



Cyber Park, Gurugram

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# Company Information

Dr. K.P. Singh  
Chairman Emeritus  
(w.e.f. 05.06.2020)

## Board of Directors

### Executive Directors

Mr. Rajiv Singh  
Chairman  
(w.e.f. 04.06.2020)

Mr. Mohit Gujral  
CEO & Whole-time Director

Mr. Rajeev Talwar  
CEO & Whole-time Director

Mr. Ashok Kumar Tyagi  
Whole-time Director

Mr. Devinder Singh  
Whole-time Director

### Non-Executive Directors

Dr. K.N. Memani  
Lead Independent Director

Ms. Pia Singh

Mr. G.S. Talwar

Mr. Ved Kumar Jain

Dr. D.V. Kapur

Mr. Pramod Bhasin

Mr. Rajiv Krishan Luthra

Lt. Gen. Aditya Singh (Retd.)

Mr. A.S. Minocha

Mr. Vivek Mehra

Ms. Priya Paul  
(w.e.f. 01.04.2019)

## Reference Information

### Registered Office

Shopping Mall, 3<sup>rd</sup> Floor, Arjun Marg  
Phase-I, DLF City, Gurugram - 122 002  
(Haryana)

### Corporate Office

DLF Gateway Tower, R Block  
DLF City, Phase - III, Gurugram - 122 002  
(Haryana)

### Statutory Auditors

S.R. Batliboi & Co. LLP

### Registrar & Share Transfer Agent

KFin Technologies Private Limited  
(Formerly Karvy Fintech Private Limited)

### Listed at

BSE Limited  
National Stock Exchange of India Limited

### Company Secretary

Mr. Subhash Setia

# Message from the Chairman

*Dear Shareholders,*

DLF continues to be at the forefront of changing the urban landscape of India with world-class buildings, a customer-centric approach and following the best practices in areas like construction, environment, compliance and corporate governance.

I am happy to inform you that in the financial year gone by, your Company continued to set new milestones and win accolades. The unfortunate onset of COVID-19 along with the lockdown led to a very challenging environment for the past few months.

I am pleased to inform you that all associates of your Company rose to meet the challenges that this posed and worked tirelessly to ensure wellbeing of all our residents and tenants. We ensured that all critical infrastructure was operational to ensure continuity of business for all our stakeholders. While attending to the physical aspects posed by the pandemic was paramount, your Company also ensured that all commitments to all stakeholders including Financial institutions were met in a timely manner.

The pandemic affected everyone, especially the vulnerable sections of society. Your Company along with DLF Foundation leveraged its reach with its presence in 14 states and 21 cities. We partnered with the State Governments, District Administrations, Police and several local government departments to provide relief to those affected. The measures included providing cooked meals to the migrants, distribution of dry ration to the stranded and needy. Medical supplies, including diagnostic machines, hospital beds and personal protective equipment were donated to local authorities for Covid front liners. While the Company is ensuring that it is coping well with the challenges presented by COVID-19, we will need to stay vigilant given the uncertain nature of the pandemic's future course.

The financial year 2019-20 was a challenging year for the already ailing real estate sector because of liquidity and the overall macro environment. COVID-19 has further accentuated these challenges, but we have

adapted to the change. Today, your Company is agile, lean and focused on delivering what we had committed. The leadership team is steering our organization through the crisis while ensuring minimal effect on our growth plans.

Our business continued to exhibit resilience leading to robust performance during the year gone by, despite the challenges. The gross sales bookings grew by 10% and stood at ₹ 3,450 crore for the full year. The rental business continued to demonstrate strong performance and remains steadfast on its growth path with rental income exhibiting an increase of more than 15% from the previous year. Your Company, along with its subsidiaries, has successfully developed an unparalleled, well-diversified portfolio of rental assets spread across more than 2.97 million square meter (32 million square feet) situated across key locations. We have embarked on the journey of further enhancing this portfolio with the latest addition of Cyber Park in Gurugram and initiating the development of 2 marquee destinations viz. "Downtown" at Gurugram & Chennai.

Despite the challenges faced by the Industry in recent times, I strongly believe that the inherent strength and the fundamentals of the business remain unaltered. Business during such uncertain times will witness various challenges and opportunities, but I am confident that the combination of our meticulous and clearly laid out strategy, cost optimization initiatives, organizational competency, the inherent strength of the business coupled with a healthy balance sheet will enable our Company to emerge stronger. We shall continue pursuing these goals while adhering to the highest standards of governance and compliance.

We will continue to invest in our long-term growth strategy of creating new products across all segments with an enhanced focus on optimizing our product mix in line with the market demand. We continue to strive towards creating products offering greater value proposition to the customers thus eliciting renewed demand across all segments.

Dr. K.P. Singh, who was instrumental in transforming not only your Company, but the entire Real Estate

sector has retired after a long and illustrious career of more than five decades with the Company. His pioneering efforts in Urban Development and in Public Private Partnership in this sector have truly been a huge inspiration and we at DLF recommit ourselves to fulfil his dreams of a vibrant and developed India. We are grateful that he has agreed to continue guiding us as the “Chairman Emeritus”.

I am humbled and truly honored to take forward his legacy and vision under his continued guidance. Filling such large shoes is indeed a challenge and I am truly honored by this responsibility. I do hope

that I continue getting your invaluable support as our Company embarks on the journey towards greater success and long-term value creation for all our stakeholders.

I am grateful to all our stakeholders & partners for their support, my fellow Board members for their exemplary leadership and continued guidance, the management team and employees for diligent execution of the organizations’ vision and strategy.

I would like to conclude by reiterating that I look forward to leading the Company to even greater heights.

With best wishes,

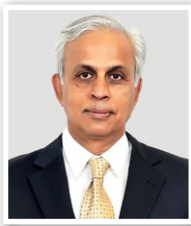
Sincerely,

**Rajiv Singh**  
**Chairman**

# Board of Directors



Mr. Rajiv Singh



Mr. Mohit Gujral



Mr. Rajeev Talwar



Mr. Ashok Kumar Tyagi



Mr. Devinder Singh



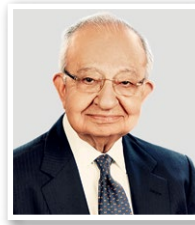
Ms. Pia Singh



Mr. G.S. Talwar



Dr. K.N. Memani



Dr. D.V. Kapur



Mr. Ved Kumar Jain



Mr. Pramod Bhasin



Mr. Rajiv Krishan Luthra



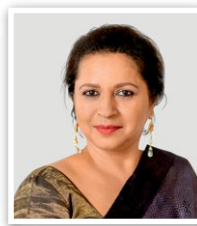
Lt. Gen. Aditya Singh (Retd.)



Mr. A.S. Minocha



Mr. Vivek Mehra



Ms. Priya Paul



## Directors' Report

Your Directors have pleasure in presenting their 55<sup>th</sup> Report on the business and operations of the Company, together with the audited results for the financial year ended 31 March 2020.

### Financial and Operational Highlights

(₹ in crore)

	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Total Income	<b>6,888</b>	9,029	<b>4,864</b>	3,709
Total expenses	<b>6,575</b>	8,511	<b>2,584</b>	2,943
Profit before exceptional items, tax, share of profit in associates and joint ventures	<b>313</b>	518	<b>2,280</b>	766
Exceptional items (net)	<b>340</b>	127	<b>1,186</b>	-
Profit before tax, share of profit in associates and joint ventures	<b>653</b>	646	<b>3,466</b>	766
(a) Tax expense for the year	<b>217</b>	277	<b>57</b>	78
(b) DTA reversal on account of adoption of new tax rate	<b>1,916</b>	-	<b>1,145</b>	-
Less: Tax expense (a) + (b)	<b>2,133</b>	277	<b>1,202</b>	78
Profit/ (Loss) after tax	<b>(1,479)</b>	368	<b>2,264</b>	688
Share of Profit/ (Loss) in jointly controlled entities (net)	<b>890</b>	946	-	-
Net Profit for the year	<b>(590)</b>	1,314	<b>2,264</b>	688
Other Comprehensive Income	<b>(10)</b>	(3)	<b>(3)</b>	(1)
Total Comprehensive Income	<b>(600)</b>	1,311	<b>2,261</b>	687

### Financial Performance Review and Analysis

On a consolidated basis, your Company recorded a revenue (including other income) of ₹ 6,888 crore, which was lower by 24% as compared to the previous year. This was largely on account of change in the product mix of the completed properties delivered by the Company during the financial year.

This led to profit before tax and exceptional items at ₹ 313 crore as compared to ₹ 518 crore in the previous year. In view of COVID-19, after a thorough analysis and following a prudent approach, your Company undertook certain provisions to reflect changes in carrying value of some of its assets and investments. This led to a

one-time, exceptional provision of ₹ 331 crore in the last quarter of FY'20.

During the year, we recorded exceptional gain on transfer of certain investments which netted off with exceptional provision made on certain assets, resulted into net exceptional income of ₹ 340 crore. Further, the Company recorded a one-time reversal in Deferred Tax Assets (DTA) of ₹ 1,916 crore upon adoption of lower tax rate pursuant to the Finance Act, 2019. This led to your Company recording a net loss after taxes, but before Minority Interest and share of Profit in jointly controlled entities of ₹ 1,479 crore as against net profit of ₹ 368 crore in the previous financial year.

After accounting for share of profit in DLF Cyber City Developers Limited and other jointly controlled entities of ₹ 890 crore, your Company recorded a net loss of ₹ 590 crore during the year as against net profit of ₹ 1,314 crore in the previous financial year. However, Net Profit for the year excluding impact of DTA reversal on account of adoption of new tax rate for FY'20 would have been ₹ 1,326 crore against ₹ 1,314 crore of FY'19.

The Ministry of Corporate Affairs had notified Ind AS 116 'Leases', which supersedes Ind AS 17 'Leases'. Ind AS 116 is effective for an annual period beginning on or after 1 April 2019 and sets out principles for recognition, measurement, presentation and disclosure of leases to account for all leases under a single on balance sheet model. The Company has adopted a modified retrospective approach in terms of Ind AS 116. Under this approach, the lessee records the lease liability at the present value of the remaining lease payments (over the non-cancellable term of the lease), discounted at the incremental borrowing rate and the right to use assets. In case where the Company is a lessor, lease rentals are straight line over the non-cancellable period and accordingly, the period of security deposit is also aligned in accordance with the lease terms determined as per Ind AS 116.

Consequently, the right to use assets of ₹ 344.67 crore with corresponding lease liability of ₹ 239.72 crore has been recognised in consolidated financial statements. The net impact of the same on the consolidated profit before tax for the year is due to adoption of Ind AS 116, the Profit before tax for the year ended is down by ₹ 30.73 crore along with corresponding gain of ₹ 12.66 crore adjusted in retained earnings.

### Change in Leadership

#### Chairman

Dr. K.P. Singh, Non-Executive Director/ Chairman of the Company, who has been at the helm of the affairs of the Company over five decades, as part of the succession planning, tendered resignation on 4 June 2020. The

Board has elevated Mr. Rajiv Singh, as 'Chairman' of the Company effective 4 June 2020.

Mr. Rajiv Singh, a Mechanical Engineering Graduate from the Massachusetts Institute of Technology, U.S.A. was the Vice Chairman of the Company and has led the Company with great success in developing and sustaining its leadership in each segment of the real estate sector by development of world class residential, IT parks and office complexes and brought international organized retail experience in India. His vision has also helped to drive infrastructural project like 16 Lane Toll Free Road in Gurugram.

The Company under his able leadership will navigate sectoral challenges and shall emerge stronger.

#### **Chairman Emeritus**

Considering Dr. K.P. Singh's outstanding and selfless service for development, growth and success of the Company and his path breaking and visionary contribution towards building a modern India as a real estate developer which has transformed the urban landscape of the country, the Board has conferred upon Dr. Singh lifetime title of 'Chairman Emeritus' with effect from 5 June 2020. This

would help the Company to continue reaping the benefits of the rich reservoir of his experience, knowledge, wisdom and insights.

#### **Impact of COVID-19**

The pandemic caused some temporary disruptions in the economy and on the real estate industry as well. The pandemic has impacted the consumer sentiments and spending appetite in the short-term, however the longer term impact still remains uncertain. Due to the subsequent lockdown restrictions, certain operations and construction activities were impacted as these had to be shut down. Construction activities are now gradually returning back to normalcy.

The residential segment was impacted as demand continued to remain muted in this period. Some green shoots of consumer interest revival is visible, especially in the low to mid-income housing.

Offices business continued to demonstrate resilience in these challenging times with sustained collections and positive feedback from the tenant partners. Your Company ensured seamless business continuity to all its partners. New concepts like work from home, de-densification and









wellness are emerging in this segment and are expected to complement this business.

Retail business was severely impacted as all malls remained shut due to lockdown restrictions. Retail malls are expected to resume operations soon albeit without cinemas and restricted Food and Beverage activities. Your Company anticipates that marquee properties at good locations shall bounce back, while taking a longer tenure.

Your Company maintained extensive connect with all its retail partners and keeping in mind the pain and challenges faced by the industry, plans to offer a revised rental scheme on the concept of “shared pain” to all its partners across the malls. This shall help in reinstating confidence and growth in the business in the long run.

Rental collections in offices business has been resilient and your Company is confident that the business shall return back to its growth phase by end of the year.

#### **DLF Cyber City Developers Limited (DCCDL)**

DCCDL reported a consolidated income of ₹ 5,083 crore as compared to ₹ 5,088 crore in the previous financial year. DCCDL consolidated EBIDTA is ₹ 3,720 crore in

FY'20 in comparison to ₹ 3,794 crore in FY'19 and total comprehensive income stood at ₹ 1,317 crore compared to ₹ 1,400 crore in FY'19. As on 31 March 2020, DCCDL and its subsidiaries, together, had an operational portfolio of 2.81 million square meter (msm) [30.3 million square feet (msf)]. The Company owns 66.67% stake in DCCDL, while the balance is owned by GIC, Singapore.

#### **Review of Business**

##### **Development Business**

###### **Residential Segment**

This sector was already grappling with subdued demand due to oversupply, liquidity crunch and certain regulatory initiatives by various authorities. The COVID-19 has further pushed back this segment. The Company recorded Gross Sales booking of ₹ 3,450 crore during the FY 2019-20, an increase of approximately 10% from previous year. Net sales booking was at ₹ 2,485 crore. The Company is poised to liquidate its ready-to-built inventory. In order to improve demand, the Company is planning to introduce new products in the coming months to address the vast unmet demand in mid-income housing and is proposing to launch projects to address this.

Artist's impression of DLF Downtown, Gurugram

