

Board's Report

Dear Members,

The Board of Directors have pleasure in presenting their 57th Annual Report on the business and operations of the Company, together with the audited financial statements for the Financial Year (FY) ended 31 March 2022.

Financial and Operational Highlights

(₹ in crore)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Total income	6,138	5,945	4,657	4,479
Total expenses	4,749	5,009	2,747	3,056
Profit before exceptional items, tax, share of profit in associates and joint ventures	1,389	936	1,910	1,423
Exceptional items (net)	(224)	(96)	(235)	(45)
Profit before tax, share of profit in associates and joint ventures	1,165	840	1,675	1,378
Less: Tax expense (Current tax including earlier years and Deferred Tax)	321	362	340	325
Profit after tax before share of profit (net) in associates and joint ventures	844	478	1,335	1,053
Share of Profit in associates and joint ventures (net)	656	605	-	-
Net Profit for the Year	1,500	1,083	1,335	1,053
Other Comprehensive Income	13	3	0.13	1
Total Comprehensive Income	1,513	1,086	1,335	1,054

Financial Performance Review and Analysis

On a consolidated basis, your Company recorded a revenue (including other income) of ₹ 6,138 crore, 3% higher as compared to the previous year. EBITDA stood at ₹ 2,163 crore, reflecting growth of 11% from the previous year. EBITDA margins witnessed an improvement of 200 bps due to a better product mix.

Total operating expenses (excluding finance costs, depreciation and amortisation expense) were ₹ 3,975 crore. Finance costs stood at ₹ 625 crore, a significant reduction of 27%, compared to the previous year.

Your Company recorded a total comprehensive income of ₹ 1,513 crore during the year as compared to ₹ 1,086 crore in the previous year after accounting for share of profit in DLF Cyber City Developers Limited (DCCDL) and other jointly controlled entities/associates.

Your Company generated surplus cash flow, leading to significant reduction in net debt. The improvement in cash flow was primarily driven by strong collections

along with sales ramp up and effective cost control measures implemented by the Company.

Impact of COVID-19

The second wave of COVID-19 pandemic led to loss of human life and suffering worldwide. It presented an unprecedented challenge to public health, food systems and the economy as a whole. The economic and social disruption caused by the pandemic was devastating.

Due to the large number of infections in India, several State Governments announced lockdowns in the first quarter of FY 2021-22 to prevent the spread of COVID-19. This led to the curtailment of economic activity. Once lockdown restrictions were eased, the economy started witnessing a strong recovery.

The health and safety of its employees and stakeholders remained the top priority for the Company, with several initiatives to support employees and their families during the pandemic.

DLF Cyber City Developers Limited

DCCDL reported a consolidated total income of ₹ 4,533 crore as compared to ₹ 4,385 crore in the previous year, reflecting a 3% growth, primarily led by growth in retail revenue. DCCDL's consolidated EBITDA stood at ₹ 3,488 crore in FY 2021-22 in comparison to ₹ 3,417 crore in FY 2020-21. Total comprehensive income stood at ₹ 1,002 crore compared to ₹ 913 crore in FY 2020-21, reflecting a growth of 10%. As on 31 March 2022, DCCDL and its subsidiaries, together had an operational portfolio of ~3.52 million square meter (msm) [37.9 million square feet (msf)] and ~0.19 msm (2 msf) of assets housed under DLF.

Review of Business

Development Business

Your Company witnessed a strong growth across all segments in the residential business during the FY 2021-22. The growth was well supported by sustained momentum, fundamental drivers like affordability and the desire to own a home. The Company embarked on bringing new products across different segments and locations. With introduction of new products, the Company recorded new sales bookings of ₹ 7,273 crore as compared to ₹ 3,084 crore in the previous year, a remarkable increase by 136%. The total area sold during the FY stood at ~0.54 msm (5.8 msf).

Your Company launched, 'ONE Midtown', a luxury group housing project in the heart of the capital, during the second half of FY which received overwhelming response and Phase - I of the inventory was fully subscribed.

Your Company has identified a strong potential of ~3.25 msm (35 msf) of new products offering





Artist's impression of DLF Downtown, Chennai

Actual Image



DLF Downtown under construction in Chennai

diversity across segments and geographies. Out of this pipeline, DLF has introduced Independent Floors across Gurugram, which saw extremely encouraging response from the market, a luxury development in New Delhi and one plotted development in Chennai. The Company continued to monetise its completed inventory and witnessed demand pick-up across all segments. 'The Camellias', a super luxury development in Gurugram, reported strong sales throughout the year. Your Company exhibited a strong double digit pricing growth across the product offerings resulting in significant value enhancement.

Annuity Business

The rental business continued its steady path to recovery during the year. The office business delivered strong collections, pick-up in leasing activity and witnessed a gradual ramp up in return of occupiers to their workplaces. Consequently, occupancy across the office portfolio improved to 88% at the end of the fiscal.

The development of next generation workspaces – DLF Downtown at Gurugram and Chennai and Data Center at Noida remain on track.

The retail business exhibited strong rebound despite temporary dislocations due to the pandemic. Footfalls are steadily reaching pre-pandemic level with occupancy levels remaining strong at 97% across the retail portfolio. Given the backdrop of strong rebound in this segment, your Company has initiated development plans to build out new retail destinations across certain geographies including Gurugram, Delhi and Goa.

Dividend

The Board is pleased to recommend a dividend of ₹ 3/- per equity share (150%) (previous year ₹ 2/- per equity share) of the face value of ₹ 2/- each for the FY 2021-22, payable to those shareholders, whose names appear in the Register of Members/ Beneficial ownership list provided by the depositories on the record date.

The total outgo on account of payment of dividend for the FY 2021-22 would be ₹ 742.59 crore (previous year ₹ 495.06 crore).

The dividend payout is in accordance with the prevalent applicable laws and the Company's Dividend Distribution Policy. The said policy is available on the website of the Company i.e. <https://www.dlf.in/pdf/Dividend%20Distribution%20Policy.pdf>.

Change in Capital Structure

Authorised Share Capital

The Authorised Share Capital of the Company has been changed from ₹10,00,00,00,000/- divided into 4,99,75,00,000 equity shares of ₹ 2/- each and 50,000 redeemable preference shares of ₹ 100/- each to ₹10,02,98,50,000/- divided into 5,01,22,07,600 equity shares of ₹ 2/- each and 54,348 redeemable preference shares of ₹ 100/- each, pursuant to the order dated 2 February 2022, passed by the Hon'ble National Company Law Tribunal, Chandigarh bench, approving

Scheme of Arrangement between DLF Phase-IV Commercial Developers Limited, DLF Real Estate Builders Limited and DLF Residential Builders Limited (Transferor Companies) and demerger and transfer/ vesting of real estate undertaking of DLF Utilities Limited (Demerged Company) with DLF Limited (Transferee Company).

Paid-up Equity Share Capital

The paid-up equity share capital of the Company is ₹ 495.06 crore comprising 2,47,53,11,706 equity shares of ₹ 2/- each fully paid-up. There is no change in the paid-up share capital of the Company during the FY.

Redemption of Debentures

During the FY, the Company has fully redeemed 5,000 Senior, Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of ₹ 10,00,000/- each, aggregating to ₹ 500 crore with coupon rate of 9.5% p.a., one year before the due date of redemption by exercising call option in terms of the issuance of said NCDs.

Transfer to Reserves

During the FY, the Company has not transferred any amount to the general reserve. In terms of the provisions of Section 71 of the Companies Act, 2013 ('the Act') read with Rule 18(7)(b)(iii)(B) of the Companies (Share Capital and Debentures) Rules, 2014, Debenture Redemption Reserve is not required to be created for privately placed debentures issued by listed companies, hence no amount was transferred to Debenture Redemption Reserve.

Credit Rating

During the FY, CRISIL has upgraded Long Term Rating on bank facilities to AA-/Stable from A+/Stable and Short Term Rating to A1+ from A1.

Further, ICRA has upgraded Long Term Rating on bank borrowings/ NCDs to AA-/Stable from A+/Stable and Short Term Rating to A1+ from A1.

Public Deposits

During the year under review, the Company has neither invited nor accepted/ renewed any deposits from the public.

Holding Company

Rajdhani Investments & Agencies Private Limited continued to be the holding company and holds 61.53% of paid-up equity share capital of the Company. The shareholding of the holding company increased from 60.42% (FY 2020-21) to 61.53% (FY 2021-22), pursuant to Scheme of Amalgamation involving DLF Urva Real Estate Developers & Services Private Limited (Transferor Company) with Rajdhani Investments & Agencies Private Limited (Transferee Company), approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated 8 October 2021.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo as





The Camellias, DLF5 Golf Links, Gurugram



Meros at The Camellias Club, DLF5 Golf Links, Gurugram

stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, is given at **Annexure-A** hereto and forms part of this Report.

Particulars of Employees

Pursuant to the provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement listing names of the top 10 employees in terms of the remuneration drawn and other particulars of the employees drawing remuneration in excess of the limits set-out in the said Rules, forms part of this report at **Annexure-E1 and E2**.

Subsidiaries, Joint Ventures, Associate Companies and Consolidated Financial Statements

As on 31 March 2022, the Company had 180 subsidiary companies in terms of the provisions of the Act. Further, details of changes in subsidiaries, joint ventures and associate companies during the year are given at **Annexure-D**.

Pursuant to the provisions of Section 129(3) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations'), the Consolidated Financial Statements of the Company were prepared in accordance with the applicable Ind AS and form part of the Annual Report. A statement containing the salient features of the financial statements of the Subsidiaries, Joint Ventures and Associates of the Company in Form AOC-1, as required under the Companies (Accounts) Rules, 2014, as amended, also forms part of the Notes to the financial statements. The highlights of the performance of Subsidiaries, Joint Ventures and Associates and their contribution to the overall performance of the Company are included as part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, Audited Financial Statements of the Company, including Consolidated Financial Statements, other documents required to be attached thereto and Audited Financial Statements of each of the subsidiaries, are available on the website of the Company and may be accessed at <https://www.dlf.in/investor.php>.

Material Unlisted Subsidiary(ies)

In terms of the provisions of the SEBI Listing Regulations, your Company has a policy for determining 'Material Subsidiary' and the said policy is available on the Company's website at <https://www.dlf.in/pdf/DLF-Material-Subsidiary-Policy.pdf>.

Your Company has four material unlisted subsidiaries namely, DLF Cyber City Developers Limited (Debt

Listed), DLF Assets Limited, DLF Power & Services Limited and DLF Home Developers Limited.

Amalgamation/ Arrangement

A. Scheme of Amalgamation/ Arrangement sanctioned during the FY by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT, Chandigarh)

1. DLF Phase-IV Commercial Developers Limited, DLF Real Estate Builders Limited and DLF Residential Builders Limited (Transferor Companies) and demerger and transfer/ vesting of real estate undertaking of DLF Utilities Limited (Demerged Company) with DLF Limited (Transferee Company) vide Order dated 2 February 2022 and the Transferor Companies stands merged with the Transferee Company w.e.f. the Appointed date of 1 April 2021.
2. Richmond Park Property Management Services Limited (Transferor Company) with DLF Emporio Limited (Transferee Company) vide Order dated 2 March 2022 and the Transferor Company stands merged with the Transferee Company w.e.f. the Appointed date of 1 April 2019.

B. Merger(s) filed/ pending before the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT, Chandigarh)

1. Abhigyan Builders & Developers Private Limited, Abhiraj Real Estate Private Limited, Benedict Estates Developers Private Limited, Chakradharee Estates Developers Private Limited, DLF Gayatri Home Developers Private Limited, Lizebeth Builders & Developers Private Limited, Vkarma Capital Investment Management Company Private Limited and Vkarma Capital Trustee Company Private Limited (Transferor Companies) with DLF Residential Partners Limited (Transferee Company) with the Appointed date of 1 October 2019.
2. Adeline Builders & Developers Private Limited, Armand Builders & Constructions Private Limited, Americus Real Estate Private Limited, DLF Commercial Developers Limited, Elvira Builders & Constructions Private Limited, Eastern India Powertech Limited, Lada Estates Private Limited, Lear Builders & Developers Private Limited, Melosa Builders & Developers Private Limited, Mens Buildcon Private Limited, Narooma Builders & Developers Private Limited, Nudhar Builders & Developers Private Limited, Rachelle Builders & Constructions Private Limited, Royalton Builders & Developers Private Limited and Saket Holidays Resorts Private Limited





Artist's impression of Independent Floors at Garden City, Sectors 91/92, Gurugram

Actual Image



Independent Floors at Garden City under construction in Sectors 91/92, Gurugram

(Transferor Companies) with DLF Home Developers Limited (Transferee Company) with the Appointed date of 1 October 2019.

3. Bellanca Builders & Developers Private Limited, Garv Promoters Private Limited and Lempo Buildwell Private Limited (Transferor Companies) with Naja Estates Developers Private Limited (Transferee Company) with the Appointed date of 1 April 2021.
4. Pyrite Builders & Constructions Private Limited and Webcity Builders & Developers Private Limited (Transferor Companies) with Nadish Real Estate Private Limited (Transferee Company) with the Appointed date of 1 April 2021.
5. Faye Builders & Constructions Private Limited and Garv Realtors Private Limited (Transferor Companies) with Garv Developers Private Limited (Transferee Company) with the Appointed date of 1 April 2021.
6. Dome Builders & Developers Private Limited and Qabil Builders & Constructions Private Limited (Transferor Companies) with Skyrise Home Developers Private Limited (Transferee Company) with the Appointed date of 1 April 2021.
7. Ariadne Builders & Developers Private Limited, Dae Real Estates Private Limited, Liber Buildwell Private Limited, Mariabella Builders & Developers Private Limited, Phoenia Builders & Developers Private Limited and Vibodh Developers Private Limited (Transferor Companies) with Raeks Estates Developers Private Limited (Transferee Company) with the Appointed date of 1 April 2021.
8. Pariksha Builders & Developers Private Limited (Transferor Company) with Unicorn Real Estate Developers Private Limited (Transferee Company) with the Appointed date of 1 April 2021.
9. Adsila Builders & Developers Private Limited, Alana Builders & Developers Private Limited, Beyla Builders & Developers Private Limited, Hansel Builders & Developers Private Limited and Seamless Constructions Private Limited (Transferor Companies) with Milda Buildwell Private Limited (Transferee Company) with the Appointed date of 1 April 2021.
10. Gavel Builders & Constructions Private Limited, Jesen Builders & Developers Private Limited, Jingle Builders & Developers Private Limited, Keyna Builders & Constructions Private Limited, Morgan Builders & Developers Private Limited, Morina Builders & Developers Private Limited and Morven Builders & Developers Private Limited (Transferor

Companies) with DLF Homes Panchkula Private Limited (Transferee Company) with the Appointed date of 1 April 2021.

C. Scheme of Amalgamation sanctioned during the FY by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi (Central Government) with the Appointed Date of 1 April 2020

1. Laxmibanta Estates Developers Private Limited (Transferor Company) with Sagardutt Builders & Developers Private Limited (Transferee Company) and the Transferor Company stands merged with the Transferee Company vide Order dated 7 September 2021.
2. Cirila Builders and Constructions Private Limited (Transferor Company) with Verano Builders & Developers Private Limited (Transferee Company) and the Transferor Company stands merged with the Transferee Company vide Order dated 7 September 2021.
3. Kambod Real Estates Private Limited and Shikhi Estates Private Limited (Transferor Companies) with Qabil Builders & Developers Private Limited (Transferee Company) and the Transferor Companies stands merged with the Transferee Company vide Order dated 7 September 2021.
4. Fabrizio Real Estates Private Limited and Karena Estates Developers Private Limited (Transferor Companies) with Vamil Builders & Developers Private Limited (Transferee Company) and the Transferor Companies stands merged with the Transferee Company vide Order dated 8 September 2021.
5. Rajika Estate Developers Private Limited (Transferor Company) with Uncial Builders & Constructions Private Limited (Transferee Company) and the Transferor Company stands merged with the Transferee Company vide Order dated 9 September 2021.
6. Arva Builders & Developers Private Limited, Balint Real Estates Private Limited, Havard Builders & Developers Private Limited and Mujaddid Builders & Developers Private Limited (Transferor Companies) with Akina Builders & Developers Private Limited (Transferee Company) and the Transferor Companies stands merged with the Transferee Company vide Order dated 14 September 2021.
7. Abheek Real Estate Private Limited, Anuroop Builders & Developers Private Limited, Charon Elevators Private Limited, Grism Builders & Developers Private Limited, Luvkush Builders Private Limited, Peace Buildcon Private Limited and Vismay Builders & Developers





Artist's impression of Atrium Place, Gurugram

Actual Image



Atrium Place under construction in Gurugram

Private Limited (Transferor Companies) with Ananti Builders & Construction Private Limited (Transferee Company) and the Transferor Companies stands merged with the Transferee Company vide Order dated 22 September 2021.

8. Abjayoni Estates Developers Private Limited, Camden Builders & Developers Private Limited, Nilima Real Estate Developers Private Limited and Rosalind Builders & Constructions Private Limited (Transferor Companies) with Athrol Builders & Developers Private Limited (Transferee Company) and the Transferor Companies stands merged with the Transferee Company vide Order dated 27 September 2021.
9. Alfonso Builders & Developers Private Limited and Rinji Estates Developers Private Limited (Transferor Companies) with Hoshi Builders & Developers Private Limited (Transferee Company) and the Transferor Companies stands merged with the Transferee Company vide Order dated 27 September 2021.
10. Chrysilla Builders & Developers Private Limited (Transferor Company) with Arlie Builders & Developers Private Limited (Transferee Company) and the Transferor Company stands merged with the Transferee Company vide Order dated 27 September 2021.

D. Merger filed/ pending before the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi (Central Government) with the Appointed Date of 1 April 2021

DLF Aspinwal Hotels Private Limited and DLF Cochin Hotels Private Limited (Transferor Companies) with Lodhi Property Company Limited (Transferee Company).

Listing at Stock Exchanges

The equity shares of your Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Non-convertible Debentures issued by your Company are also listed on the Wholesale Debt Market (WDM) segment of BSE.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report, as required under Regulation 34 read with Schedule V to the SEBI Listing Regulations, forms part of the Annual Report.

Corporate Governance Report

The Company is committed to sound corporate governance practices as well as compliance with all applicable laws and regulations. The Board believes that combining the highest level of ethical principles with our unmatched brand, experience and expertise,

will ensure that DLF will continue to be the leading Company in the real estate sector. The Corporate Governance Report, as stipulated under Regulations 17 to 27 & 46(2) and Paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, forms part of the Annual Report.

The requisite certificate from S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, confirming compliance with the conditions of corporate governance as stipulated under the SEBI Listing Regulations, is attached to the Corporate Governance Report.

Directors' Responsibility Statement

In terms of the provisions of Section 134(5) of the Act, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Declaration by Independent Directors

The Independent Directors in their disclosures have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the disclosures received from Independent Directors, the Board of Directors has confirmed that they fulfilled conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and were independent of the Management.





DLF Parc Estate, Chennai

Actual Image



DLF Parc Estate, Chennai

Confirmation by Directors regarding Directorship/Committee Positions

Based on the disclosures received, none of the Directors on the Board holds directorships in more than ten public companies and none of the Independent Directors served as an Independent Director in more than seven listed entities as on 31 March 2022. Further, no Whole-time Director served as an Independent Director in any other listed company. Necessary disclosures regarding Committee positions in other public companies as on 31 March 2022 have been made by the Directors and have been reported in the Corporate Governance Report and forms part of the Annual Report.

Certification from Company Secretary in Practice

A certificate has been received from AS & Associates, Company Secretaries in practice that none of the Directors on the Board of the Company had been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such other Statutory/Regulatory authority.

Board and its Committees

The Board of Directors met four times during the FY 2021-22. The details on the composition of the Board, Committees, meetings held and related attendance are provided in the Corporate Governance Report and forms part of the Annual Report.

Auditors and Audit Reports

S.R. Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/ E300005) were appointed as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of 52nd Annual General Meeting (AGM) till the conclusion of 57th AGM.

The Board of Directors of the Company at its meeting held on 17 May 2022, on the recommendations of the Audit Committee, have recommended for re-appointment of S.R. Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/E300005) as the Statutory Auditors of the Company, subject to approval of the members, for the second term of five consecutive years i.e. from the conclusion of 57th AGM till the conclusion of 62nd AGM of the Company and the same is included in the notice convening the AGM. The Company has received their written consent along with a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Notes on financial statements (including the Consolidated Financial Statements) referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remarks or disclaimer.

Cost Auditors

During the year, M/s R.J. Goel & Co., Cost Accountants (FRN: 000026) were appointed as Cost Auditors of the Company for the FY 2021-22 for conducting the audit of cost records of the Company pertaining to real estate development activities. Your Company is maintaining the requisite cost records and the Cost Audit Report for the FY 2021-22 which shall be filed with the Ministry of Corporate Affairs in due course.

A certificate from the Cost Auditors, certifying their independence and arm's length relationship has been received by the Company.

As per provisions of the Act, the remuneration payable to Cost Auditors is required to be approved by the members in a General Meeting. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s R.J. Goel & Co., Cost Accountants is included in the notice convening the AGM.

Secretarial Auditor

Dr. K.R. Chandratre, Company Secretary in practice was appointed as Secretarial Auditor of the Company to conduct Secretarial Audit for the FY 2021-22. The Secretarial Audit Report and Secretarial Compliance Report for the FY ended 31 March 2022 is annexed herewith at **Annexure-B**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimers. The Secretarial Compliance Report has been filed with the stock exchanges.

DLF Cyber City Developers Limited, DLF Assets Limited, DLF Power & Services Limited and DLF Home Developers Limited, material subsidiaries of the Company, have also undergone Secretarial Audit under Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations.

Accordingly, the Secretarial Audit Reports for the FY ended 31 March 2022 of DLF Cyber City Developers Limited, DLF Assets Limited, DLF Power & Services Limited and DLF Home Developers Limited, issued by Dr. K.R. Chandratre, Practicing Company Secretary are at **Annexure-B**. The said reports are self-explanatory and do not contain any qualifications, reservations, adverse remarks or disclaimers.

Reporting of Fraud by Statutory Auditors

During the year under review, the Statutory Auditors have not reported any instance of fraud in respect of the Company, its officers or employees under Section 143(12) of the Act.

Secretarial Standards

The Secretarial Standards i.e. SS-1 & SS-2 relating to meetings of the Board of Directors and General Meetings, respectively have been duly followed by the Company.

Directors and Key Managerial Personnel

During the FY 2021-22, Mr. Ashok Kumar Tyagi and Mr. Devinder Singh, Whole-time Directors,





DLF Horizon Center, DLF5, Gurugram



DLF Horizon Plaza at Horizon Center, DLF5, Gurugram

on the recommendations of the Nomination and Remuneration Committee, were redesignated/appointed by the Board of Directors as Chief Executive Officer and Whole-time Directors w.e.f. 11 June 2021 for a term co-terminus with their appointment as Whole-time Directors and their appointment was approved by the members of the Company at the AGM held on 31 August 2021.

During the period under review, the Board of Directors of the Company based on the recommendations of Nomination and Remuneration Committee has appointed Ms. Savitri Devi Singh and Ms. Anushka Singh as Additional Directors of the Company w.e.f. 11 June 2021. Further, the members of the Company at the AGM held on 31 August 2021 appointed Ms. Savitri Devi Singh and Ms. Anushka Singh, as Non-executive Directors of the Company, liable to retire by rotation.

Pursuant to the provisions of Section 152 of the Act read with Articles of Association of the Company, Ms. Pia Singh, Non-executive Director who was liable to retire by rotation was re-appointed by the members vide ordinary resolution at the AGM held on 31 August 2021.

Pursuant to the provisions of Section 152 of the Act read with Articles of Association of the Company, Mr. Devinder Singh, Chief Executive Officer and Whole-time Director and Mr. Gurvirendra Singh Talwar, Non-executive Director are liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The resolution seeking members approval for their re-appointment forms part of the AGM Notice. The Board of Directors of your Company has recommended their re-appointment.

Lt. Gen. Aditya Singh (Retd.) would be attaining the age of 75 (seventy five) years during the FY 2022-23 and in accordance with the provisions of the Regulation 17(1A) of the SEBI Listing Regulations, the Board considering his knowledge, acumen, expertise, experience, valuable contribution to the deliberations of the meetings of the Board/ Committees and based on recommendations of the Nomination and Remuneration Committee, has recommended his continuation as the Independent Director of the Company, subject to the members approval, which forms part of the AGM Notice.

A brief resume of the Director(s) seeking re-appointment, along with other details as stipulated under Regulation 36(3) of the SEBI Listing Regulations read with the Secretarial Standards on General Meetings, is provided in the Corporate Governance Report and Notice convening the AGM.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Rajiv Singh, Chairman (Whole-time Director), Mr. Ashok Kumar Tyagi, Mr. Devinder Singh, Chief Executive Officer and Whole-time Directors,

Mr. Vivek Anand, Group Chief Financial Officer and Mr. R.P. Punjani, Company Secretary & Compliance Officer of the Company.

Corporate Social Responsibility (CSR)

The DLF Group implements its CSR initiatives primarily through DLF Foundation, which plays an indispensable role along with the Government, civil society and communities to resolve critical development challenges faced by the communities. Its programmes are aligned with the immediate ongoing priorities of the Government on CSR.

DLF believes that it needs to empower communities across various domains through an integrated and holistic approach so that they are able to realise their full potential as also, make a difference to the society. The Company believes in creating value for the stakeholders, including the underprivileged sections of the society and that everyone should be able to lead a life with dignity.

The Company has been contributing continuously towards building sustainable capacities and creating resources for the marginalised people near its operational areas.

DLF Foundation addresses Social Development Projects with an integrated holistic approach to ensure that its programmes impact critical aspects of the lives of the underserved in the areas of Education, Healthcare, Environment Preservation and Promotion of Sports, as also for Animal Welfare.

The Board, based on the recommendations of the CSR Committee, approved the CSR Policy of the Company in accordance with Section 135 of the Act and Rules made thereunder. During the FY, Company has updated CSR Policy in line with the Act as amended. A copy of the CSR policy is available on the Company's website at <https://www.dlf.in/pdf/Corporate-Social-Responsibility-Policy.pdf> and CSR Annual Action Plan is at <https://www.dlf.in/pdf/CSR-Annual-Action-Plan.pdf>.

The Annual Report on CSR activities, as per the prescribed format under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is annexed at **Annexure - C**.

Environment and Sustainability

DLF recognises its unique position as industry pioneers to re-write the Indian Real Estate narrative. It thus takes pride in enacting, exemplifying and exceeding the highest environmental, social and governance standards and thus, addresses the pressing challenges faced by our Nation.

Currently, world economy is in the midst of COVID-19 pandemic, reeling under the impacts of rising inflation, bottlenecks in supply chains and effects of climate change. Thus 'business as usual' is not an option. Consequently, building a resilient and sustainable





Aerial view of DLF Cybercity, Gurugram



DLF Cyber Park, Gurugram

value chain is the forefront business strategy, in order to provide an agile response to the challenges at an economic, environmental and social level.

To realise this business vision, the Company strives to excel in the three dimensions of ESG i.e. Environmental, Social and Governance. In order to do that, it has mapped the issues relevant to its business and stakeholders. The endeavour is to strive for operational excellence, while pursuing growth that is environmentally and socially sustainable. Therefore, sustainability strategy is centred around three key pillars: Sustainable Business, Environmental Stewardship and Social Stewardship.

Care for the environment is a core focus area as the Company continues to contribute in shaping a better future, which is safe, inclusive and sustainable. Furthermore, the Company has designed business processes that incorporate social well-being in everything that it does. It is adopting innovative means to promote resource efficiency, emission reduction, water conservation, waste minimisation and biodiversity protection. It also positively engages with communities surrounding its operations, helping to enrich their lives through CSR programmes and employment opportunities.

The Company is deeply committed to the health, well-being and prosperity of its customers, partners, employees and all other stakeholders. It is continuously innovating to create safer workplaces and intelligent energy-efficient infrastructure. This is necessary to promote smarter cities and sustainable communities across India as also, achieve long-term value for all its stakeholders.

While the Company focuses on expanding its footprints and increasing its revenue, it also continues to assess and monitor the risks and opportunities. This includes assessing the emerging trends and addressing environmental and social issues as it moves forward. Therefore, the approach to sustainability includes monitoring growth in alignment with its targets and commitments towards ESG.

The Company's efforts towards the environment and society are backed by robust governance that supports its values of integrity, accountability and transparency. DLF takes pride in the fact that it has striven to exceed legal compliance requirements and ensured that policies and procedures supporting responsible business practices are implemented in their true spirit.

The Company has maintained rigorous safety standards vetted by world-class independent organisations like British Safety Council. Testimony of this is that it is the only Group globally, conferred 17 'Sword of Honour' Awards by them, a pinnacle of safety standards across the world. DLF Buildings have also been conferred with 'Five Star Certifications for Occupational Health and Safety' by British Safety Council.

As a recognition of your Company's policies on governance, social and environmental initiatives, your

Company once again has been recognised as Index component in the Dow Jones Sustainability Indices in the emerging markets category for the second consecutive year. DLF is the only real estate Company from India to be included in this index.

Global Real Estate Sustainability Benchmark (GRESB), an international organisation considered a Global standard for ESG benchmarking and reporting for real estate, recognised DLF as Regional Sector Leader with highest ranking of 5 Star rating under Development Category, for its developments across the office space.

Our Environment, Social and Governance Report is available at <https://www.dlf.in/investor.php>.

Annual Return

The Annual Return under Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, is available at https://www.dlf.in/annual_docket/ANNUAL_RETURN_2021_2022.pdf.

Awards and Accolades

Your Company continues to lead its sector and has received several awards. The details of the major awards and accolades received during the year are given at **Annexure-F**.

Business Responsibility Report (BRR)

The BRR describes the initiatives taken by the Company from social, environmental and governance perspectives. Details are given at **Annexure-G**.

Particulars of Loans, Guarantees, Securities and Investments

Particulars of loans, guarantees, securities and investments have been disclosed in the notes to the Standalone Financial Statements.

Transactions with Related Parties

The Company has robust processes and procedures for identification and monitoring related party(ies) and related party transactions.

The Board of Directors of the Company has revised the Policy for Related Party Transactions in line with SEBI Listing Regulations, as amended, which regulates the transactions between the Company and its related parties. The said policy is available on the Company's website at <https://www.dlf.in/pdf/Related%20Party%20Transaction%20Policy.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all related party transactions.

During the year, none of the transactions with related parties came under the purview of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2021-22 and hence, does not form part of this report.



Nomination and Remuneration Policy

The Nomination and Remuneration Policy was devised in accordance with Section 178 of the Act and the SEBI Listing Regulations, as amended. The Nomination and Remuneration Policy of the Company is aimed at inculcating a performance-driven culture. Through its comprehensive compensation programme, the Company endeavours to attract, retain, develop and motivate a high-performance workforce. The said policy is available on the Company's website at <https://www.dlf.in/pdf/Nomination%20and%20Remuneration%20Policy.pdf>.

The Company pays remuneration to its Chief Executive Officers, Whole-time Directors by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component). Annual increments are approved by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors decides the commission payable to the Chief Executive Officers, Whole-time Directors and Non-executive Directors, out of the profits for the FY within the ceiling as prescribed under the Act.

Annual Evaluation of the Board, its Committees and Individual Directors

The Nomination and Remuneration Committee has formulated criteria for Board evaluation, its committees' functioning and individual Directors including Independent Directors and also specified that such evaluation will be done by the Nomination and Remuneration Committee and the Board, pursuant to the Act and the Rules made thereunder read with the SEBI Listing Regulations, as amended.

DLF believes that it is the collective effectiveness of the Board that impacts Company's performance, as a whole. The Board's performance is assessed against the role and responsibilities as provided in the Act and the SEBI Listing Regulations. The parameters for the Board's performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholders' value as well as to fulfil expectations of other stakeholders through strategic supervision of the Company.

Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by the respective Committee Chairperson with the Board.

Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, in assisting the Board in realising its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals. While the Board evaluated its performance as per the parameters laid down by the Nomination and Remuneration

Committee, the evaluation of Individual Directors was carried out as per the laid down parameters, anonymously in order to ensure objectivity. The Independent Directors of the Board also reviewed the performance of the Non-Independent Directors and the Board, pursuant to Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations.

Internal Financial Control

The Company has a robust and well embedded system of internal controls. This ensures that all assets are safeguarded and protected against loss from unauthorised use or disposition and all transactions are authorised, recorded and reported correctly. An extensive risk based programme of internal audit and management reviews provides assurance on the effectiveness of internal financial controls, which are continuously monitored through management reviews, self-assessment, functional experts as well as by the Statutory/ Internal Auditors during the course of their audits.

The internal audit of development business was entrusted to Grant Thornton Bharat LLP and of rental business to KPMG Assurance and Consulting Services LLP. The main thrust of internal audit was to test and review controls, appraisal of risks and business processes, as also benchmarking controls with the best industry practices.

The internal control system ensures compliance with all applicable laws and regulations and facilitates optimum utilisation of available resources and protects the interests of all stakeholders. The Company has clearly defined Policies, Standard Operating Procedures (SOPs), Financial and Operational Delegation of Authority (DOA) and Organisational Structure for its business functions to ensure a smooth conduct of its business. The Enterprise Resource Planning (ERP) system supports in standardisation of processes and automation. The Compliance initiatives taken by the Company have been reported in the Corporate Governance Report, which forms part of this Report.

The internal audit plan is also aligned to the business objectives of the Company, which is reviewed and approved by the Audit Committee. Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework. Significant audit observations are followed-up and the actions taken are reported to the Audit Committee.

The Company's internal control system is commensurate with the nature, size and complexities of operations.

Insider Trading Code

The 'DLF Code of Conduct to Regulate, Monitor and Report by Designated Persons and Immediate



Relatives' is in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ('the PIT Regulations'). The said Code lays down guidelines for Designated Persons on the procedures to be followed and disclosures to be made in dealing with the securities of the Company and cautions them on consequences of non-compliances.

The Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information including a Policy for determination of legitimate purposes is also in line with the PIT Regulations. Further, the Company has put in place an adequate and effective system of internal controls including maintenance of structured digital database, standard processes to ensure compliance with the requirements of the PIT Regulations to prevent insider trading.

Risk Management

The Board of Directors of the Company have formed a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The Committee is responsible for

monitoring and reviewing the Risk Management Plan and ensuring its effectiveness. The major business and process risks are identified from time to time by the businesses and functional heads. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Risk management forms an integral part of the management policies and is an ongoing process integrated deeply into everyday operations.

During the period under review, the Board of Directors of the Company has revised roles and responsibilities of the Committee which are in keeping with SEBI Listing Regulations and to ensure that the whole process of risk management is well coordinated and carried out as per mitigation plan.

The development and implementation of Risk Management Policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.



DLF Cybercity, Hyderabad



Significant and Material Orders passed by Regulators or Courts or Tribunals

During the year under review, no significant and material order was passed by the regulators/ courts/ tribunals which would impact the going concern status of the Company and its future operations. However, some significant orders passed previously, forms part of Note 50 to the Standalone Financial Statements.

A petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') was filed by IL & FS Engineering Construction Company Limited ('IL & FS') praying that the Corporate Debtor is liable to pay approximately ₹ 46.34 crore in connection with a road project contract at Sector 56, Gurugram. The Company has filed its reply, inter-alia that the said amount is not payable and hence, the petition is liable to be dismissed. The Company without prejudice to its rights, submitted its claims of ₹ 381.49 crore against IL & FS as on 15 October 2018 (cut-off date) to Claims Management Advisor i.e. Grant Thornton Bharat LLP, out of total claim of ~₹ 607.04 crore.

With respect to claims after 15 October 2018, the Company has also filed an application under Section 11 of the IBC before the Hon'ble Delhi High Court praying to appoint a sole arbitrator to adjudicate the disputes between the parties.

Vigil Mechanism

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour.

The Whistle Blower Policy is available on the Company's website at <https://www.dlf.in/corporate-governance-policies/DLFWBP.pdf>.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

The Company continues to follow a robust anti-sexual harassment policy on 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace' in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH') and Rules made thereunder. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment at various workplaces in accordance with POSH. The Committee constituted in compliance with POSH ensures a free and fair enquiry process with clear timelines for resolution. To build awareness in this area, the Company has been conducting programmes on regular basis.

All employees, including those of subsidiaries (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the FY, one case was reported which has undergone the due process as per the Policy. The Company continues to promote the cause of women colleagues, through 'Jagruti', all-women's forum for experience sharing, creating awareness on women's safety/ related issues, celebrating important days dedicated to women and organising workshops on gender sensitivity.

Other Information

During the FY, no disclosure or reporting is required in respect of the following matters:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Scheme referred to in this Report;
- There has been no change in the nature of business of the Company; and
- There was no instance of one time settlement with any Bank or Financial Institution.

Acknowledgements

The Board of Directors wish to place on record their sincere appreciation to all the employees for their dedication and commitment. Their hard work and unstinted efforts enabled the Company to sustain its performance and consolidate its sectoral leadership.

The Board of Directors would like to express their sincere appreciation for assistance and co-operation received from vendors and stakeholders, including financial institutions, banks, Central and State Government authorities, customers and other business associates, who continued to extend their valuable support during the year under review. It will be the Company's endeavour to nurture these relationships in strengthening business sustainability.

The Board of Directors offers their deepest condolences to the family members for loss of their loved ones due to second wave of COVID-19 pandemic and are grateful and have immense respect for every person who risked his/ her life and safety to fight this pandemic.

The Board of Directors appreciate and value the contribution made by every member of DLF family who remain dedicated to the Company during these difficult times.

For and on behalf of the Board of Directors

(Ashok Kumar Tyagi)

CEO and Whole-time
Director
(DIN: 00254161)

17 May 2022
Gurugram

(Devinder Singh)

CEO and Whole-time
Director
(DIN: 02569464)



ANNEXURE - 'A'

Conservation of energy, technology absorption, foreign exchange earnings and outgo under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY	
i) Steps taken or impact on conservation of energy	In FY 2021-22, DLF Limited has utilized 1,95,297 KWH of electrical units generated by Solar PV based rooftop electrical systems installed at DLF Kolkata IT Park - II, South Square - Delhi and Capitol Point - Delhi.
ii) Steps taken by the company for utilising alternate sources of energy	Solar PV based rooftop electrical systems of capacity 185 KW have been installed on the building rooftops at the above-mentioned locations.
iii) Capital investment on energy conservation equipment	Nil

B. TECHNOLOGY ABSORPTION	
i) Efforts made towards technology absorption	N.A.
ii) Benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): a) Details of technology imported; b) Year of import; c) Whether the technology been fully absorbed; and d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	N.A.
iv) Expenditure incurred on Research and Development.	N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO		
	₹ in crore	
	2021-22	2020-21
a) Foreign Exchange Earnings	Nil	Nil
b) Foreign Exchange outgo (including principal repayment of borrowings)	291.29	552.10

17 May 2022
Gurugram

(Ashok Kumar Tyagi)
CEO and Whole-time Director
(DIN: 00254161)

(Devinder Singh)
CEO and Whole-time Director
(DIN: 02569464)

