

Business Responsibility Report – 2013

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company – L70101HR1963PLC002484
2. Name of the Company – DLF Limited.
3. Registered address - Shopping Mall 3rd Floor, Arjun Marg, Phase I, DLF City, Gurgaon.
4. Website - www.dlf.in.
5. E-mail id - setia-subhash@dlf.in (Mr. Subhash Setia, Company Secretary)
6. Financial Year reported- 2012-13
7. **Sector(s) that the Company is engaged in:**
The Company is primarily engaged in the business of colonization and real estate development.
8. **List three key products/services that the Company manufactures/provides:**
The Company is engaged in the business of development and sale of residential properties (Development Business) and the development and leasing of commercial and retail properties (Lease Business).
9. **Total number of locations where business activity is undertaken by the Company**
 - i. **Number of International Locations**
 - ii. **Number of National Locations**

Historically, the Company has focused its operations in the Delhi Metropolitan Region and Gurgaon. It has expanded operations, in recent years, to other metro cities and certain other locations in India. In certain locations more than one project may be implemented.
10. **Markets served by the Company**
The Company's Development Business and Lease Business are in various geographic markets in India.

Section B: Financial Details of the Company

1. Paid up Capital (INR) - Rs. 33,974.38 lacs (as on 31st March 2013)
2. Total Turnover (INR) – Rs. 330,483.89 lacs (Standalone)
3. Total profit after taxes (INR) – Rs. 50,156.49 lacs (Standalone)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) –
The Company has made contributions by donations and charity amounting Rs.680.13 lacs, being 1.36% of the profit after tax on standalone basis. In addition, the subsidiaries of the Company have made contributions by donations and charity.
5. **List of activities in which expenditure in 4 above has been incurred:-**
The expenditure has been incurred, inter-alia, in the following areas -
 - a) Skill Development Programme wherein skill centres and institutes are being established across the country

to provide industry needed skills and thereby enhances the employability of youths;

- b) Village Cluster Development comprising of interventions in the areas of education, healthcare, sanitation, waste management and rural infrastructure development. Under this Programme, a number of primary health centres and rural and slum schools have been established alongwith a large number of rural infrastructure development projects;
- c) Nurturing Talent Programme wherein meritorious children coming from underprivileged backgrounds are being provided additional educational support. Scholarships were also provided to students from standard VI upto professional degrees;
- d) Educational Programmes wherein 22 government schools were supported under Rural Learning Centres Programme. In addition the Company is supporting in running of 30 rural schools in Haryana and Rajasthan besides 4 slum schools in Gurgaon;
- e) Rural Infrastructure Development Projects including repair and upgradation of rural school buildings, rural roads and storm water drains;
- f) Assistance in provision of food to the needy under Food Bank programme;
- g) Animal Care wherein programmes have been launched for the care of animals and provision of state of the art veterinary facility in Gurgaon;
- h) Promotion of sports;
- i) Environment Programme under which massive tree plantation drives were undertaken and a number of rain water harvesting units were installed; and
- J) Gurgaon Renewal Mission wherein an awareness campaign has been launched for resuscitating Gurgaon.

Section C: Other Dextails

1. **Does the Company have any Subsidiary Company/ Companies?**
Yes, the Company has 232 subsidiaries as on 31st March, 2013.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Yes, a number of subsidiary companies do participate in the BR initiatives.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
Yes. To calculate the percentage of such entities, system have not yet been instituted.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number
- Name
- Designation

No director has yet been nominated.

b) Details of the BR head*

S.No.	Particulars	Details
1.	DIN Number (if applicable)	Not applicable
2.	Name	
3.	Designation	
4.	Telephone number	
5.	e-mail id	

*No director has yet been nominated as BR Head. However, Lt. Gen.(Retd.) Rajender Singh, CEO, DLF CSR & DLF Foundation is steering the social responsibility initiatives.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	The Company has formulated the policies and adopted best practices in its own volition. However, while formulating the policies and adopting the same, the Company has been sensitive to the stakeholders and further, engaged experts of repute, as and when felt necessary.								
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes, the policy/practice conforms to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July 2011 and the policies are compliant with the applicable laws as mapped against the principles mentioned in NVGs.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?*	Since all the policies are not required to be approved by the Board, the approval of the Board has been obtained where it is mandatory.								
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.dlf.in/ (for i. Code of Conduct; ii. Policy for Prevention of Insider Trading; and iii. Whistle Blower Policy.)								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable.								
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* No, it is not signed.

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options) : Not applicable

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Advisory Board of DLF Foundation guides the social initiatives of the Company. The top executives of the Company and other eminent persons drawn from various spheres are members/invitees of the Advisory Board.

The Advisory Board meets regularly, share their expert knowledge and provide guidance.

The Company does not publish BR or a Sustainability Report. However, a newsletter under the title "Building Lives" containing CSR activities undertaken/proposed to be undertaken, is regularly published by the DLF Foundation.

Given the nature of our business, the Company could consider two "products". One "product" is a unit developed by the Company for sale and the other "product" is the completed building which is leased.

- The Company designs "product" having building structures for a seismic zone higher than what is mandatorily required under the requisite building code.
- The Company is now designing buildings/upgrading existing buildings to achieve LEED Certification. Building 5A in DLF Cyber City, Gurgaon has received GOLD LEED Certification.
- The Company is generally using Aerated Concrete blocks (ACC) instead of clay burnt bricks in "product" construction thus preventing the depletion of soil strata.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

For both the "products", in order to conserve the water resources, usage of ground water as well as potable water from corporation supply has been stopped for construction activities in Gurgaon. Alternatively, river water is being sourced.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

It is difficult to quantify the exact quantity in terms of reduction achieved in energy and water by the consumers.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes.

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

While it is difficult to specify a percentage, most inputs in construction like steel, cement, electrical and mechanical equipment, paint, wood/aluminum products are sourced sustainably.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company and its contractors endeavour to provide hygiene and healthy working environment to workers at construction sites including training to improve the capabilities of the local work force.

5. Does the company have a mechanism to recycle products and waste?

Yes.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.

No. Apart from the Company, the Whistle Blower Policy cover other stakeholders as well.

Does it extend to the Group/Joint Ventures/Suppliers/ Contractors /NGOs/ Others?

The Code of Conduct adopted by the Company applies to the employees of the Company and that of its subsidiary companies. In addition, the Company has a Whistle Blower Policy through which the Company seeks to provide a mechanism for its employees, directors, vendors or customers to disclose any unethical and/or improper practice(s) taking place in the Company for appropriate action and reporting. The Code of Conduct and the Whistle Blower Policy are uploaded on the Company's website – www.dlf.in.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

In addition to the above policies, the Company has a Shareholders'/Investors' Grievance Committee (sub-committee of the Board) which, inter alia, reviews the shareholders complaints and their resolutions. During the year 2012-13, the Company received 10 shareholders complaints and disposed off the same. 12 disclosures were received under the Whistle Blower Policy and appropriate action were taken after due investigations. Customer complaints are addressed in the normal course of business by a dedicated team of Customer Services personnel.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company interalia, has implemented solid waste management technology to re-cycle house garbage into manure used for horticulture. The Company has commissioned state of the art sewage treatment plants which treat and re-cycle waste water for reusing in horticulture and toilets. The Company disposes some of the construction waste as a scrap to get them recycled and re-use the same in construction works.

• **Permanent Women Employees**

Around 6% Employees were imparted skill development training.

• **Casual/Temporary/Contractual Employees**

Nil.

• **Employees with Disabilities**

Nil.

Principle 3

1. **Please indicate the Total number of employees :**

2589 (as of 31st March, 2013).

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis :**

19 (as of 31st March, 2013)

3. **Please indicate the Number of permanent women employees :**

211 (as of 31st March, 2013)

4. **Please indicate the Number of permanent employees with disabilities :**

The Company is an equal opportunity employer and do not discriminate on grounds of disability. Thus, the Company does not have a system of compiling such data.

5. **Do you have an employee association that is recognized by management :**

There is no employee association in the Company.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not applicable.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Not applicable
2.	Sexual harassment	Nil	Not applicable
3.	Discriminatory employment	Nil	Not applicable

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

• **Permanent Employees**

Around 35% Employees were imparted skill development training.

Principle 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes. The key stakeholders of the Company are employees, customers, government authorities, suppliers and shareholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

For the Company all stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Not applicable.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint ventures/Suppliers/Contractors/NGOs/Others?**

The Company's policy and practices relating to protection of human rights viz., non-engagement of child labour, assuring safety measures etc. is applicable to the Company and its subsidiaries as well as to the contractors engaged by the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaints from any stakeholders pertaining to human rights.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

The policy and practices relating to Principle 6 primarily cover only the Company and its group. Such policy and practices cannot be extended to others since the Company does not have any direct control over such entities. However, the Company does business with such entities which have adopted this principle.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.**

Yes.

If yes, please give hyperlink for webpage etc.

The Company has taken initiatives to address the global environmental issues like climate change, global warming etc. The company and its subsidiaries had setup wind energy based power plants of aggregate capacity of about 228 MW. Due to their environmental friendliness, the UNFCCC has registered these projects under CDM / carbon credit scheme.

The Hyperlink of the web pages providing the details of abovementioned power plants are as follows:

<http://cdm.unfccc.int/Projects/DB/BVQI1229917560.71/view>
<http://cdm.unfccc.int/Projects/DB/BVQI1239021527.94/view>
<http://cdm.unfccc.int/Projects/DB/BVQI1270985563.08/view>

Secondly, the Company's subsidiaries have set up gas based power cogeneration plants of 127 MW capacity.

In addition, to address climate change and global warming, the Company uses double glassed doors and windows, CFL based lighting systems as well as other environmental friendly materials in its business activities.

3. Does the company identify and assess potential environmental risks? Y/N

Yes.

4. Does the company have any project related to Clean Development Mechanism?

Yes.

If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The company/group company has wind energy based projects of aggregate capacity 228 MW as well as gas based cogeneration system projects of capacity 127 MW that are related to clean development mechanism. The wind energy based projects have been registered at UNFCCC and generate approx 500K Certified emission reductions (CERs) annually. The Cogeneration plant of installed capacity of 17MW has also been registered at UNFCCC as clean development project and generates about 18000 Certified emission reductions (CERs) annually. The cogeneration plants at other locations are in advanced stages of validation and registration.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N.

Yes.

If yes, please give hyperlink for web page etc.

DLF has successfully designed, erected and commissioned state-of-the-art gas-based cogeneration plants to provide electricity and chilled water for air conditioning that serves 14 million sq feet of leased office area.

The Energy centres at Building-10 and Building-5 provide first-of-its-kind distinct cooling facility to commercial buildings spread upto a distance of 3 KMs. This air-conditioning is achieved without any use of Chloro Fluro Carbons (CFC) based conventional electrical chillers, thereby being very environment friendly and highly energy efficient.

Utilisation of waste heat and use of natural gas as fuel results in emission reductions compared to any other similar facility based on conventional system viz., Grid / DG sets & Electrical Chillers. The hyperlink to the web page for the DLF Silokhera CDM project registered by UNFCCC for Carbon Credits is - <http://cdm.unfccc.int/Projects/DB/BVQI1333468846.77/view>.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions/waste generated by the company is within the required permissible limits and are being reported twice in a year to the concerned authorities.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company has satisfactorily replied to all the show cause notices received from CPCB/SPCB and no such notice is pending for reply.

Principle 7

1. Is your company a member of any trade and chamber or association?

Yes.

If Yes, Name only those major ones that your business deals with:

The major trade bodies, Chambers and Associations that our business deals with are:

- a. Federation of Indian Chamber of Commerce and Industry (FICCI)
- b. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- c. PHD Chamber of Commerce and Industry (PHDCCI)
- d. The Confederation of Real Estate Developers' Associations of India (CREDAI)
- e. National Real Estate Development Council (NAREDCO)

3. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;

Yes.

If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company does work for advancement of public good along with our industry colleagues. Such work mainly involves creating framework of policies for urban development and inclusive development in this industry.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes there are specific programmes/initiatives/projects which supports inclusive growth and equitable

development. A number of projects were undertaken by DLF Foundation, principal ones being Skill Development, Talent Nurturing and Village Cluster Development.

- The **DLF Skill Development programme** which was launched with the aim to skill and employ underserved and deserving youth across the country, saw definite expansion as 24 Skill Training Institutes and Training Centres were established for providing training and employment to the poor deserving youth in numerous industry driven trades like Hospitality, Sales and Marketing, Information Technology, Electronics and Construction to name a few. The Skill Institutes and Training Centres have been established across the states of Haryana, Delhi, Punjab, Uttar Pradesh, Uttaranchal, Tamil Nadu, Andhra Pradesh, Karnataka, Gujarat, Madhya Pradesh and Rajasthan.
- Focusing on holistic growth and quality education, the **DLF Talent Nurturing Programme** launched in 2011 in the memory of the founder of DLF Ltd., the Ch. Raghvendra Scholarship Programme, supports meritorious students from underprivileged families. Under the programme, the Foundation supported 132 meritorious students from 26 government schools at the primary and secondary school level, by enrolling them in private schools and undertaking all their educational expenses. At undergraduate and postgraduate levels, DLF Foundation partnered with over 19 colleges and universities in Haryana, Uttar Pradesh and Delhi. As many as 93 scholarships were awarded during the academic session in disciplines such as Engineering, IT, MBBS, MBA, MSW and Fine Arts. In addition, DLF Foundation has over the past years established 30 rural schools in Haryana and Rajasthan. Situated in remote areas, these rural schools educate 12,000 children every year with a focus on the girl child.
- The **DLF Village Cluster Development Programme** has adopted three clusters of five Villages each in Haryana and Punjab and the interventions and initiatives under this programme included establishment of Five Primary Health Centres, 12 Mobile Health Centres, Sanitation Drives, establishment of Waste Management Units, running 22 Mobile Rural Libraries, 22 Rural Learning Excellence Centres, Mid Day Meals in Schools, and the Food Bank Programme through which 1.7 lakh poor people are fed everyday.
- In addition to its Flagship Programmes, the DLF CSR has also continued to work on its initiatives like **Animal Care, Labour Welfare and Environment**. DLF has been the first to start the **Mobile Medicare Programme for all construction workers** working in Gurgaon providing free examination and treatment to over 16,000 construction workers. In addition **Primary Education Centers** and Crèches have been established at 9 construction sites in Gurgaon.

India's first State-of-the-art veterinary hospital in Gurgaon with ultra modern facilities like laser surgery, ultra sonic testing and modern lab facilities for animal care was established.

DLF donated Rs.377 lacs in honoring the young Olympians from Haryana who won medals and brought glory to the country.

2. Are the programmes/projects undertaken through in-house team/own foundation / external NGO/ government structures/any other organization?

Depending on the various factors, programmes are undertaken through DLF Foundation, DLF CSR as well as in collaboration with other external organizations/Trusts.

3. Have you done any impact assessment of your initiative?

Impact assessment is a continuous process which is undertaken as part of the monitoring process. Impact Assessment of all our programmes is carried out at regular intervals and where necessary suitable corrective actions are taken to ensure that maximum benefit accrues to the society.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company's direct contribution to community development programmes was Rs.604 lacs in FY 2012-13.

Under the Community Development Programme, the company established a number of Rural and slum schools, Primary education centers and cheches, Rural Primary Health Centres, Eye care camps, 12 Mobile Health Centres, Sanitation Drives, two Waste Management Units, Mobile Rural Libraries, 22 Rural Learning Excellence Centres, Mid Day Meals for poor, the Food Bank Programme. Details of the Programme are given at Point 1 above.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Community participation is an integral part of all our social projects. The community development projects are conceived, developed, executed and monitored in active participation of the community. At the time of project identification, a need assessment survey is carried out to determine the priority needs of the community. Projects are then developed in a manner where the community is actively involved in execution and monitoring of the project.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Relating to customer complaints/requests/grievances, the Company has established procedure to attend the same within 15 days of receipt. Regarding percentage of pending complaints, a system needs to be established.

Relating to consumer cases, an average 10% of the consumer cases get resolved / disposed off in a year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

Considering the nature of business, the Company could identify two "products". One "product" is the residential unit developed by the Company for sale and the other "product" is the completed office building which is leased. Accordingly, information on the "product" is displayed in the advertisement, application form, agreement and other relevant documents as per the requirement of local laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as**

on end of financial year. If so, provide details thereof, in about 50 words or so Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes. There are complaints filed before CCI/COMPAT in the various projects of the Company alleging among other things abuse of dominant position, imposition of arbitrary, unfair and unreasonable conditions in the Buyer's Agreements entered with the allottees. The Company has refuted the allegations and presently the proceedings are pending before COMPAT/ CCI.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, consumer survey/satisfaction is carried out through "Customer Feedback Form" which is studied to improve the offerings to the customers. In addition, through the Company's website (www.dlf.in- "your experience with us") tab, the customer's views are collated to understand the satisfaction level and trend.