is under process and hence, no effect thereto has been given during the financial year under review.

The Scheme of Merger / Amalgamation for merger of M/s DLF Services Limited with M/s DT Cinemas Limited, the wholly owned subsidiaries of your Company, was sanctioned by the Hon'ble High Court of Delhi at New Delhi vide Order dated 2nd August, 2005 and by the Hon'ble High Court of Punjab and Haryana at Chandigarh vide order dated 25th August, 2005. On 19th September, 2005, the formal orders of merger were filed with the Registrar of Companies, NCT of Delhi and Haryana and with effect from 19th September, 2005, M/s DLF Services Limited stands merged/amalgamated into M/s DT Cinemas Limited and consequently the name of amalgamated company was changed to M/s DLF Services Limited.

## Internal control systems

The Company maintains a system of internal control, including suitable monitoring procedures. The Internal Auditors regularly conduct a review of the financial and operating controls.

## Directors' responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm the following in respect of the audited annual accounts for the financial year ended 31st March, 2006:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2006 and the profit or loss of the Company for that period.
- iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2006 on a going concern basis.

### Particulars of employees

Information regarding employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is given in Annexure 'A' annexed hereto and forming part of this report.

### Conservation of energy, technology absorption and foreign exchange earnings / outgo

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure 'B' annexed hereto and forms part of this report.

### Auditors

M/s Walker Chandiok & Co, Chartered Accountants, New Delhi, the Statutory Auditors of the Company, holding office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

### Auditors' report

The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

### Acknowledgment

The Board of Directors gratefully acknowledge the continued co-operation and support of our shareholders, valued customers and would like to place on record its appreciation for the dedicated services of the employees at all levels for its success. The Directors further express their gratitude to the bankers, the Central and State Governments and financial institutions for their continued support to the Company.

For and on behalf of the Board of Directors

**Rajiv Singh**

*Vice-Chairman*

**T.C.Goyal**

*Managing Director*

Place : New Delhi

Dated : May 2, 2006

# ANNEXURE- 'A'

Statement under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for year ended 31st March, 2006.

Sl No.	Name	Age in Year	Qualifications	Years of Experience	Particulars of Present Employment			Particulars of Last Employment	
					Date of Commencement of employment	Designation/ Nature of duties	Remuneration received	Employer	Designation

**A Employment through the Financial Year and in receipt of remuneration aggregating Rs. 24,00,000/- or more:**

## MANAGING DIRECTOR/WHOLE TIME DIRECTORS

1	Singh,K.P	74	B.Sc	45	02.06.1968	Chairman (Wholetime Director) (Policy making)	19,578,665	Raisina Cold Storage & Ice Co.(P)Ltd.	Managing Director
2	Singh,Rajiv	47	BS.Mech.	24	09.04.1999	Vice Chairman (Whole time Director) (Policy making)	51,214,280	DLF Industries Limited	Vice Chairman & Managing Director
3	Goyal, T.C	62	B.Com.(Hons).FCA	39	15.10.1981	Managing Director	26,469,527	Methodex System Ltd	Manager (Finance)
4	Chandra,J.K	72	B.Tech (Hons) M.Tech.F.I.E, M.I.C.E	49	01.10.1996	Senior Executive Director-'Projects' (Whole Time Director)	5,710,373	DLF Industries Limited	Sr. Vice President (Operations)
5	Singh,Pia	35	B.Sc.(Eco) Grad.in Business Management	11	18.02.2003	Whole time Director (Retail)	14,852,946	Digital Talkies	CEO

## OTHER EMPLOYEES

6	Minocha,A.S	65	B.Com.(Hons) F.C.A, F.C.S, M.B.A	40	03.03.2000	Advisor (Commercial Spaces)	18,211,878	DLF Cement Limited	Managing Director
7	Kachru,Ravi S	58	B.Sc.(Engg)	34	01.10.1996	Chief Executive (Projects)	10,054,431	DLF Industries Limited	Sr.Gen. Manager (Project)
8	Malhotra,Rajiv	51	B.E & M.S (Structural)	28	01.10.1996	Chief Executive (Projects)	7,359,459	DLF Industries Limited	General Manager (Planning)
9	Gupta,Anil	50	B.Arch	27	01.10.1996	Chief Executive (Design & Architecture)	6,970,855	DLF Industries Limited	Chief Architect
10	Swarup, Kameshwar	66	M.Com,LLB,FCS	43	01.12.1997	Executive Director (Legal)	5,612,519	Delhi Stock Exchange	Sr.Gen.Manager (Market Operations Secratarial & Legal)

**DLF LIMITED**  
(FORMERLY DLF UNIVERSAL LIMITED)

Sl No.	Name	Age in Year	Qualifications	Years of Experience	Particulars of Present Employment			Particulars of Last Employment	
					Date of Commencement of employment	Designation/ Nature of duties	Remuneration received	Employer	Designation

**OTHER EMPLOYEES (CONTD.)**

11	Khanna,Ajay	55	MBA	33	01.06.1999	Chief Executive (Business Development)	6,917,727	J.K.Corp Ltd	CEO (Real Estate)
12	Verma,Yogesh	48	M.E.B.E(Hons)	24	02.06.2003	Chief Executive (Business Development) (Northern Region)	4,538,780	Ballarpur Industries Ltd	CEO (Healthcare)
13	Kumar, Praveen	53	B.Com(Hons) C.A	27	25.11.2003	Advisor (Land and Estate)	6,326,885	Pal Electricals P.Ltd	Director
14	Subramanian, Jayakrishna	51	B.Tech.,PGDM	24	15.01.2004	Chief Executive (Business Development) (Southern Region)	5,087,366	Aseania Industries SDN, BHD (Aseania Group) Kuala Lumpur	General Manager
15	Jindal,Vipen	49	C.A	25	01.10.1996	Vice President (Finance)	2,494,065	DLF Industries Limited	Finance Controller
16	Kakkar, Ramesh	56	AMIE(MECH)	36	01.10.1996	Vice President (Purchase)	2,576,507	DLF Industries Limited	Sr.Manager-Purchase
17	Hari Haran	57	M.Com,FICWA,FCS ACIS(UK)	36	19.04.1995	Company Secretary cum Chief Executive (Corp.Affairs)	4,689,150	General Export & Credit Ltd	GM(Finance) & Company Secretary
18	Sanka, Ramesh	46	B.Tech,MMS (Finance)	22	01.06.2004	Chief Financial Officer	7,323,128	Moser Baer India Limited	FC & CIO (VP)
19	Bhattacharya, K.K.	63	B.E.(Electrical)	41	20.12.1993	Advisor (Electrical)	4,522,417	Larsen & Toubro Ltd	Dy.Gen.Manager
20	Sharma, Rakesh Kumar	47	B.Tech, PGDM	26	01.02.2005	Chief Executive (Business Development) (Western Region)	4,286,874	Mahendra Gesco Developers Ltd.	V.P (Project)
21	E.K., Valsala Kumari	45	MA, DBM	26	21.03.1983	Sr. VP (Marketing)	3,025,083	Ramfey & Sons	Stenographer
22	Gambhir, Madhu Kr.	46	MSW, DPM	23	05.08.1992	Sr. VP (HR)	2,683,342	ITDC	Manager
23	Vancheswar, Vijay G	51	BE, M.Tech, Phd.	24	01.04.2003	VP( Corp. Communication)	2,729,974	INDO Rama Synthetics	VP- Corp. Affairs
24	Banerjee, Deepak	55	B.Tech(Civil)	33	16.09.2003	Sr. VP (Projects)	4,190,634	Siel Ltd.	Sr. Vice President
25	Gupta, Bhupesh	45	LLB, MBA, CS(Inter)	21	08.12.2003	Sr. VP (Business Development)	2,838,413	BITS India Consultants	Sr. Partner
26	Singh, Devinder	42	BE, MBA	20	25.11.1985	Sr. VP (Planning)	2,804,750	Nil	Nil
27	Khanna, Arvind	48	BA(Hons.), MBA	28	01.04.2003	Chief Executive (Marketing)	3,792,555	Independent Consultant	



Sl No.	Name	Age in Year	Qualifications	Years of Experience	Particulars of Present Employment			Particulars of Last Employment	
					Date of Commencement of employment	Designation/ Nature of duties	Remuneration received	Employer	Designation

**B Employed for part of the Financial Year and in receipt of remuneration aggregating Rs.2,00,000/- or more per month :**

**WHOLE TIME DIRECTOR**

1	Talwar, Renuka	49	B.A.(Eco)(Hons)	16	01.09.1993	Whole-Time Director (International Affairs)	3,940,000	DLF Builders & Developers Ltd.	Vice President
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**OTHER EMPLOYEES**

2	Rebello, A.D.	45	BA(Hons.), MMS	22	18.04.2005	Advisor (Housing)	6,770,490	Tata Housing Dev. Co. Ltd	MD & CEO
3	Gadi, Jagdish Kumar	55	B.Com(Hons.), C.A	33	01.03.2006	Group-Chief internal Auditor	249,781	Ranbaxy Lab Ltd.	Director- Internal Audit
4	Sehgal, Harish Chandra	49	B.Com(Hons.), LLB	21	01.03.2006	Sr. VP (Legal)	309,237	Ballarpur Industries Ltd.	Head- Legal
5	Saxena, Joy	45	B.Sc., F.C.A, A.I.C.W.A, PGDBA	20	21.03.2006	Sr, VP (Finance)	88,830	Flex Industries . Ltd	VP (Finance & Accounts)

**NOTES :**

- 1 Remuneration comprises salary, bonus, allowances, monetary value of perquisites at actual cost/as per Income Tax rules (wherever applicable), commission, notice pay, leave encashment, exgratia, gratuity, Company's contribution to provident and superannuation funds but exclude contribution to gratuity funds on the basis of actuarial valuation as separate figures are not available. Bonus has been taken on the basis of amount paid during the period.
- 2 The Appointment of Mr.K.P.Singh, Chairman (S.No.A1) ; Mr.Rajiv Singh, Vice Chairman (S.No.A2); Mr.T.C Goyal, Managing Director (S.No.A3) ;Mr.J.K.Chandra, Senior Executive Director (Whole-time Director) (S.No.A4); Ms.Pia Singh, Whole time Director (S.No.A5) and Ms. Renuka Talwar (S.No.B1) are Contractual and in case of Mr.T.C.Goyal, Mr.J.K.Chandra and Ms.Pia Singh (S.No.A3-A5) are terminable by notice also. The appointment of all other employees are Non-Contractual and all other terms and conditions of employment are governed by Company policy and rules.
- 3 Mr.K.P.Singh, Chairman (S.No.A1) is a Relative of Mr.Rajiv singh, Vice Chairman (S.No.A2), Ms Pia Singh, Whole time Director (S.No.A5) and Ms.Renuka Talwar, Whole time Director(S.No.B1); Mr. Rajiv Singh, Vice Chairman (S.No.A2) is relative of Mr.K.P.Singh, Chairman (S.No.A1), Ms.Pia Singh, Whole time Director (S.No.A5) and Ms.Renuka Talwar, Whole time Director (S.No.B1); Ms.Pia Singh, Whole time Director (S.No.A5) is a relative of Mr.K.P.Singh, Chairman (S.No.A1), Mr.Rajiv Singh, Vice-Chairman(S.No.A2) and Ms.Renuka Talwar, Whole time Director (S.No.B1); Ms. Renuka Talwar, Whole time Director (S.No.B1) is a relative of Mr.K.P.Singh, Chairman (S.No.A1), Mr. Rajiv Singh, Vice Chairman (S.No.A2) and Ms.Pia Singh, Whole time Director (S.No.A5). No other Director/ whole time Director/Managing Director and other employees mentioned above is relative of any of the Directors of the Company.
- 4 There is no employee who was in receipt of remuneration in excess of that drawn by Managing Director or Whole time Director and holds not less than two percent by himself or along with his spouse and dependent children, falling under the provisions of sub-clause (iii) of clause (a) of Section 217(2A) of the Companies Act, 1956 read with the Sub-clause(j) of the Companies (Particulars of Employees) Rules, 1975. Hence not given.
- 5 On 10.04.2006, Mr. J.K.Chandra has resigned from the Directorship of the Company. However, he continues to be on the rolls of the Company.
- 6 With effect from 27.04.2006, Ms. Renuka Talwar has resigned from the Directorship of the Company. However she continues to be on the rolls of the Company. Being relative of Directors of the Company, her appointment is subject to approval of Central Government. Members of the Company have accorded their consent in their extra-ordinary general meeting held on 27.04.2006.

For and on behalf of the Board of Directors

Place : New Delhi  
Dated : May 2, 2006

**Rajiv Singh**  
Vice-Chairman  
**T.C.Goyal**  
Managing Director

## ANNEXURE- 'B'

Disclosure of Particulars u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

The Company is engaged in the business of colonization and real estate development. During the year under review, the company carried on only real estate business viz sale of immovable properties located in India. Considering the nature of activities, the particulars as required to be presented in Form 'A' & 'B' under the provisions of Section 217(1)(e) of the Companies Act, 1956 are not applicable. However, proposals/tentative plans which are proposed/feasible and practicable to be implemented by the company are furnished below:

### A. Conservation of energy:

a) Energy conservation measures taken;	i) Energy conservation units using gas generators and VAMs commissioned in one of the complexes. ii) Energy saved by using exhaust gas and water approx. Four lacs units per month.
b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	i) Additional investment is being done to procure 9 more VAMs for commercial complexes and retail outlets this year.
c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;	i) Electricity approx. four lacs units per month is being saved.
d) Total energy consumption and energy consumption per unit of production as per Form A of Annexure to the Rules in respect of industries specified in the Schedule thereto.	N.A

### B. Technology absorption:

e) Efforts made in technology absorption as per Form B of the Annexure to the Rules.

#### FORM B: Form for disclosure of particulars with respect to absorption

##### Research and development (R&D)

1. Specific areas in which R & D carried out by the Company	Study of Adiabatic Coolers for water conservation in large air – conditioning plant was carried out.
2. Benefits derived as result of the above	Saving in huge quantity of cooling water for power generation and air – conditioning.
3. Future Plan of Action	Adoption of this system in all the future complexes.
4. Expenditure on R & D:	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R & D expenditure as a percentage of total turnover	N.A