



Price Band = Rs. 500-550.
Face Value = Rs. 2 per share

DLF Ltd.

Issue Opens = 11th June, 07
Issue Closes = 14th June, 07

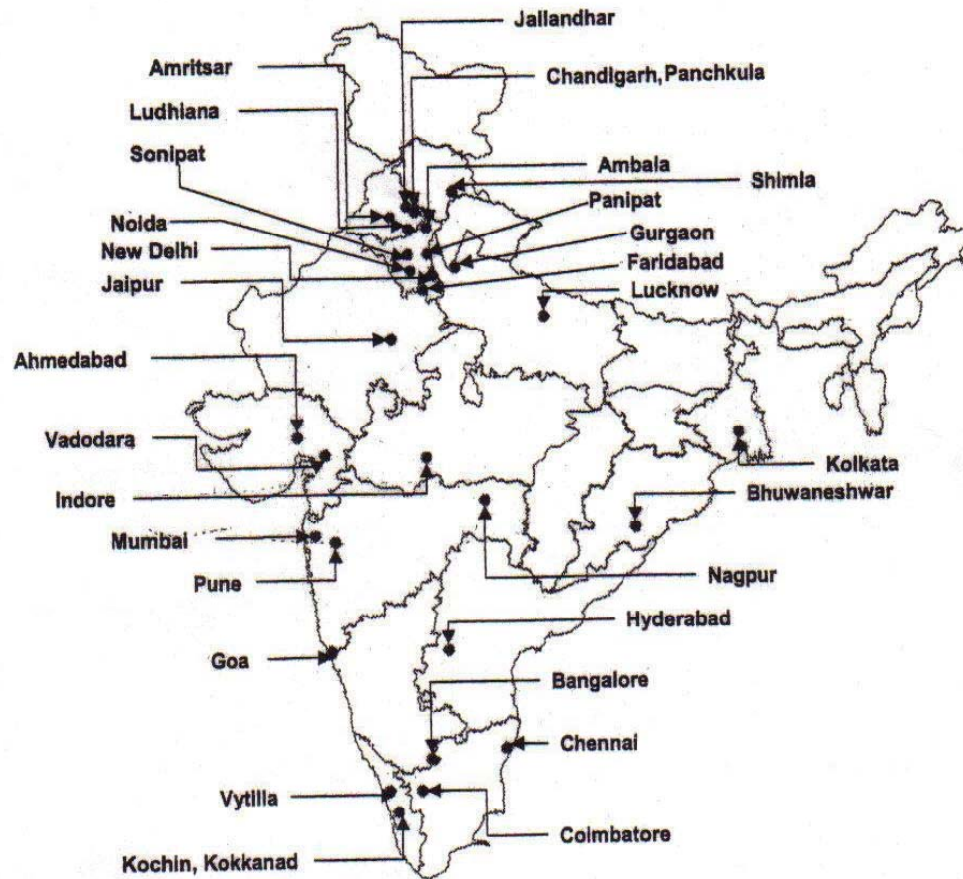
APPLY

- Issue Details-

Issue Details			
Issue size (No.)	17,50,00,000	Promoters	Mr. K.P.Singh, Mr. Rajiv Singh
OIB (Non MF)	9,57,00,000	Listing	BSE, NSE
OIB MF	87,00,000	BRLM	Kotak, DSPML, Lehman Bros.
Non OIB	1,74,00,000	Co-BRLM	SBI Cap.
Retail	5,22,00,000	Registrar	Karvy
Employees	10,00,000	Pre issue Equity	Rs.305.96Crores.
Issue size Rs.	8750-9625Crores.	Post issue Equity	Rs.340.96Crores.

- Company Highlights-

1. The company is the largest real estate development company in India in terms of the area of completed residential and commercial developments.
2. So far the company has developed approx. 224 million sq. ft. of area. This includes approx. 195 million sq. ft. of land area sold as plots, 19 million sq. ft. of residential properties, 7 million sq. ft. of commercial properties and 3 million sq. ft. of retail properties.
3. As of 30th April 2007, the company has residential projects with a saleable area of approximately 7 million sq. ft., which are under construction. All of these residential projects have been made available for sale.
4. As of 30th April 2007, the company has commercial and retail projects with a lettable or saleable area of approx. 27 million and 10 million sq. ft. resp., which are under construction. Approximately 4 million sq. ft. of this retail property have been made available for sale or lease.
5. The company owns land reserves in various regions across the country. As of 30th April 2007, its land reserves stood at 10255 acres with an aggregate estimated development area of approx. 13177 acres. Out of this 10255 acres, the company estimates that approx. 3925 acres of area is located in or near developed urban areas, and a significant proportion of the balance is in or near areas that the company believes will be developed as urban areas under the draft master plans proposed by the relevant authorities.
6. Region-wise break-up of this 10255 acres is as follows- 51% in National Capital Region (NCR), 23% in Kolkata, 5% in Goa and Maharashtra each, 4% in Punjab, 3% in Indore, 2% in Bangalore and balance in various states. Following map illustrates the locations of developments, projects and land reserves across India.



7. We are positive about the future prospects of the company and recommend to apply for the IPO with an investment horizon of 12-18 months.

Share holding Pattern of the company-

	Pre-Issue		Post-Issue	
	No. Shares	% of Equity	No. Shares	% of Equity
Promoters (A)				
Mr. K.P. Singh & Others	149,04,78,440	97.43	149,04,78,440	87.42
Non-Promoters (B)				
Employees	0.00	0.00	10,00,000	0.06
Others	3,93,54,240	2.57	3,93,54,240	2.31
Public	0.00	0.00	17,40,00,000	10.21
Total (B)	3,93,54,240	2.57	21,43,54,240	12.58
Grand Total (A+B)	152,98,32,680	100.00	170,48,32,680	100.00

- **Objects of the Issue-** 1) to acquire land and development rights- Rs.3500Crores. 2) To incur development and construction cost for existing projects-Rs.3493.40Crores. 3) Prepayment of loans.
- **Company History and Background-** DLF Limited (DLF), formerly DLF Universal Limited, is a real estate development company. Established in 1946, the Company's primary business is the development of residential, commercial and retail properties. The company has developed some of the earliest well-known residential properties such as Krishna Nagar, Greater Kailash, Kailash Colony etc. in New Delhi. Following the passage of Delhi Development Act in 1957, which resulted in restriction of private real estate colony development in New Delhi, the company started acquiring land outside the area controlled by the DDA at relatively low cost.
- Its operations span all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of its projects, through to the maintenance and management of its completed developments. In its residential business line, DLF builds and sells a range of properties, including houses, duplexes and apartments of varying sizes. In its commercial business line, the Company builds and sells, or leases commercial office space. DLF's retail business line develops, manages and mainly leases shopping malls, which in many cases include multiplex cinemas.
- DLF has recently entered into various JVs and MOUs. Notable amongst them are as follows-
 - a. JV with Laing O'Rourke PLC, a UK based construction company on 31st January 2006, through which the company intends to participate in the of infrastructure projects.
 - b. JV with Hilton International Co. on 30th June 2006, for the development and ownership of a chain of hotels and serviced apartments in India.
 - c. JV with WSP Group PLC on 23rd November 2006, to provide engineering and design consultancy services, environmental and infrastructural facilities and also project management services.
 - d. JV with Prudential Insurance on 22nd February 2007, to establish a JV company to develop, promote, market and sell life insurance products in India on an exclusive basis.
 - e. JV with Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC) on 4th April 2007 for developing Industrial parks in the state of Haryana.
 - f. JV with Fortis Healthcare Limited on 3rd June 2007 to set up 200-450 beds hospitals in 31 cities across the country in 4-5 years time with an investment of Rs.6500 Crores. DLF's share in the JV will be 26%.
 - g. MOU with Nakeel LLC, UAE on 27th November 2006 to develop large real estate projects in India, through a 50-50 JV.

- h. MOU with Frankfurt Airport Services Worldwide (Fraport) on 23rd April 2007, to focus on the development and management of airports in India.
- The company has 79 Subsidiaries. All but one subsidiary are holly owned. The one so which is holly owned i.e. DLF Akruti Info Parks (Pune) Limited, has promoters of Akruti Nirman Limited as the minority shareholders (37% holding). This company is engaged in the business of development of IT Parks and Business Parks.
 - **Investment Rationale (Sector Specific)-**
 1. The Real Estate Market in India has assumed greater importance since the government's decision to allow 100 % FDI in the sector through automatic route, in February 06.
 2. The market is growing at a CAGR of 35% since last 3 years, mainly on account of strong growth in Residential Houses, Commercial Complexes, Shopping malls, Multiplexes, Integrated Townships, Specialty Hospitals etc.
 3. The growth in the housing sector is mainly attributable in to growing urbanization, favorable demographic changes, burgeoning middle class, increased disposable incomes, easy availability of finances and tax benefits.
 4. Growth in the IT Industry especially BPO, has fueled the demand for office premises.
 5. The fast growing Retail sector has fueled demand for shopping malls.
 6. Higher disposable incomes and changed lifestyles have encouraged the emergence of multiplexes.
 7. Strong demand for hotels/ resorts due to growing hospitality industry.
 8. Changing lifestyles and growing health awareness together with the concept of Health Tourism has fueled the growth of Specialty Hospitals and Nursing home particularly in Metros and Tier 2 cities.
 - **Company Specific-**
 1. Being the largest real estate company in India (as per AC Nielsen Report) the company is well poised to reap the benefits emanating from the real estate boom in the country.
 2. The size allows the company to benefit from economies of scale, as it is able to purchase large plot of land from multiple sellers, thus enabling it to aggregate land at lower prices. Additionally the company is able to use its

bulk purchasing capabilities for the acquisition of raw materials such as cement and steel, the use of better construction technology such as pre-casting, as well as high cost equipments such as shuttering machines and tower cranes.

3. The company has huge land reserves to the tune of 10255 acres. These are enough for a planned development over the next 10 years. This substantially insulates the company against land price inflation.
 4. The company has presence in every vertical of the real estate space either on its own or through JV or subsidiary companies.
- Key Concerns: -
 1. India has witnessed rising interest rates over the last two fiscals with the RBI repo rate has gone up from 6% as on 31st March 2005 to 7.75% as on 30th April 2007. Hardening of interest rates could discourage borrowings to finance real estate purchases and could depress the real estate market.
 2. Company's plans to develop SEZs are subject to number of contingencies and political roadblocks.
 3. 60% of the company's land reserves consist of agricultural lands for which the company has not yet obtained a certificate of change of land use.
 4. Company has entered into various JVs for execution of number of projects. The JV partners may not perform their obligation satisfactorily and thus jeopardise the concerned project.
 5. The post issue promoter holding will still be high at 87%.

▪ Financials-

Consolidated P&L Statement				
Rs. In Crores.	FY07	FY06	FY05	FY04
Sales & Other Receipts	2615.20	1153.60	608.10	505.80
Other Income	1418.90	88.40	17.90	20.80
Total Income	4034.10	1242.00	626.00	526.60
Total Expenditure	1119.90	677.90	439.90	384.60
EBIDITA	2914.20	564.10	186.10	142.00
EBIDITA (%)	57.18	41.24	27.66	23.96
Depreciation	57.10	36.10	33.30	28.80
Interest	307.60	168.50	39.00	33.00
EBT & Minority Ints.	2549.50	359.50	113.80	80.20
Share in associates	1.30	0.00	0.00	0.00
Taxation	605.80	166.80	25.90	25.00
Taxation (%)	23.76	46.40	22.76	31.17
NP Before Min Int.	1.10	1.00	1.40	1.40
Net Profit	1941.30	191.70	86.50	53.80
Equity Capital (Post Issue)	340.96	340.96	340.96	340.96
EPS (Rs.2 Paid Up)	11.39	1.12	0.51	0.32

Consolidated Balance Sheet				
Rs. In Crores.	FY07	FY06	FY05	FY04
Sources Of Funds				
Shareholders Funds-				
Equity Capital (Pre-Issue)	305.90	37.80	3.50	3.50
Preference Share Capital	949.80	0.00	0.00	0.00
Reserves	2711.50	912.30	743.60	657.50
Minority Interest	9.20	5.40	4.30	10.80
<i>Net Worth</i>	<i>3976.40</i>	<i>955.50</i>	<i>751.40</i>	<i>671.80</i>
Loan Funds-				
Secured Loans	9205.30	3956.00	795.20	560.40
Unsecured Loans	727.50	176.00	172.40	150.60
<i>Total Debts</i>	<i>9932.80</i>	<i>4132.00</i>	<i>967.60</i>	<i>711.00</i>
Differed Tax Liability	18.70	9.20	96.20	119.50
Total Funds Employed	13927.90	5096.70	1815.20	1502.30
Application Of Funds				
Gross Block	1778.70	1302.30	825.30	508.30
Less Accumulated Deprn.	241.20	189.10	154.90	126.00
<i>Net Block</i>	<i>1537.50</i>	<i>1113.20</i>	<i>670.40</i>	<i>382.30</i>
Capital WIP	2649.70	591.10	350.60	12.80
Goodwill	893.50	848.90	52.20	52.20
<i>Investments</i>	<i>210.70</i>	<i>830.00</i>	<i>40.00</i>	<i>99.10</i>
<i>Net Working Capital</i>	<i>8636.50</i>	<i>1713.50</i>	<i>702.00</i>	<i>955.90</i>
Total Funds Deployed	13927.90	5096.70	1815.20	1502.30

• **Comparison-**

Peer Group Comparison				
Data as on FY07	DLF	Unitech	Parsvanath	Sobha
Rs. In Crores.				
Sales	2615.20	2503.97	1236.10	1186.50
4 years CAGR %	73	88	123	83
EBIDTA Margin %	57.18	56.4	28.84	21.59
PAT	1941.30	961.59	271.78	161.50
4 years CAGR %	230	309	145	163
Equity	340.96	162.34	184.71	72.90
Price as on 04/06/07	*	562.55	323.6	924.05
Market Capitalisation	**	45662.18	5976.89	6736.32
PE Multiple (times)	***	47	22	42
ROE %	49	35	70	95
Land Reserves (Acres)	10255	10904	2493	2747

* Price bands	500	550
** Market Capitalisation	85240	93760
(Rs. In Crores)		
*** PE Multiple (times)	43.89	48.28

SUNIDHI SECURITIES & FINANCE LTD.

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