

Business Responsibility Report – 2016

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- 2015-16

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 primarily engaged in development business focuses on the development and sale of residential real estate which include plotted developments, houses, villas and apartments of varying sizes and integrated townships, with a focus on the high end, luxury residential developments. The Company also involves in lease business involving leasing of developed office space, IT SEZ and retail properties.

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 including Bengaluru, Chennai, Chandigarh, Kolkata, Hyderabad, Kochi, Indore, Lucknow and others. 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 catering various geographic markets in India.

Section B: Financial Details of the Company

1. Paid-up Capital (INR) - 35,674.32 lac (as on 31st March 2016)

2. Total Turnover (INR) : Rs.3,57,259.26 lac (Standalone)
3. Total profit after taxes (INR) : Rs.97,455.81 lac (Standalone)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) –

The Company has spent prescribed CSR expenditure amounting to Rs. 1040.00 lac, being the 2% of the average net profit of the Company for the last three years as mandated in the Companies Act, 2013. In addition, DLF Cyber City Developers Ltd. and DLF Assets Ltd., subsidiary companies have also spent Rs.831.26 lac and Rs.86 lacs respectively, for CSR activities.

5. List of activities in which expenditure in 4 above has been incurred:-

The expenditure has been incurred, inter-alia, in the following areas -

- i. Village Cluster Development Programme
- ii. Swacch Programme
- iii. Talent Nurturing Programme
- iv. Skill Development Programme
- v. Urban under privileged Programme

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has 118 subsidiaries as on 31st March, 2016.

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%]

No.

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. The Board constituted a Corporate Social Responsibility (CSR) Committee comprising Dr. K.P. Singh, Chairman, Ms. Pia Singh, Mr. Mohit Gujral, Mr. Rajeev Talwar, Mr. Pramod Bhasin and Mr. Ved Kumar Jain as members. 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 broadly confirms 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/ (i. Code of Conduct; ii. Code of Conduct to Regulate, Monitor & Report Trading by Insiders; iii) Whistle Blower Policy and iv) Environment Policy; v) Corporate Social Responsibility Policy; vi) Related Party Transactions Policy; vii) Material Subsidiary Policy; viii.) Nomination & Remuneration 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 Company has made significant investments in community welfare initiatives including the underprivileged through education, training, health, environment, capacity building and rural centric interventions. In line with the requirements of the Companies Act, 2013, the Board has constituted the CSR Committee to formulate the CSR Policy, to recommend the amount of expenditure to be incurred in CSR Activities and to institutionalize transparent monitoring mechanism for ensuring implementation of CSR policy.

Apart from the Board constituted Committee, 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 quarterly published by the 'DLF Foundation'.

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 Code of Conduct and Whistle Blower Policy cover other stakeholders as well.

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

The Code of Conduct and other policies 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) suspected to be taking place in the Company for appropriate action and reporting. Further, no employee was denied access to the Audit Committee and all the relevant disclosures are reported to the Chairman of the Audit Committee. 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 Stakeholders Grievance Committee (sub-committee of the Board) which, inter alia, reviews the shareholders complaints and their resolutions. During the year 2015-16, the Company received thirteen complaints from shareholders and disposed off the same. Four 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.

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. So far DLF has received GOLD LEED Certification for various building (16.61 million square feet on leasable area) built in across India and in continuation with

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.

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.

Principle 3

1. Please indicate the Total number of employees:

In DLF group :1948 (as of 31st March, 2016)

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

NIL (as of 31st March, 2016)

3. Please indicate the Number of permanent women employees :

In DLF group :182 (as of 31st March, 2016)

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 29% Employees were imparted general and safety trainings.
- **Permanent Women Employees**
Around 18% Employees were imparted general and safety trainings.
- **Casual/Temporary/Contractual Employees**
Nil.
- **Employees with Disabilities**
Nil.

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, there is an endeavour to do 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 Gas based Cogeneration power plants of aggregate capacity of about 112 MW. Due to their environmental friendliness, the UNFCCC had registered some of these projects under CDM / carbon credit scheme.

The Hyperlink of the web pages providing the details to some of the above mentioned cogeneration plants are as follows:

- a) Weblink for the cogeneration plant installed at DLF Silokhera SEZ, Gurgaon:
<http://cdm.unfccc.int/Projects/DB/BVQI1333468846.77/view>

- b) Weblink for the cogeneration plant installed at DLF Building-5, Cybercity, Gurgaon:

<http://cdm.unfccc.int/Projects/DB/BVQI1373287235.95/view>

- c) Weblink for the cogeneration plant installed at DLF Building-8, Cybercity, Gurgaon:

<http://cdm.unfccc.int/Projects/DB/SIRIM1324300380.72/view>

In addition, to address climate change and global warming, the Company uses double glassed doors and windows, LED 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 has gas based cogeneration system projects of capacity 112 MW that are related to clean development mechanism. The Cogeneration plants at DLF Silokhera, Building-5 & Building -8 having an installed capacity of 17MW, 40 MW & 5.6 MW respectively have been registered at UNFCCC as clean development project and would generate about 41500 Certified emission reductions (CERs) annually at full design load operation.

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 CDM projects registered at UNFCCC for carbon credits are as follows:

- a) DLF Silokhera CDM project:
<http://cdm.unfccc.int/Projects/DB/BVQI1333468846.77/view>
- b) DLF Building -5 CDM project:
<http://cdm.unfccc.int/Projects/DB/BVQI1373287235.95/view>
- c) DLF Building-8 CDM project:
<http://cdm.unfccc.int/Projects/DB/SIRIM1324300380.72/view>

DLF Limited had taken initiative for utilization of clean technology by installation of Solar PV based roof top electrical systems of capacity 113.4 KW and 40.32 KW on the building roof tops of DLF Kolkata IT Park- II and Mall of India Noida respectively.

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

Yes. 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)

2. 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. Such details are forming part of CSR Report.

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 either in-house or through DLF Foundation and other trusts, and also in collaboration with other external organizations/ NGOs.

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

Impact assessment is a very important element of all our projects and all our initiatives are

assessed against identified project deliverables. In addition to end-line assessment, regular mid-term assessments are also conducted in addition to routing monthly monitoring.

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

The Company has made prescribed CSR expenditure amounting to Rs.1040 lac crore, being the 2% of the average net profit of the Company for the last three years as required under the Companies Act, 2013. The expenditure has been incurred, inter-alia, in the following areas -

- i) Village Cluster Development Programme
- ii) Swacch Programme
- iii) Talent Nurturing Programme
- iv) Skill Development Programme
- v) Urban under privileged Programme

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. We approach our projects with a mission to empower communities. Therefore, we work on making self-reliant communities with huge inputs on awareness building and ensuring access to rights and entitlements. Not only the community is involved right from the planning stage, but also takes over the management aspects. e.g. people's contribution in management of waste management programme which now runs on a self-sustainable model.

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 expeditiously. On an average 20% of the consumer cases pending

before the various forums/Courts get resolved and or 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 and commercial unit(s) 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.

There are complaints filed before CCI on various projects of the Company imposition of unfair and unilateral conditions by abuse of dominant position on the allottees in terms of Apartment Buyers' Agreement entered into with the allottees. The Company has refused the allegations of imposition of any such unfair and arbitrary conditions by abuse of dominant position and at present proceedings are pending before the CCI/Compat and also before the Hon'ble Supreme Court of India. The Company has taken legal opinion and as per the advice the Company has a good case on merits.

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.