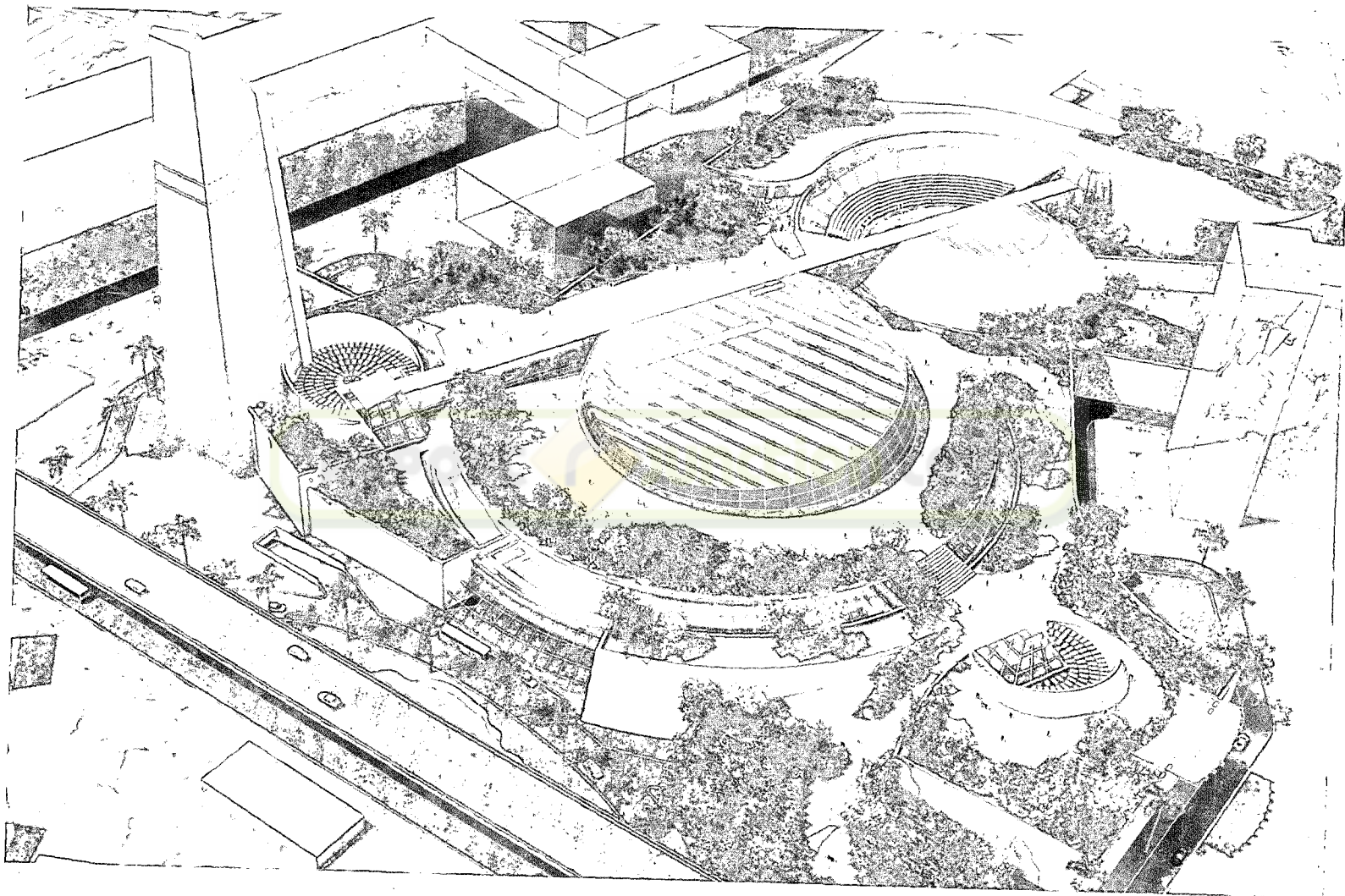


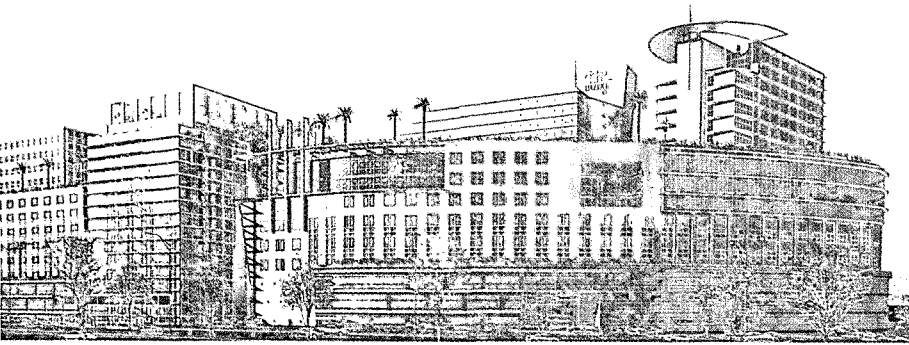
## Annual Report 2006 - 07



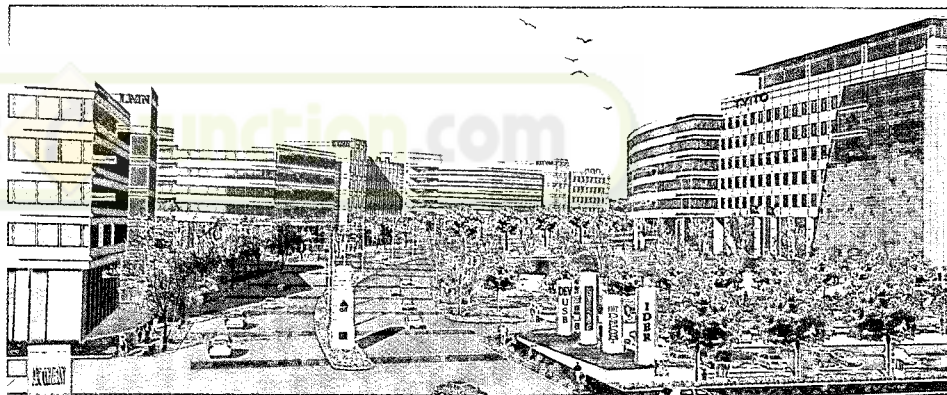
Mumbai Mall

**DLF**   
BUILDING INDIA

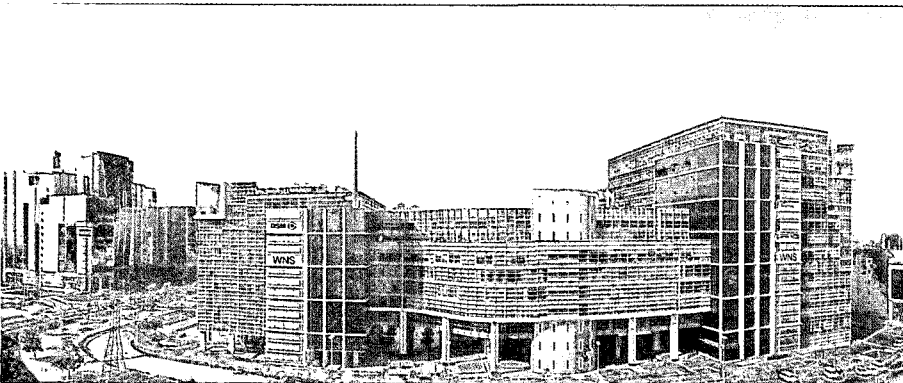
## OFFICES



Hyderabad



Pune



Infinity Tower, Cybercity, Gurgaon

## Contents

1.	Vision and Mission .....	2
2.	Message from Chairman .....	4
3.	Notice .....	6
4.	Directors' Report .....	18
5.	Management Discussions and Analysis .....	31
6.	Corporate Governance Report .....	48
7.	Auditors' Report .....	61
8.	Balance Sheet .....	64
9.	Profit & Loss Account .....	65
10.	Cash Flow Statement .....	66
11.	Schedules .....	68
12.	Consolidated Accounts .....	96
13.	Details of Subsidiaries .....	127

## 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**, *Senior Executive Director – Legal* (Whole Time Director)

## Non-Whole Time Director

Mr. B. Bhushan

Dr. D. V. Kapur

Mr. K. N. Memani

Mr. Ravinder Narain

Mr. M. M. Sabharwal

Brig. (Retd.) N. P. Singh

Mr. G. S. Talwar

## Company Secretary

Mr. Hari Haran

## Registered Office

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

## Registrar & Share Transfer Agents

M/s Karvy Computershare Private Limited

Plot No. 17-24

Vittalrao Nagar, Madhapur, Hyderabad – 500 081

Tel # 040-23420815 to 824 Fax: 040-23420814

Email : [mailmanager@karvy.com](mailto:mailmanager@karvy.com)

Website : [www.karvy.com](http://www.karvy.com)

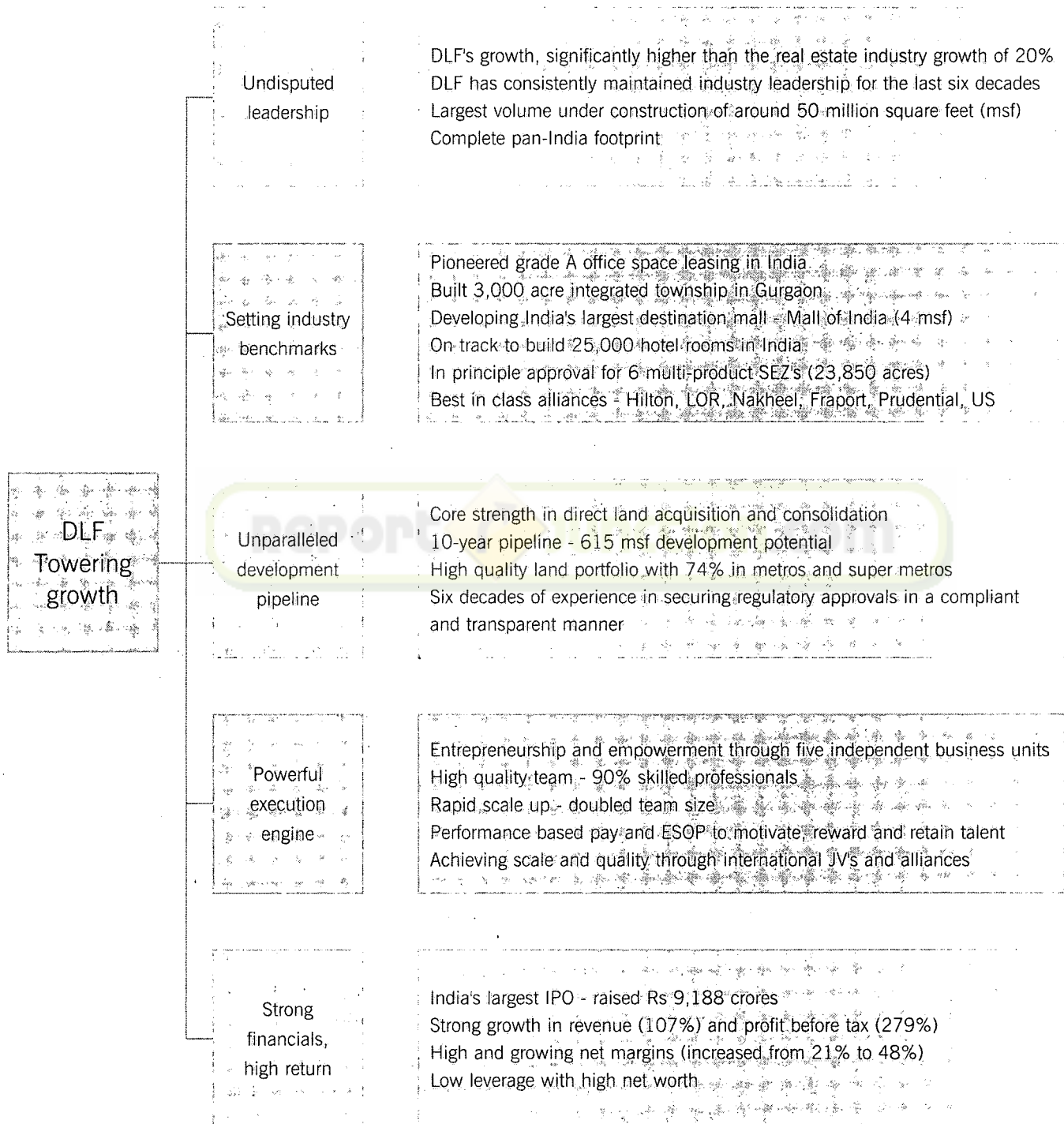


## Vision

To contribute significantly to building the new India and to become the world's most valuable real estate company

## Mission

To build world-class real-estate businesses across five business lines with the highest standards of professionalism, ethics, quality and customer service



## Message from the Chairman

*Dear members*

I would like to take this opportunity to welcome you to the DLF family. Your support and confidence in us is integral to DLF achieving its vision of helping build the new India.

India is growing at a 9.4 percent GDP growth rate (2006-07) and is poised to grow further. Rising consumer incomes, burgeoning corporate profits, massive investments, increased FDI and higher government spending on infrastructure have all contributed to this growth.

The real estate industry is both a driver and beneficiary of India's success story. Since the industry is growing at over two times GDP, we expect a 20 per cent per annum sustained growth. Significantly, this growth has been and will be in all segments of the real estate industry and across all towns and cities in India. This makes for an exciting future for your Company.

DLF is fortunate to be a leader in all segments of the real estate industry - homes,

offices, malls, and soon in hotels, industrial and infrastructure. The Company plans to expand across all geographies, while continuing to focus on metros and super metros. The opportunities available in building India are immense and we are certain that we possess the intrinsic strengths to achieve our aspirations.

What will help us to get there is our core strengths:

- An established and trusted brand name for over six decades
- A strong and loyal customer base in all segments
- Rich experience in securing regulatory approvals in a compliant and transparent manner
- A 10-year plus development pipeline that gives us a significant competitive advantage
- Only 7% of all land development potential accrues through development rights in land owned by 3rd parties




---

DLF leads and sets the benchmark for a fast-growing sunrise industry and is determined to live up to all its stakeholders' expectations.

---

- Strategically located high value and diverse mix of projects under execution
- Diversity of business lines, geographies and value segments/product mix, along with benefits of scale gives DLF the ability to weather industry volatility
- A talented, committed and experienced workforce that has doubled in strength over the past year
- Best in class partnerships across all segments to support our growth and execution strategy
- Strong financials with a large asset base and minimal leverage
- Our strategy focuses on achieving an optimal mix of short-term development income and long-term lease income across our businesses

In order to achieve both focus and scale, we have organised ourselves into several business units, each of which is equipped to

function independently. Each business unit has regional sub-units, which possess the necessary skills and resources to identify, acquire, develop and execute opportunities in their geographies. In addition, we have set up strong central corporate functions to support the business units.

DLF leads and sets the benchmark for a fast-growing sunrise industry and is determined to live up to all its stakeholders' expectations, including shareholders, customers, governments and all members of the communities we operate in.

We do hope each and every member of the DLF family will get an opportunity to participate in and prosper from the building of a new India.

Thank you.

K.P. Singh

# DLF LIMITED

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

## NOTICE

Notice is hereby given that the Forty Second Annual General Meeting of the Members of DLF Limited will be held on Saturday, the 29th September, 2007 at High School Site, behind Summer Fields Nursery School, near E-Block, Phase I, DLF City, Gurgaon - 122 002 (Haryana) at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit & Loss account for the year ended on that date along with the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Brijendra Bhushan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Brig. (Retd.) Narendra Pal Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Rajiv Singh, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to Article 93 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, consent of the members be and is hereby accorded to the re-appointment of Mr. Kameshwar Swarup, as a Whole-time Director, designated as "Senior Executive Director - Legal" for a period of two (2) years with effect from 1st January, 2008 on the terms and conditions including as to remuneration as set out in the draft agreement, a copy of which is placed before this meeting, which draft agreement is hereby specifically sanctioned with liberty and authority to

the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointee and/or Agreement in such manner and from time to time, as may be agreed to between the Board and Mr. Kameshwar Swarup provided the same is in conformity with Schedule XIII appended to the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.

**RESOLVED FURTHER THAT** the terms and conditions of re-appointment, designation, agreement, remuneration, powers, duties and responsibilities, specified in the Explanatory Statement, may be altered, varied and revised, from time to time, by the Board of Directors of the Company including any Committee thereof, as it may, in its discretion, deem fit, so as not to exceed the limits specified in Section 309 and Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** the Board of Directors of the Company including any Committee thereof be and is hereby authorized to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to Article 93 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended up to date and/or any statutory amendments, modifications or re-enactment thereof, the consent of the members of the Company, be and is hereby accorded to the re-appointment of Ms. Pia Singh as a Whole-time Director of the Company for a period of five (5) years with effect from 18th February, 2008 on the terms and conditions including remuneration as set out in the draft agreement which is hereby specifically sanctioned with liberty and authority to the Board of Directors or Committee thereof to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Ms. Pia Singh in conformity with Schedule

XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.

**RESOLVED FURTHER THAT** the terms and conditions of re-appointment, agreement and remuneration specified in the Explanatory Statement may be altered, varied and revised, from time to time, by the Board of Directors of the Company, as it may, in its discretion deem fit, so as not to exceed the limits specified in Section 309 and Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and is hereby authorized to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

**9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-**

**"RESOLVED THAT** pursuant to Articles 124 and 125 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended up to date and/or any statutory amendments, modifications or re-enactment thereof, the consent of the members of the Company, be and is hereby accorded to the re-appointment of Mr. T. C. Goyal, as a Managing Director of the Company, for a period of five (5) years with effect from 1st March, 2008 on the terms and conditions including remuneration, authorities, powers, duties and responsibilities as contained in the draft agreement which is hereby specifically sanctioned with liberty and authority to the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Mr. T. C. Goyal in conformity with Schedule XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.

**RESOLVED FURTHER THAT** the terms and conditions of re-appointment, agreement, remuneration, powers, duties and responsibilities specified in the Explanatory Statement may be altered, varied and revised, from time to time, by the Board of Directors of the Company, including any Committee thereof, as it may, in its discretion deem fit, so as not to exceed the limits specified in Section 309 and Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and is hereby authorized to do all

such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

**10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: -**

**"RESOLVED THAT** pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the Guidelines), the provisions of the Income Tax Act, 1961 and Guidelines issued thereunder and such other provisions of law and other statutory requirements as applicable, the "Employees Stock Option Scheme - 2006" of the Company as approved by the Members at the Extra-ordinary General Meeting held on 20th April 2006 and subsequently modified by the Members at the Extra-ordinary General Meetings held on 4th January and 15th February 2007, respectively (hereinafter referred to as Pre-IPO Scheme), be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, or any Committee thereof, be and is hereby authorized to issue and allot such number of Options, which have not yet been granted, within the aggregate limits of the Pre-IPO Scheme being pari passu with the existing Equity Shares of the Company in all respects, as it may decide, to the Employees of the Company at par value and other terms and conditions as the Board may in its absolute discretion deems fit keeping in view the Pre-IPO Scheme and the requirements of the Guidelines.

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof, be and are hereby authorized to take necessary steps for listing of the shares allotted / to be allotted under the Pre-IPO Scheme, on the Stock Exchanges where the Company's shares are listed as per the terms and conditions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors or any Committee thereof, be and is hereby authorized to do all things necessary, expedient and requisite and to take such action as may be necessary or expedient to formulate, amend, alter, adopt any modifications or redefine the proposal or scheme or plan of Employees Stock Option based on the guidelines issued by the Securities and Exchange Board of India or any other statutory authority(ies) from time to time or otherwise and to settle all questions and difficulties that may arise during the course of implementing the resolution.

**RESOLVED FURTHER THAT** the Board of Directors, be and is hereby authorized to delegate all or any of the powers herein conferred including the power to sub-delegate to any Committee of the Board to give effect