# 22nd ANNUAL REPORT

# 2020-21

# DLF EMPORIO LIMITED

CIN: U74920HR1999PLC034168

REGD. OFFICE: SHOPPING MALL, PHASE-I,
DLF CITY, GURUGRAM,
HARYANA-122002.

# DLF EMPORIO LIMITED
## (CIN: U74920HR1999PLC034168)

DLF Emporio

**Company Information**

**Board of Directors**

Mr. Prashant Gaurav Gupta
Director & Manager
(DIN – 07951272)

Mr. Manoj Kumar Dua
Director
(DIN – 02794998)

Mr. Giri Raj Shah
Director
(DIN: 03436135)

Mr. Yogendra Negi
Director
(DIN: 08565147)

**Chief Financial Officer**

Mr. Hari Krishan Bansal

**Reference Information**

**Registered Office Address**

Shopping Mall, Phase-1, DLF City, Gurugram, Haryana-122002.

**Registrar & Share Transfer Agent**

Alankit Assignments Limited
Regd. Off: 205-208 Anarkali Complex, Jhandewalan Extension, New Delhi - 110055.

**Statutory Auditors**

S.R. Batliboi & Co. LLP,
Chartered Accountants,
2nd and 3rd Floor, Golf View, Corporate Tower B, Sector-42, Sector Road, Gurugram-122002, Haryana.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

# NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 22nd ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF THE COMPANY WILL BE HELD ON FRIDAY, 20th AUGUST 2021 AT 10:00 A.M. THE REGISTERED OFFICE OF THE COMPANY AT SHOPPING MALL, PHASE-I, DLF CITY, GURUGRAM-122002, HARYANA TO TRANSACT THE FOLLOWING BUSINESSES:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2021 together with the Reports of Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Manoj Kumar Dua (DIN: 02794998), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT pursuant to the provisions of Section 2(53), 196, 203 read with Schedule V and/or any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force) ('the Act'), and such other approvals, consents and permissions, as may be necessary, the consent of the Company be and is hereby accorded to re-appoint Mr. Prashant Gaurav Gupta (DIN: 07951272), Director as Manager of the Company for a period of 3 (three) years with effect from 16th May 2021, without any remuneration.**

   **RESOLVED FURTHER THAT in terms of Section 2(53) of the Act, Mr. Prashant Gaurav Gupta, Manager, subject to the superintendence, control and direction of the Board of Directors shall have the management of whole or substantially the whole of the affairs of the Company.**

   **RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to do all such acts, deeds and things including entering into such agreement(s), deed(s) or any such document(s) as the Board of Directors may, in its absolute discretion, consider necessary, expedient or desirable including to sub-delegate all or any of the powers herein conferred on it, in order to give effect to this resolution or as otherwise considered necessary by the Board of Directors to be in the best interest of the Company."**

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT in partial modification to the earlier shareholders' resolution dated 20th November 2018, pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force) (the Act), Articles of Association of the Company, subject to such approvals, consents and permissions, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors to give, from time to time, any loan(s), advances, deposits to any person, company(ies) or other body corporate(s); and/ or give guarantee(s) and/ or provide security(ies) in connection with loan(s) to any company(ies), body corporate(s) or person(s); and/ or make investment in shares, debentures and/ or other security(ies) of any other body corporate(s), up to an additional amount of ₹ 1,250 crore (Rupees One Thousand Two Hundred and Fifty crore only), aggregating to ₹ 2,500 crore (Rupees Two Thousand and Five Hundred crore only) notwithstanding that the individual/ aggregate of the loan(s) or guarantee(s) or security(ies), so given or to be given and/ or securities acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Act.**

**RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board of Directors to be in the best interest of the Company."**

**By order of the Board of Directors**
**For DLF Emporio Limited**

GShah

**Giri Raj Shah**
**Director**
**DIN: 03436135**

**Date : 01.06.2021**
**Place : Gurugram**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HERSELF/ HIMSELF IN ACCORDANCE WITH THE COMPANIES ACT, 2013 ('the Act'). THE ENCLOSED PROXY FORM, IF INTENDED TO BE USED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY DULY**

**COMPLETED, STAMPED AND SIGNED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

2. The requirement to place the matter relating to ratification of appointment of Auditors by the members at every AGM has been obliterated by the Ministry of Corporate Affairs, New Delhi vide its notification dated 7th May 2018. Accordingly, no resolution is proposed for ratification of appointment of S. R. Batliboi & Co. LLP, Chartered Accountants, Statutory auditors of the Company who were appointed in the 18th Annual General Meeting of the Company held on 28th September 2017.

3. The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the business under Item Nos. 3 and 4 of the notice is annexed hereto and forms part of this Notice.

4. The details of Director/ Manager seeking re-appointment, in terms of the Act (including Secretarial Standard-2) are annexed hereto and forms part of this Notice.

5. Relevant documents, if any and statutory registers will be open for inspection at the Registered Office of the Company on all working days up to the date of the AGM and shall also be available for inspection at the venue of AGM.

6. Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

7. In terms of the Articles of Association of the Company, the facility for voting through polling paper in terms of Section 109 of the Act and the rules made thereunder shall be made available at the AGM.

8. The Company has appointed Mr. Subhash Chander Setia, Company Secretary in whole-time practice as scrutinizer to scrutinize the polling process in fair and transparent manner. Mr. Setia has given his consent for such appointment.

9. The Company, being a wholly-owned subsidiary of DLF Cyber City Developers Limited, route map of the venue of the Meeting and prominent landmark as per Secretarial Standard–2 on General Meetings have not been provided.

10. Members are requested to quote their DP ID–Client ID and email-id, telephone/ mobile no. in all their correspondences.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## EXPLANATORY STATEMENT

## [Pursuant to Section 102 of the Companies Act, 2013]

### Item No. 3

The Members may please note that Mr. Prashant Gaurav Gupta is a Director of the Company since 29th January 2019.

Mr. Gupta, Director, was appointed as Manager of the Company for a period of 3 years w.e.f. 16th May 2018, without any remuneration.

The Board of Directors vide its resolution dated 22nd January 2021, subject to approval of the members of the Company and such other approvals, consents and permissions, as may be necessary, had accorded its approval to re-appoint Mr. Prashant Gaurav Gupta, Director as Manager of the Company for a further period of 3 (three) years w.e.f. 16th May 2021, without any remuneration.

Mr. Gupta has not incurred any disqualification under Section 196(3) of the Companies Act, 2013 ('the Act'). Further, pursuant to the provisions of Part I to Schedule V of the Act, he is eligible for re-appointment as a Manager of the Company. Hence it is proposed to seek the Members' approval by way of an Ordinary Resolution to re-appoint Mr. Prashant Gaurav Gupta as a Manager of the Company.

In terms of the provisions of Section 2(53) of the Act, Mr. Gupta, subject to the superintendence, control and direction of the Board shall have the management of the whole, or substantially the whole, of the affairs of the Company.

In terms of the provisions of Section 2(51) of the Act, Mr. Gupta is designated as Key Managerial Personnel and shall perform such functions as may be necessary under the Act or rules made thereunder or assigned to him by the Board of Directors from time to time.

Brief resume of Mr. Prashant Gaurav Gupta and nature of his expertise in specific functional areas along with details in terms of the provisions of the Act (including Secretarial Standard-2) are given hereunder:

| | |
|---|---|
| **Age:** | 41 Years |
| **Qualifications:** | Mr. Gupta is a Commerce Graduate [B.Com. (Hons.)] from Delhi University and holds B.Sc. degree in Hospitality Management from Indira Gandhi National Open University |

| | |
|---|---|
| **Experience:** | Mr. Gupta has rich experience of over 18 years in hospitality and had a successful stint with ITC Hotels in the past. His last assignment was as Hotel Manager of flagship Hotel of ITC Limited. |
| **Terms and Conditions of re-appointment along with details of remuneration sought to be paid, if any:** | Appointment is for a period of 3 years without any remuneration. |
| **Details of the remuneration last drawn:** | He has not drawn any remuneration from the Company. |
| **Date of first appointment on the Board:** | 29/01/2019 (Director) |
| **Shareholding in the Company:** | Nil |
| **Relationship with Other Directors and other KMP(s):** | Nil |
| **Number of Board Meetings attended during the financial year:** | 5 out of 5 |
| **Other Directorship(s):** | 1. DLF Emporio Restaurants Limited; and<br>2. Riveria Commercial Developers Limited |
| **Committee Positions in other Public Companies:** | Nil |

Mr. Prashant Gaurav Gupta, being the appiontee is interested in the resolution set-out at item no. 3. Save and except the above, none of the other Directors and Key Managerial Personnel or their relatives in any way, is concerned or interested either financially or otherwise in the resolution set out at Item No. 3 .

The Board commend the resolution for approval of the members as an **Ordinary Resolution.**

**Item No. 4**

In terms of the provisions of Section 186 of the Companies Act, 2013 ('the Act'), where giving of any loan or guarantee or providing any security or the acquisition of securities exceeds:

(a) sixty percent of the aggregate of the paid-up capital, free reserves and securities premium account; or

(b) hundred percent of its free reserves and securities premium account;

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

whichever is more, prior approval of the shareholders by means of passing a Special Resolution shall be necessary.

The shareholders of the Company at their Extra-Ordinary General Meeting held on 20th November 2018 had authorized the Board of Directors to grant loan(s)/ give guarantee(s) or provide security(ies) and make investment(s) in securities up to an aggregate amount not exceeding ₹ 1,250 crore (Rupees One Thousand Two Hundred and Fifty Crore only). Given that the Company has been fulfilling the funding requirements of its holding and fellow-subsidiary company(ies) from time to time and also making inter-corporate investments, the afore-stated limit is about to be exhausted.

In view of the future requirements of business and ensuring the Company's funding obligations towards its holding and fellow-subsidiary company(ies), it is proposed to obtain the shareholders' approval up to an additional amount of ₹ 1,250 crore (Rupees One Thousand Two Hundred and Fifty crore only), aggregating to ₹ 2,500 crore (Rupees Two Thousand and Five Hundred crore only), which amount, as on date, is higher than the limits specified in Section 186 of the Act.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the resolution set-out at Item No. 4 except to the extent of their directorships and shareholding in subsidiaries, fellow subsidiaries and associates.

The Board of Directors commends the resolution for approval of the Members as a **Special Resolution**

**By order of the Board of Directors**
**For DLF Emporio Limited**

**Giri Raj Shah**
**Director**
**DIN: 03436135**

**Date : 01.06.2021**
**Place : Gurugram**

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## PROXY FORM

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

**CIN**: U74920HR1999PLC034168

**Name of the Company**: DLF Emporio Limited

**Registered office**: Shopping Mall, Phase-I, DLF City, Gurugram - 122 002, Haryana

Name of the member(s): ______________________________
Registered address: ______________________________
E-mail Id: ______________________________
Client Id: ______________________________
DP ID: ______________________________

I/ We, being the member(s) of .................. Shares of the above-named Company, hereby appoint

1. Name: ...............
   Address: ............
   E-mail Id: ..............
   Signature: ........................, or failing him/ her

2. Name: ................................
   Address: .........................
   E-mail Id: ..............................
   Signature: .............................., or failing him/ her

3. Name: .........................
   Address: ........................
   E-mail Id: ........................
   Signature: ...............................

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 22nd Annual General Meeting of the Company, to be held on **Friday, 20th August 2021 at 10:00 A.M. at the Registered Office of the Company at Shopping Mall, Phase-I, DLF City, Gurugram - 122 002, Haryana, India** and at any adjournment thereof in respect of such resolutions as are indicated below:

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

| Resl No. | Resolution(s) | For # | Against# | Abstained# |
|---|---|---|---|---|
| 1. | Adoption of Audited Financial Statements, Directors' Report and Auditor's Report for the financial year ended on 31st March 2021 | | | |
| 2. | Appointment of Mr. Manoj Kumar Dua (DIN: 02794998), who retires by rotation | | | |
| 3. | Re-appointment of Mr. Prashant Gaurav Gupta (DIN: 07951272) as Manager of the Company | | | |
| 4. | Approval for authority to the Board of Directors to grant loan(s), give guarantee(s) or create security(ies) and make investment in securities | | | |

Signed this ....... day of........... 2021

Affix Revenue Stamp of appropriate value

Signature of Member

Signature of Proxy holder(s)

**Notes:**

1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at least forty eight (48) hours before the commencement of the meeting.**

2) **A Proxy need not be a member of the Company.**

3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4) #This is only optional. Please put '✓' or '×' in the appropriate column against the resolutions indicated in the Box. If you leave 'For/or 'Against' column blank against the resolution, your Proxy will be entitled to vote in the manner as he/she deems appropriate.

5) Appointing a proxy does not prevent a member from attending the meeting in person, if he/she so desire.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

**ATTENDANCE SLIP**
**22nd Annual General Meeting – Friday, 20th August 2021 AT 10:00 A.M.**

| | |
|---|---|
| 1. Full Name and Registered Address of the Member (in BLOCK LETTERS) | |
| 2. Full Name of the Proxy (in BLOCK LETTERS) | |
| 3. DP Id – Client Id | |
| 4. No. of Equity Shares held | |

I/ We, Being the Registered Shareholder/ Proxy for the Registered Shareholder* of the Company, hereby record my/ our presence at 22nd Annual General Meeting of the Company held on **Friday, 20th August 2021 at 10:00 A.M. at the Registered Office at Shopping Mall, Phase-I, DLF City, Gurugram - 122 002** and at any adjournment(s) thereof.

Member's / Proxy's Signature

**** Strike off whichever is not relevant***

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## Details of the Director seeking re-appointment at the AGM

| | |
|---|---|
| **Name** | Mr. Manoj Kumar Dua |
| **Age** | 47 Years |
| **Qualifications** | Mr. Dua is a qualified Cost and Management Accountant, Company Secretary and Chartered Secretary (London, UK). |
| **Experience** | Mr. Dua has vast experience of more than 22 years in Corporate Financial Planning and Control, Accounts, Finance/ Fund Management, Commercial Operations, Systems implementations, Strategic Planning, Auditing, Direct & Indirect Taxation, Costing and Compliance functions in Manufacturing as well as Service organization(s). Mr. Dua had been part of DLF Group for over 16 years and holds the position of Assistant Vice President (Finance and Accounts), Mall division. |
| **Terms and Conditions of Appointment/ Re-appointment:** | Director, liable to retire by rotation |
| **Details of remuneration sought to be paid, if any:** | Nil |
| **Details of the remuneration last drawn:** | Nil |
| **Date of first appointment on the Board:** | 05/08/2017 |
| **Shareholding in the Company:** | Mr. Dua holds 1 (one) equity share in the Company as nominee of DLF Cyber City Developers Limited, holding company. |
| **Relationship with other Directors and other KMP(s):** | NIL |
| **Number of Board Meetings attended during the financial years 2020-21** | 5 out of 5 |
| **Other Directorship(s):** | 1. Nambi Buildwell Limited;<br>2. DLF Emporio Restaurants Limited;<br>3. Lodhi Property Company Limited;<br>4. DLF City Centre Limited;<br>5. Riveria Commercial Developers Limited;<br>6. DLF Info City Developers (Kolkata) Limited; and |

| | |
|---|---|
| | 7. Richmond Park Property Management Services Limited |
| **Committee Positions in other Companies:** | **Corporate Social Responsibility Committee**<br><br>Lodhi Property Company Limited - Member |

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## DIRECTORS' REPORT

**To the Members,**

Your Directors have pleasure in presenting their 22nd Annual Report on the business and operations of the Company together with the audited financial results for the financial year ended on 31st March 2021.

### Financial Performance

The performance of the Company for the financial year ended 31st March 2021 is as under:

(₹ in lakh)

| Financial Results | Financial Year 2020-21 | Financial Year 2019-20 |
|---|---|---|
| Total income | **11,274.75** | 23,071.46 |
| Total expenses | **8,173.32** | 10,768.30 |
| Profit/ (Loss) before tax | **3,101.43** | 12,303.16 |
| Less: Tax expenses | | |
| Current Tax | **1,221.94** | 2,853.33 |
| Deferred Tax credit | **270.44** | (389.10) |
| Net Profit | **1,609.05** | 9,838.93 |

In financial year 2020-21, the total income of the Company decreased from ₹ 23,071.46 lakh (previous year) to ₹ 11,274.75 lakh (current year). it was mainly due to decrease in rental income due to the impact of lockdown restrictions and decrease in other income. The expenses of the Company decreased from ₹ 10,768.30 lakh (previous year) to ₹ 8,173.32 lakh (current year). The Net Profit of the Company stood at ₹ 1,609.05 lakh (current year) against ₹ 9,838.93 lakh (previous year). The basic & diluted EPS for the financial year 2020-21 stood at ₹ 32.45/- as compared to ₹ 198.41/- in previous year.

### About DLF Emporio Mall: India's first and finest Luxury Shopping Destination

DLF Emporio is a name truly synonymous with luxury. Exclusivity, ambient spaces, state of the art unparalleled luxury retail and hospitality experiences and uber luxe aesthetics are the signatures of this spectacular offering. An environment that ensconces the best of global and Indian luxury brands, DLF Emporio is a heaven for luxury shoppers across India since only the finest signature brands, designer labels and high-end lifestyle products co-exist here.,

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

A forerunner and a pioneer in the Indian Luxury Retail space, DLF Emporio is solely responsible for putting India on the global luxury map.

Known for creating unique and discerning luxury experiences and offering best in class luxury services, DLF Emporio has always created benchmarks in excellence. As a validation of its distinction, DLF Emporio has been adjudged an "Iconic Project 2008" by Global Initiative for Restructuring Environment & Management, "Best Shopping Centre" by the "Shoppers and Consumers Insight" and "Images Group" from 2009-2012, "Most Admired Shopping Centre of the year 2014" by CMO Asia and "Asia's best Real Estate Project" by World Consulting & Research Corporation, "Retail Property of the year (National)" by Franchise India at the Magpie Estate Awards 2017. International Electrotechnical Commission Awards had accoladed the DLF Emporio in-house magazine "The Wedding Issue 2014" by including it in its top 100 magazines of the country and bestowing a "Certificate of Merit" to "The Festive Issue 2015".

## Future Outlook

The Indian economic situation remains fluid on account of the resurgence of the pandemic and expectations around its consequent impact. The economy, however, has exhibited resilience and remains on the recovery path led by the efforts of the Government and policy support from the Reserve Bank of India. The Government is scaling up the vaccination rollout programme to support broad-based economic recovery.

The retail sector witnessed one of the most challenging periods in recent history. The pandemic and consequent lockdown restrictions led to the malls being shut for the first few months of the fiscal. Your Company took a leadership approach by offering a support package to its retail tenant partners. The segment exhibited gradual recovery in the second half and the later period of the fiscal saw rebound in the segment with increased footfalls and better sales.

The overall expectation remains that consumption will recover steadily favorably impacting the malls. However, the retailers have to calibrate their operations and experience to align with the changing demand dynamics and re-evaluating their value propositions.

## Dividend

During the financial year under review, no dividend is proposed on the equity shares.

**Reserves**

During the financial year under review, your Directors do not propose to transfer any amount to reserves.

**Material Changes and Commitment**

There were no material changes and commitments, affecting the financial position of your Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

**Changes in the nature of Business**

There has been no change in the nature of business during the financial year under review.

**Scheme of Amalgamation**

The Board of Directors of your Company at its meeting held on 25th February 2020, approved a scheme of amalgamation (Scheme) pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder, involving amalgamation of Richmond Park Property Management Services Limited, holding company (Transferor Company) with the Company.

The Scheme was filed before the Hon'ble National Company Law Tribunal ('NCLT'), Chandigarh Bench. The appointed date per the Scheme of Amalgamation is April 1, 2019. The Hon'ble NCLT vide its Order dated August 14, 2020 has disposed the First Motion Petition with directions to file Second Motion Petition. The Second Motion Petition was filed on October 21, 2020. The petition is under consideration before the Hon'ble NCLT.

**Share Capital**

During the financial year under review, there were no changes in the share capital of the Company.

**Public Deposits**

Your Company has neither invited nor accepted/ renewed any public deposits during the financial year under review.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

## Holding Company

Richmond Park Property Management Services Limited, DLF Cyber City Developers Limited (DCCDL) and DLF Limited (DLF) continued to be the holding companies and Rajdhani Investments & Agencies Private Limited is the ultimate holding company of your Company.

## Subsidiary(ies)/ Associate Companies/ Joint Ventures

As on 31st March 2021, your Company does not have any subsidiary(ies)/ associate companies/ joint ventures. Therefore, the provisions of Section 129(3) of the Companies Act, 2013 and the rules made thereunder do not apply.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, are given at **Annexure-A** hereto and forms part of this Report.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various training, awareness and practices.

Your Company continues to follow a robust anti-sexual policy framed by DCCDL 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 by DCCDL 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, DCCDL has been conducting programmes on regular basis.

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

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

During the financial year under review, no case was reported. The Company continues to promote the cause of women colleagues, creating awareness on women's safety/ related issues, celebrating important days dedicated to women and organizing workshops on gender sensitivity.

**Directors' Responsibility Statement**

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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 at the end of the financial year and of the profit of the Company for that period;

(c) 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;

(d) they have prepared the annual accounts on a going concern basis; and

(e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Secretarial Standards**

During the financial year under review, your Company has followed all applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings'.

**The Board, Directors and Key Managerial Personnel**

As on the date of this report, the Board comprised of four Non-executive Directors. The composition of the Board of Directors is in conformity with the provisions of the Act.

During the financial year under review, Ms. Dinaz Madhukar has resigned from the office of Director w.e.f. 12th June 2020.

Further, during the financial year under review, the Board of Directors appointed Mr. Yogendra Negi as an Additional Director of the Company w.e.f. 30th July 2020. The shareholders at their last Annual General Meeting had appointed Mr. Negi as a Director of the Company, liable to retire by rotation.

Pursuant to provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Manoj Kumar Dua, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, the Board of Directors of the Company at its meeting held on 22nd January 2021, subject to the approval of the shareholders had accorded their approval for the re-appointment of Mr. Prashant Gaurav Gupta, Director as Manager of the Company for a further period of 3 consecutive years w.e.f. 16th May 2021, without any remuneration. The resolutions seeking members' approval for the re-appointment of Mr. Dua and Mr. Gupta form part of the Notice.

A brief resume of Director/ Manager seeking re-appointment, along with other details, as stipulated in the Secretarial Standard on General Meetings, are provided in the Notice for convening Annual General Meeting.

Mr. Prashant Gaurav Gupta, Director & Manager and Mr. Hari Krishan Bansal, Chief Financial Officer are the Key Managerial Personnel of the Company in terms of the provisions of the Act.

None of the Directors of the Company are disqualified under Section 164 of the Act.

## Board Meetings

During the financial year under review, the Board met 5 (five) times i.e. on 1st June, 30th July, 23rd October 2020, 22nd January and 23rd March 2021, the attendance of which is as under. The maximum interval between any two meetings was 91 days, which was in compliance with the provisions of the Act. The requisite quorum was present at all the meetings.

| S. No. | Name of the Members | Position | No. of meeting(s) | |
|---|---|---|---|---|
| | | | Held during tenure | Attended |
| 1. | Ms. Dinaz Madhukar (up to 11.06.2020) | Director | 1 | 1 |
| 2. | Mr. Manoj Kumar Dua | Director | 5 | 5 |
| 3. | Mr. Prashant Gaurav Gupta | Director & Manager | 5 | 5 |
| 4. | Mr. Giri Raj Shah | Director | 5 | 5 |
| 5. | Mr. Yogendra Negi (w.e.f. 30.07.2020) | Director | 3 | 3 |

**Corporate Social Responsibility Committee (CSR Committee)**

The CSR Committee comprises three Directors. The Committee's composition and terms of reference are in compliance with provisions of Section 135 of the Act.

During the financial year under review, two meetings of the CSR Committee were held on 1st June 2020 and 23rd March 2021, the attendance of which is as under. The requisite quorum was present in all the meetings:

| S. No. | Name of the Members | Position | No. of meeting(s) | |
|---|---|---|---|---|
| | | | Held during tenure | Attended |
| 1. | Ms. Dinaz Madhukar (up to 01.06.2020) | Member/ Chairperson | 1 | 1 |
| 2. | Mr. Prashant Gaurav Gupta | Member | 2 | 2 |
| 3. | Mr. Manoj Kumar Dua (up to 01.06.2021) | Chairman | 2 | 2 |
| 4. | Mr. Giri Raj Shah (Member w.e.f. 01.06.2020 and Chairman w.e.f. 01.06.2021) | Member/ Chairman | 1 | 1 |
| 5. | Mr. Yogendra Negi (w.e.f. 01.06.2021) | Member | 0 | 0 |

In terms of the provisions of Section 135 of the Act, your Company was required to spend an amount of ~ ₹ 2.57 crore on CSR projects/ programmes/ activities for the financial year 2020-21.

The Board of Directors of the Company, based on the recommendation of the CSR Committee, had accorded its approval to undertake three long-term projects/ programmes/ activities ('Ongoing/ Multiyear Projects') and agreed to contribute an amount of ~ ₹ 1.57 crore to DLF Foundation and ~ ₹ 1.00 crore to DLF Q.E.C. Educational Charitable Trust, by way of corpus/ otherwise, in one or more tranches. The Company has spent the entire CSR contribution of ~ ₹ 2.57 crore.

The Company has committed to make significant investments in community welfare by undertaking 'Saving Lives Through Safer Roads' initiative through DLF Foundation. Under this initiative DLF Foundation will construct pedestrian crossovers across Ch. Raghvendra Marg and National Highway (NH) 48, which in turn would not only help to save lives, but also ease traffic movement on Ch. Raghvendra Marg and NH-48 and other side roads.

The Company has agreed to make investment in community welfare by undertaking 'Education Promotion Programme' initiative through DLF Q.E.C Educational Charitable Trust and COVID-19 relief through DLF Foundation.

The Board has approved the amendment in CSR Policy and adopted Annual Action Plan of the Company in accordance with Section 135 of the Act and Rules made thereunder. A copy of the CSR policy is available on the Company's website viz. www.dlfemporio.com

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

## Vigil Mechanism

Pursuant to Section 177 of the Act, the Company has in place a Vigil Mechanism policy namely 'DLF Emporio Limited - Vigil Mechanism' for establishing a vigil mechanism for Directors and employees to report instances of unethical and/ or improper conduct and to take suitable steps to investigate and correct the same. Directors, employees, vendors, customers or any person having dealings with the Company may report non-compliance of the policy to the noticed persons.

Mr. Giri Raj Shah has been authorised to hear the grievances of the stakeholders, employees and Directors and take steps, if required to resolve the issues amicably/ take appropriate action against the employee and make provision for direct access through an email or through a letter to Mr. Shah.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination.

The Vigil Mechanism is posted on your Company's website i.e. www.dlfemporio.com.

## Auditors and Auditors' Report

S.R. Batliboi & Co. LLP [301003E/ E300005], Chartered Accountants were appointed as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of 18th Annual General Meeting (AGM) till the conclusion of 23rd AGM, subject to ratification of their appointment at every subsequent AGM. The Ministry of Corporate Affairs vide notification dated 7th May 2018 obliterated the requirement of seeking members' ratification at every AGM on appointment of statutory auditors during their tenure of five years.

The Notes on 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.

Emphasis of Matter given in the Auditors' Report on financial statements are self-explanatory and do not call for any further comments.

## Cost Records & Cost Audit

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records and appointment of Cost Auditor are not applicable to Company for the financial year under review.

## Secretarial Audit

A.S. & Associates, Company Secretaries in practice was appointed as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March 2021 is at **Annexure-C**. The said Report does not contain any qualification, reservation or adverse remarks.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## Reporting of Frauds by Auditors

During the financial year under review, the auditors have not reported, any instances of fraud committed by the Company or its officers under section 143(12) of the Act.

## Annual Return

In accordance with provisions of the Act, a copy of the Annual return for the financial year ended 31st March 2021 is available on the website of the Company at www.dlfemporio.com.

## Particulars of Loans, Guarantees, Securities and Investments

Particulars of loans, guarantees, securities and investments, have been disclosed in the notes to the financial statements.

## Transactions with Related Parties

The Company has adequate procedures for the purpose of identification and monitoring of related party(ies) and related party transactions. None of the transactions with related parties falls under the scope of Section 188(1) of the Act.

The Company's policy for related party transactions regulates the transactions between the Company and its related parties. The policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and related parties.

For details of related party transactions, members may refer to the notes to the financial statements.

## Risk Management

The Board of Directors has oversight in the areas of financial risks and control and is also responsible to frame, implement and monitor the risk management plan and ensuring its effectiveness. Risks are identified through a consistently applied methodology. The Company has put in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives.

The Statutory Auditors of the Company have reported that the Company has adequate internal financial controls system over financial reporting.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## Internal Financial Controls and Systems

Internal financial controls are an integral part of the risk management process addressing amongst others financial and non-financial risks. The internal financial controls have been documented and augmented to cover the business processes including ensuring the orderly and efficient conduct of businesses, adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, check & balances, makers & checkers, accuracy and completeness of accounting records.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, self-assessment, continuous monitoring by functional experts as well as testing by the Statutory/ Internal Auditors during their audits. Significant audit observations and follow up actions thereon are reported to the Board of Directors.

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

## Significant and Material Orders passed by Regulators or Courts

There are no significant material orders passed by the regulators/ courts which would impact the going concern status of the Company and its future operations.

## Accolades

During the financial year under review:

i. DLF Emporio Mall was was awarded with Sword of Honour Award by British Safety Council
ii. At the **19th Global Edition** and **4th India Edition 'Business Leader of the Year Awards'**, the following awards have been conferred:

   a. **'Best Shopping Centre Group of the Year' to DLF Malls**; and
   b. **'Best Customer Experience Initiative'** to **DLF Malls Lukout app**.

## Acknowledgement

Your Company continues to occupy respectful stature among stakeholders, most of all our valuable customers. Your Directors would like to express their sincere appreciation for assistance and co-operation received from the business partners, stakeholders including financial institutions, banks, Central and State Government authorities, customers and other business associates. All of them have extended their valuable and sustained support and encouragement during the year under review. It will be the Company's endeavor to build and nurture the strong links with its stakeholders.

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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

**For and on behalf of the Board of Directors**
**DLF Emporio Limited**

| | | |
|---|---|---|
| | **Prashant Gaurav Gupta** | **Giri Raj Shah** |
| **Date: 01.06.2021** | **Director & Manager** | **Director** |
| **Place: Gurugram** | **DIN: 07951272** | **DIN: 03436135** |

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

**ANNEXURE - 'A'**

Particulars required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

## A. CONSERVATION OF ENERGY:

| | | |
|---|---|---|
| (i) | The steps taken or impact on conservation of energy | Nil |
| (ii) | The steps taken by the Company for utilizing alternate sources of energy | Nil |
| (iii) | The capital investment on energy conservation equipment | Nil |

## B. TECHNOLOGY ABSORPTION:

| | | |
|---|---|---|
| (i) | The efforts made towards technology absorption | Nil |
| (ii) | The benefits derived like product improvement, cost reduction, product development or import substitution | Nil |
| (iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): -<br><br>(a)the details of technology imported;<br>(b)the year of import;<br>(c)whether the technology been fully absorbed;<br>(d)if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; | Nil |
| (iv) | The expenditure incurred on Research and Development. | Nil |

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakh)

| S. No. | Particulars | Financial Year 2020-21 | Financial Year 2019-20 |
|---|---|---|---|
| (i) | The Foreign Exchange earned in terms of actual inflows during the year; and | **Nil** | Nil |
| (ii) | The Foreign Exchange outgo during the year in terms of actual outflows. | **Nil** | Nil |

**For and on behalf of the Board of Directors**
**DLF Emporio Limited**

**Prashant Gaurav Gupta**
**Director & Manager**
**DIN: 07951272**

**Giri Raj Shah**
**Director**
**DIN: 03436135**

**Date: 01.06.2021**
**Place: Gurugram**

Annexure - B

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

## Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2020-21

[Pursuant to clause (o) of sub-Section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, as amended]

1. **Brief outline on CSR Policy of the Company:**

DLF Emporio Limited has implemented its CSR Activities to integrate economic, environmental and social objectives with its operations and growth for common good as per Schedule VII of the Companies Act, 2013 and any amendments or modifications made thereto.

2. **Composition of CSR Committee:**

| S. No. | Name of Director | Designation/ Nature of Directorship | Number of meeting(s) of CSR Committee held during tenure | Number of meeting(s) of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Manoj Kumar Dua (Chairman up to 01.06.2021) | Director | 2 | 2 |
| 2. | Ms. Dinaz Madhukar (Chairperson of CSR Committee) (up to 01.06.2020) | Director | 1 | 1 |
| 3. | Mr. Prashant Gaurav Gupta (Member) | Director & Manager | 2 | 2 |
| 4. | Mr. Giri Raj Shah (Member w.e.f. 01.06.2020 and Chairman w.e.f. 01.06.2021) | Director | 1 | 1 |

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

The composition of the CSR committee, CSR Policy and CSR projects approved by the Board can be viewed at http://www.dlfemporio.com/investors/policies

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not applicable for the financial year 2020-21.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year 2020-21, if any: NIL**

| S. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---|---|---|---|
| 1 | - | - | - |
| 2 | - | - | - |
| 3 | - | - | - |
| | TOTAL | - | - |

**6. Average net profit of the company as per Section 135(5):**

₹ 128.53 crore.

**7.(a) Two percent of average net profit of the company as per Section 135(5):**

₹ 2.57 crore.

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**

NIL

**(c) Amount required to be set off for the financial year 2020-21, if any:**

NIL

**(d) Total CSR obligation for the financial year 2020-21 (7a+7b-7c):**

₹ 2.57 crore.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

**8.(a) CSR amount spent or unspent for the financial year 2020-21:**

| Total Amount Spent for the financial year 2020-21 (₹ in crore) | Amount Unspent (₹ in crore) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 2.57 | NIL | N.A. | N.A. | N.A. | N.A. |

**(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21:**

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Project duration | Amount allocated for the project (₹ in crore) | Amount spent in the current financial year (₹ in crore) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore) | Mode of Implementation- Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| 1. | "DLF Cares" Education Promotion Programme | Promoting education | No | PAN India | PAN India | financial year 2020-21 to 2023-24 | 1.00 | 0.95 | Nil | No | DLF Q.E.C. Educational Charitable Trust | CSR00004287* |
| 2. | Saving lives through safer roads | Promoting health care including preventive health care | Yes | Haryana | Gurugram | financial year 2020-21 to 2023-24 | 0.67 | 0.64 | Nil | No | DLF Foundation | CSR00003277* |

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Project duration | Amount allocated for the project (₹ in crore) | Amount spent in the current financial year (₹ in crore) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore) | Mode of Implementation- Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| 3. | COVID-19 relief | Promoting health care including preventive health care | No | PAN India | PAN India | financial year 2020-21 to 2023-24 | 0.90 | 0.86 | Nil | No | DLF Foundation | CSR00003277* |
| | Total | - | - | - | - | - | **2.57** | **2.45** | **NIL** | - | - | - |

* *Allotted in April, 2021 by the Ministry of Corporate Affairs.*

**(c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21: NIL**

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Amount spent for the project (in ₹) | Mode of implementation- Direct (Yes/ No) | Mode of implementation – Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 1. | - | - | - | - | - | - | - | - | - |
| 2. | - | - | - | - | - | - | - | - | - |
| 3. | - | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - | - |

Regd. Office: Shopping Mall, Phase-I, DLF City, Gurugram, Haryana-122 002, India
CIN: U74920HR1999PLC034168; E-mail: dlfemporio@dlf.in; Website: www.dlfemporio.com

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

**(d) Amount spent in Administrative Overheads:**

₹ 0.12 crore.

**(e) Amount spent on Impact Assessment, if applicable:**

N.A.

**(f) Total amount spent for the financial year 2020-21 (8b+8c+8d+8e):**

₹ 2.57 crore.

**(g) Excess amount for set off, if any:**

| Sl. No. | Particular | Amount (₹ in crore) |
|---|---|---|
| (i) | Two percent of average net profit of the Company as per Section 135(5) | 2.57 |
| (ii) | Total amount spent for the financial year 2020-21 | 2.57 |
| (iii) | Excess amount spent for the financial year 2020-21 [(ii)-(i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years (iii)-(iv)] | NIL |

**9.(a) Details of Unspent CSR amount for the preceding three financial years: NIL**

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 1. | - | - | - | - | - | - | - |
| 2. | - | - | - | - | - | - | - |
| 3. | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - |

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

9.(b) **Details of CSR amount spent in the financial year 2020-21 for ongoing projects of the preceding financial year(s): NIL**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the project - Completed/ Ongoing |
| 1. | - | - | - | - | - | - | - | - |
| 2. | - | - | - | - | - | - | - | - |
| 3. | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - |

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year 2020-21 (asset-wise details):**

NIL

(a) **Date of creation or acquisition of the capital asset(s):**

N.A.

(b) **Amount of CSR spent for creation or acquisition of capital asset:**

N.A.

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:**

N.A.

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):**

N.A.

**DLF Emporio Limited**
11th Floor, Gateway Tower,
DLF City, Phase-III, Gurugram- 122 002,
Haryana, India
Tel. : (+91-124) 456 8900

DLF

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):** N.A.

| | | |
|---|---|---|
| | **Giri Raj Shah** | **Prashant Gaurav Gupta** |
| **Date: 01.06.2021** | **(Chairman of CSR Committee)** | **Director & Manager** |
| **Place: Gurugram** | **(DIN-03436135)** | **(DIN -07951272)** |

**AS & ASSOCIATES**
COMPANY SECRETARIES

Office: 215, Suneja Tower-II, District Centre, Janak Puri, New Delhi-110058
Tel. +91-9810135408
Email: anilsetia_cs@rediffmail.com

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31/03/2021**
***[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

**To,**
**The Members,**
**DLF Emporio Limited**
**(CIN:U74920HR1999PLC034168)**
**Shopping Mall, Phase- 1,**
**DLF City, Gurugram-122002**
**Haryana**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DLF Emporio Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended onMarch 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable)
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not Applicable)
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable)



A.S. & ASSOCIATES New Delhi Company Secretaries

Office: 215, Suneja Tower-II, District Centre, Janak Puri, New Delhi-110058
Tel. +91-9810135408
Email: anilsetia_cs@rediffmail.com

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable)
(d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014; (Not Applicable)
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
(f) The Securities and Exchange Board of India (Registrars to anIssue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; (Not Applicable)
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable)
(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not Applicable), and
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ;( Not Applicable)

(vi) The Company has developed a shopping mall-cum entertainment complex named DLF Emporio at Vasant Kunj, New Delhi and further leased out to various tenants; in view of this, there is no sector specific law applicable to the Company;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);

(ii) The Company has not entered into Listing Agreements with Stock Exchange(s) pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,as amended;

Since the Company is an unlisted company, therefore, no activity to be reported under the Depositories Act and the rules made thereunder. SCRA and the Regulations and Guidelines prescribed under the SEBI Act were not applicable to the Company. The Secretarial Standards issued by the ICSI were applicable during the period under review.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that** the Board of Directors of the Company is duly constituted with Non-Executive Directors. The Company is a wholly-owned subsidiary of DLF Cyber City Developers Limited and is not required to appoint Independent Directors under Section 149 of the Act read with Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules 2014, as amended. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and/ or Committee Meetings. Except where for urgent business necessity at a shorter notice, agenda and detailed notes on agenda were sent as per the requirement of the Act read with Secretarial Standard-1. A system exists for seeking

A.S. & ASSOCIATES New Delhi Company Secretaries

Office: 215, Suneja Tower-II, District Centre, Janak Puri, New Delhi-110058
Tel. +91-9810135408
Email: anilsetia_cs@rediffmail.com

and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I **further report that** there are adequate systems and processes in the Company commensurate with the size and its operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period:

(i) there were no instances of Public/Right/Preferential issue of shares/ debentures/sweat equity, etc.

(ii) there were no instances of Redemption/buy-back of securities.

(iii) there were no instances of major decisions taken by the members in pursuance to Section 180 of the Act.

(iv) regarding Merger/ amalgamation/ reconstruction, etc., as stated in the Secretarial Audit Report for the financial year ended 31st March 2020, that in terms of the Board Resolution passed by the Board of Directors ('Board') of the Company at its meeting held on 25th February 2020, the Board has approved the Scheme of Amalgamation of Richmond Park Property Management Services Limited, the Holding Company with the DLF Emporio Limited with Appointed Date being opening hours of 1st April 2019 subject to the approval of the National Company Law Tribunal ('NCLT') or any other relevant authority /forum having jurisdiction to sanction /approve the same.
As informed, the Joint Motion Petition has been filed on behalf of both the Transferor Company and Transferee Company before the Hon'ble NCLT seeking sanction of the said Scheme of Amalgamation. Except that there were no other instances of Merger/ amalgamation/ reconstruction, etc., and

(v) there were no instances of Foreign technical collaborations.

Place: New Delhi
Date: 17.05.2021

Signature:
For AS& Associates
Company Secretaries
(Anil Setia)
Prop.
FCS No.: 2856
C P No.: 4956
UDIN of ICSI: F002856C000337157

A.S. & ASSOCIATES * New Delhi * Company Secretaries

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

**INDEPENDENT AUDITOR'S REPORT**

To the Members of DLF Emporio Limited

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of DLF Emporio Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of Matter**

We draw attention to note 46 of the financial statements which state that the Company's mall operations were shut down for part of the year and the Company has given rent concessions to compensate the tenants. The note also describes the uncertainties and management's assessment of the impact of Covid-19 pandemic on the Company's operations, carrying amounts of investment property, investments, recoverability of financial and non-financial assets. Definitive assessment of the impact thereof in subsequent period is dependent on the future developments and circumstances as they evolve.

Our opinion is not modified in respect of the above matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) The Company has not paid or provided for any managerial remuneration during the year. Accordingly. provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

S.R. BATLIBOI & CO. LLP * GURUGRAM *

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 35 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Amit Gupta**
Partner
Membership Number: 501396

UDIN: 21501396AAAABI9130

Place of Signature: Faridabad
Date: June 1, 2021

**Annexure 1 referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our report of even date**

**Re: DLF Emporio Limited ("the Company")**

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment and investment property.

(b) Fixed assets comprising of property, plant and equipment and investment property under development have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in investment property are pledged with the lenders as security for securing long term borrowings availed by the Company and are not available with the Company. The same has been confirmed by the lenders as at year end. Based on above, we report that the title deeds of immovable properties included in investment property are held in the name of the Company.

ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and services tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, provident fund, sales tax, service tax, value added tax, duty of custom and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of income-tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, provident fund, sales tax, service tax, value added tax, duty of custom and duty of excise are not applicable to the Company.

S.R. BATLIBOI & CO. LLP
GURUGRAM

(c) According to the records of the Company, the dues of service tax on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount (in Rs. lacs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Income-tax Act, 1961 | Income Tax | 1,046.70 | AY 2009-10 | Commissioner of Income Tax (Appeals) |
| Income-tax Act, 1961 | Income Tax | 48.38 | AY 2018-19 | Commissioner of Income Tax (Appeals) |
| Finance Act, 1994 | Service Tax | 277.92 | AY 2015-16 to 2018-19 | Principal Commissioner, Central GST, Delhi South Commissionerate, New Delhi |

The provisions relating to sales tax, duty of custom, duty of excise duty and value added tax are not applicable to the Company

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The Company did not have any loans or borrowing in respect of a dues to financial institutions, banks or to government during the year.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the Company has not paid or provided for any managerial remuneration during the year. Accordingly, provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Amit Gupta**
Partner
Membership Number: 501396
UDIN: 21501396AAAABI9130

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Place of Signature: Faridabad
Date: June 1, 2021

**Annexure 2 to the Independent Auditor's Report of even date on the financial statements of DLF Emporio Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of DLF Emporio Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

**Meaning of Internal Financial Controls with reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Amit Gupta**
Partner
Membership Number: 501396

UDIN: 21501396AAAABI9130

Place of Signature: Faridabad
Date: June 1, 2021

**DLF Emporio Limited**
**Balance Sheet as at March 31, 2021**
***(All amounts in ₹ lacs, unless otherwise stated)***

| | Notes | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 4.64 | 6.14 |
| Investment property | 4 | 35,475.39 | 36,233.09 |
| Investment property under development | 4 | - | 22.26 |
| Financial assets | | | |
| Investments | 5 | 74,796.58 | 74,374.09 |
| Loans | 6 | 60.15 | 60.15 |
| Other financial assets | 7 | - | 1,267.05 |
| Non-current tax assets (net) | 8 | 1,355.28 | 1,473.07 |
| Other non-current assets | 9 | 355.14 | 22.59 |
| | | **112,047.18** | **113,458.44** |
| **Current assets** | | | |
| Financial assets | | | |
| Trade receivables | 10 | 840.76 | 675.51 |
| Cash and cash equivalents | 11 | 538.80 | 714.20 |
| Other bank balances | 12 | 22,096.90 | 22,931.75 |
| Other financial assets | 7 | 1,355.07 | 4.63 |
| Other current assets | 9 | 629.89 | 382.22 |
| | | **25,461.42** | **24,708.31** |
| **TOTAL ASSETS** | | **137,508.60** | **138,166.75** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 495.90 | 495.90 |
| Other equity | 14 | 79,857.32 | 77,924.21 |
| **Total equity** | | **80,353.22** | **78,420.11** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 15 | - | 47,567.57 |
| Other financial liabilities | 16 | 1,699.41 | 2,234.96 |
| Deferred tax liabilities (net) | 17 | 2,220.18 | 1,851.32 |
| Other non-current liabilities | 18 | 186.77 | 246.53 |
| | | **4,106.36** | **51,900.38** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 19 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 38.05 | 0.30 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 482.41 | 192.40 |
| Other financial liabilities | 20 | 52,169.92 | 7,169.98 |
| Other current liabilities | 21 | 358.64 | 483.58 |
| | | **53,049.02** | **7,846.26** |
| **Total liabilities** | | **57,155.38** | **59,746.64** |
| **TOTAL EQUITY AND LIABILITIES** | | **137,508.60** | **138,166.75** |

| | | | |
|---|---|---|---|
| Summary of significant accounting policies | 2.2 | | |

**The accompanying notes forms an integral part of these financial statements.**

**As per our report of even date**

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/ E300005

per Amit Gupta
Partner
Membership Number: 501396

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Place : Faridabad
Date : June 1, 2021

**For and on behalf of the Board of Directors of**
**DLF Emporio Limited**

**Giri Raj Shah**
Director
DIN: 03436135

**Prashant Gaurav Gupta**
Director & Manager
DIN: 07951272

**Hari Krishan Bansal**
Chief Financial Officer

**Place** : Gurugram
**Date** : June 1, 2021

DLF EMPORIO LIMITED *

**DLF Emporio Limited**

**Statement of Profit and Loss for the year ended March 31, 2021**

*(All amounts in ₹ lacs, unless otherwise stated)*

| | Notes | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 22 | 10,042.34 | 16,218.41 |
| Other income | 23 | 1,232.41 | 6,853.05 |
| **Total income** | | **11,274.75** | **23,071.46** |
| **Expenses** | | | |
| Finance costs | 24 | 4,540.50 | 5,509.29 |
| Depreciation expense | 25 | 830.62 | 818.05 |
| Other expenses | 26 | 2,802.20 | 4,440.96 |
| **Total expenses** | | **8,173.32** | **10,768.30** |
| **Profit before tax** | | **3,101.43** | **12,303.16** |
| **Tax expense** | 27 | | |
| Current tax (including earlier years) | | 1,221.94 | 2,853.33 |
| Deferred tax (Including earlier years) | | 270.44 | (389.10) |
| **Profit after tax** | | **1,609.05** | **9,838.93** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Gain on equity instruments through other comprehensive income | 28 | 422.48 | 382.81 |
| Income tax effect | | (98.42) | (87.58) |
| | | 324.06 | 295.23 |
| **Total comprehensive income for the year** | | **1,933.11** | **10,134.16** |
| **Earnings per equity share (₹) (Face value of ₹ 10 per share [March 31, 2020: ₹10])** | 29 | | |
| Basic | | 32.45 | 198.41 |
| Diluted | | 32.45 | 198.41 |
| **Summary of significant accounting policies** | 2.2 | | |

**The accompanying notes form an integral part of these financial statements.**

As per our report of even date

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/ E300005

per Amit Gupta
Partner
Membership Number: 501396

S.R. BATLIBOI & CO. LLP * GURUGRAM *

**For and on behalf of the Board of Directors of**
**DLF Emporio Limited**

**Giri Raj Shah**
Director
DIN: 03436135

**Prashant Gaurav Gupta**
Director & Manager
DIN: 07951272

**Hari Krishan Bansal**
Chief Financial Officer

DLF EMPORIO LIMITED *

**Place** : Faridabad
**Date** : June 1, 2021

**Place** : Gurugram
**Date** : June 1, 2021

DLF Emporio Limited
Statement of Cash Flow for the year ended March 31, 2021
*(All amounts in ₹ lacs, unless otherwise stated)*

| | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| A. | **Cash flow from operating activities** | | |
| | **Profit before tax** | 3,101.43 | 12,303.16 |
| | **Adjustment for :** | | |
| | Interest expense | 4,211.78 | 5,135.82 |
| | Provision for doubtful debts | - | 155.69 |
| | Amount forfeited on properties | - | (61.52) |
| | Unclaimed balances and excess provisions written back | (22.41) | (0.02) |
| | Dividend | (0.67) | - |
| | Depreciation expense | 830.62 | 818.05 |
| | Rent straightlining | (449.84) | (50.02) |
| | Loss on sale of investment property | 3.71 | 4.95 |
| | Financial liability measured at amortised cost (net) | 18.81 | (21.51) |
| | Loss on pre settlement/ modification of financial liability (net) | 2.08 | 128.67 |
| | Interest income | (1,180.92) | (6,834.15) |
| | **Operating profit before working capital changes** | **6,514.59** | **11,579.12** |
| | **Adjustment for change in working capital :** | | |
| | Increase in trade receivables | (142.84) | (44.28) |
| | (Increase)/decrease in loans, financial and other assets | (1,480.82) | 94.67 |
| | Increase/ (decrease) in trade payables | 327.76 | (526.08) |
| | Increase/(decrease) in financial and other liabilities | 80.87 | (125.60) |
| | **Cash flow from operations** | **5,299.56** | **10,977.83** |
| | Income tax paid (net of refunds) | (1,180.04) | (2,978.51) |
| | **Net cash flow from operating activities** | **4,119.52** | **7,999.32** |
| B. | **Cash flow from investing activities** | | |
| | Purchase of Property, plant and equipment and Investment property (including Investment property under development) | (71.82) | (104.28) |
| | Proceeds from sale of investment property | 0.91 | 1.02 |
| | Loans received back from related parties | - | 68,817.75 |
| | Proceeds from fixed deposits (net) | 1,350.77 | 697.94 |
| | Proceeds from /(investment in) other bank balances | 471.42 | (15,548.32) |
| | Purchase of compulsory convertible preference shares | - | (73,991.28) |
| | Dividend received | 0.67 | - |
| | Interest received | 1,460.63 | 19,096.64 |
| | **Net cash used in investing activities** | **3,212.58** | **(1,030.53)** |
| C. | **Cash flow from financing activities** | | |
| | Repayment of 10.90% Non-convertible debentures | - | (52,500.00) |
| | Proceeds from long term borrowings | - | 52,500.00 |
| | Repayment of long term borrowings | (3,463.27) | (1,924.40) |
| | Interest and processing fees paid on long term borrowings | (4,044.23) | (5,135.40) |
| | **Net cash used in financing activities** | **(7,507.50)** | **(7,059.80)** |
| | **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | (175.40) | (91.01) |
| | Cash and cash equivalents at the beginning of the year | 714.20 | 805.21 |
| | **Cash and cash equivalents at the end of the year (refer note 11)** | **538.80** | **714.20** |

**Summary of significant accounting policies** 2.2
**The accompanying notes forms an integral part of these financial statements.**

**As per our report of even date**

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/ E300005

per Amit Gupta
Partner
Membership Number: 501396

S.R. BATLIBOI & CO. LLP * GURUGRAM *

**For and on behalf of the Board of Directors of DLF Emporio Limited**

**Giri Raj Shah**
Director
DIN: 03436135

**Prashant Gaurav Gupta**
Director & Manager
DIN: 07951272

**Hari Krishan Bansal**
Chief Financial Officer

**Place** : Faridabad
**Date** : June 1, 2021

**Place** : Gurugram
**Date** : June 1, 2021

DLF EMPORIO LIMITED *

DLF Emporio Limited
Statement of changes in equity for the year ended March 31, 2021
*(All amounts in ₹ lacs, unless otherwise stated)*

A Equity share capital

| Particulars | Balance as at April 1, 2019 | Changes during the year | Balance as at March 31, 2020 | Changes during the year | Balance as at March 31, 2021 |
|---|---|---|---|---|---|
| Equity share capital | 495.90 | - | 495.90 | - | 495.90 |

B Other equity

| Particulars | Reserves and surplus | | | | | Equity instruments through other comprehensive income | Total other equity |
|---|---|---|---|---|---|---|---|
| | Securities premium | Capital redemption reserve | Debenture redemption reserve | General reserve | Retained earnings | | |
| **Balance as at April 1, 2019** | **4,455.00** | **4.10** | **12,758.42** | - | **50,572.53** | - | **67,790.05** |
| Profit for the year | - | - | - | - | 9,838.93 | - | 9,838.93 |
| Change in other comprehensive income | - | - | - | - | - | 295.23 | 295.23 |
| Transfer to debenture redemption reserve* | | | 366.58 | | (366.58) | | |
| Transfer to general reserve* | - | | (13,125.00) | 13,125.00 | - | - | - |
| **Balance as at March 31, 2020** | **4,455.00** | **4.10** | - | **13,125.00** | **60,044.88** | **295.23** | **77,924.21** |
| Profit for the year | - | - | - | - | 1,609.05 | - | 1,609.05 |
| Change in other comprehensive income | - | - | - | - | - | 324.06 | 324.06 |
| **As at March 31, 2021** | **4,455.00** | **4.10** | - | **13,125.00** | **61,653.93** | **619.29** | **79,857.32** |

* refer note 14.

**The accompanying notes forms an integral part of these financial statements.**

**As per our report of even date**

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/ E300005

**per Amit Gupta**
Partner
Membership Number: 501396

S.R. BATLIBOI & CO. LLP * GURUGRAM *

**Place**: Faridabad
**Date**: June 1, 2021

**For and on behalf of the Board of Directors of DLF Emporio Limited**

**Giri Raj Shah**
Director
DIN: 03436135

**Prashant Gaurav Gupta**
Director & Manager
DIN: 07951272

**Hari Krishan Bansal**
Chief Financial Officer

**Place**: Gurugram
**Date**: June 1, 2021

DLF EMPORIO LIMITED *

## 1. Corporate information

**Nature of principal activities**

DLF Emporio Limited ("the Company") is a public company domiciled in India and has its registered office in Gurugram, Haryana. The Company was incorporated on March 17, 1999 under the provisions of Indian Companies Act. The registered office of the Company is located at Shopping Mall, Phase-I, DLF City, Gurugram, Haryana.

The Company has constructed a Shopping mall-cum-entertainment complex named as DLF Emporio, at Vasant Kunj, consisting of shops, commercial spaces, entertainment centre including but not limited to eateries, convention hall, indoor games court, food court, restaurants etc. and basement for parking and other spaces etc. The Company is engaged in the business of leasing and maintenance of shopping mall.

The financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on June 1, 2021.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time).

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

The financial statements have been presented in Indian Rupees (₹) and all values have been rounded to the nearest lacs, except when otherwise indicated.

### 2.2 Summary of significant accounting policies

**a) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**b) Revenue from contracts with customers and other streams of revenue**

Revenue comprises the consideration received or receivable for providing retail spaces on operating lease, rendering of maintenance service and other income in the ordinary course of the Company's activities. Revenue is presented, net of taxes, rebates and discounts (if any).

*Revenue is recognized as follows:*
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

i) Rental income is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises. Refer note 2(g) for policy relating to recognition of rental income.
ii) Revenue in respect of maintenance services is recognised over time, in accordance with the terms of the respective contract.
iii) Interest income is recorded on accrual basis using the effective interest rate (EIR) method.
iv) Advertisement/promotional income is recognised on accrual basis in accordance with the terms of the agreement.
v) Parking income includes revenue earned from the operations of the parking facilities, which is recognised when the services are rendered.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

**Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The same has been included under the head "unbilled receivables" in the financial statements.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The same has been included under the head "advance from customers" in the financial statements.

**c) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

**d) Property, plant and equipment**

*Recognition and initial measurement*
Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

*Subsequent measurement (depreciation and useful lives)*
Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Act:

| Asset category | Estimated useful life (in years) |
|---|---|
| Office equipments | 5 |

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

*De-recognition*
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

**e) Investment property**

*Recognition and initial measurement*
Investment property is property held to earn rentals or for capital appreciation, or both. Investment property is measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

*Capital work-in-progress*
Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

*Subsequent measurement (depreciation and useful lives)*
Depreciation on investment property is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Act:

| Asset category | Estimated useful life (in years) |
|---|---|
| Buildings | 60 |
| Plant and equipments | 3-15 |

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

*De-recognition*
Investment property is derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit or loss in the period of de-recognition.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment property recognised as at April 1, 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment property.

**f) Foreign currencies**

*Functional and presentation currency*
The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

*Transactions and balances*
Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

**g) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right to use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2(h) for impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in interest-bearing loans and borrowings.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight line basis over the lease term and is included in revenue in the Statement of Profit and Loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

**h) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss.

**i) Financial instruments**

*Initial recognition and measurement*
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

**Non-derivative financial assets**
*Subsequent measurement*

i. **Financial assets at amortised cost** – the financial assets is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Equity investments** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

*De-recognition of financial assets*
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Non-derivative financial liabilities**

*Initial recognition and measurement*
All non-derivative financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.
*Subsequent measurement*
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

*De-recognition of financial liabilities*
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

**j) Compound financial instrument**

Compound financial instrument are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

**k) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*
In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

*Other financial assets*
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**l) Income Taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**
Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and

S.R. BATLIBOI & CO. LLP GURUGRAM

DLF EMPORIO LIMITED

are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Unused tax credit (Minimum alternate tax ('MAT') credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

**Goods & Services Tax (GST) paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**n) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

**o) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**p) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

S.R. BATLIBOI & CO. LLP GURUGRAM

DLF EMPORIO LIMITED

*Significant management judgements*

**Property lease classification – Company as lessor**

The Company has entered into retail property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

**Determining the lease term of contracts with renewal and termination options– Company as lessor**

As a lessor, the Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not the lessee shall exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for the lessee to exercise either the renewal or termination.

The Company has not included the renewal period as part of the lease term for buildings given to leases to tenants considering the following:

i. Option of renewal of lease term is solely at the option of lessee and the Company is not reasonably certain that the lessee may exercise the option of renewal, as this is outside the control of the Company.
ii. Considering the current market dynamics of rental market, where more and more players have entered the retail space market as well as looking at the data of current churn of leases and rental growth in last 10 years, there is no reasonable certainty of renewal of leases over total lease period.

Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to **note 4 (vi)** for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

***Estimates***

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

**Valuation of investment property** – Investment property is stated at cost. However, as per Ind AS 40 Investment property there is a requirement to disclose fair value as at the balance sheet date. The Company engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.
The determination of the fair value of investment property requires the use of estimates such as future cash flows from the assets (such as lettings, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

construction and letting risk) are also taken into consideration when determining the fair value of the properties under construction. These estimates are based on local market conditions existing at the balance sheet date.

**Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain company specific estimates.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

**2.3 Changes in accounting policies and disclosures**

**New and amended standards that have an impact on the Company's financial statements, performance and/or disclosures.**

**i) Amendments to Ind AS 116: COVID-19-Related Rent Concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the April 1, 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the April 1, 2019. This amendment had no impact on the financial statements of the Company.

**ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after April 1, 2020.

**iii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after April 1, 2020.

**2.4 Standards issued but not yet effective**

There is no standard issued but not yet effective as on date which is effective from next year.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

***(All amounts in ₹ lacs, unless otherwise stated)***

**3 Property, plant and equipment**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 and March 31, 2020 are as follows:

| | Office equipment | Total |
|---|---|---|
| **Gross block** | | |
| **As at April 1, 2019** | 7.84 | 7.84 |
| Additions | 7.64 | 7.64 |
| Disposals/adjustment | - | - |
| **As at March 31, 2020** | **15.48** | **15.48** |
| **As at April 1, 2020** | 15.48 | 15.48 |
| Additions | - | - |
| Disposals/adjustment | | - |
| **As at March 31, 2021** | **15.48** | **15.48** |
| **Accumulated depreciation** | | |
| **As at April 1, 2019** | 7.84 | 7.84 |
| Charge for the year | 1.50 | 1.50 |
| Disposals / adjustments | | - |
| **As at March 31, 2020** | **9.34** | **9.34** |
| **As at April 1, 2020** | 9.34 | 9.34 |
| Charge for the year | 1.50 | 1.50 |
| Disposals/adjustment | | - |
| **As at March 31, 2021** | **10.84** | **10.84** |
| **Net block** | | |
| As at March 31, 2020 | 6.14 | 6.14 |
| **As at March 31, 2021** | **4.64** | **4.64** |

**(i) Contractual obligations**

The Company does not have any contractual commitments for acquisition of property, plant and equipment as at March 31, 2021 and March 31, 2020.

**(ii) Capitalised borrowing cost**

The Company has not capitalised any borrowing cost during the year ended March 31, 2021 and the year ended March 31, 2020.

**(iii) Deemed cost of property, plant and equipment (represents deemed cost on the date of transition to Ind AS i.e. on April 1, 2015)**

| Description | Gross block | Accumulated depreciation | Net block |
|---|---|---|---|
| Office equipments | 32.38 | 22.28 | **10.10** |
| **Total** | **32.38** | **22.28** | **10.10** |

*(This space has been intentionally left blank)*

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

**4 Investment property**

The changes in the carrying value of investment property for the year ended March 31, 2021 and March 31, 2020 are as follows:

| | Land | Buildings | Plant and equipment | Total | Investment property under development | Total |
|---|---|---|---|---|---|---|
| **Gross block** | | | | | | |
| **As at April 1, 2019** | 18,477.14 | 17,444.88 | 4,229.37 | **40,151.39** | - | **40,151.39** |
| Additions | - | 9.72 | 44.31 | **54.03** | 22.26 | **76.29** |
| Disposals/adjustment | - | - | (12.06) | **(12.06)** | - | **(12.06)** |
| **As at March 31, 2020** | **18,477.14** | **17,454.60** | **4,261.62** | **40,193.36** | **22.26** | **40,215.62** |
| **As at April 1, 2020** | 18,477.14 | 17,454.60 | 4,261.62 | **40,193.36** | 22.26 | **40,215.62** |
| Additions | - | 16.41 | 59.63 | **76.04** | - | **76.04** |
| Disposals/adjustment | - | - | (17.56) | **(17.56)** | (22.26) | **(39.82)** |
| **As at March 31, 2021** | **18,477.14** | **17,471.01** | **4,303.69** | **40,251.84** | - | **40,251.84** |
| **Accumulated depreciation** | | | | | | |
| **As at April 1, 2019** | - | 1,285.03 | 1,864.78 | **3,149.81** | - | **3,149.81** |
| Charge for the year | - | 326.03 | 490.52 | **816.55** | - | **816.55** |
| Disposals / adjustments | - | - | (6.09) | **(6.09)** | - | **(6.09)** |
| **As at March 31, 2020** | - | **1,611.06** | **2,349.21** | **3,960.27** | - | **3,960.27** |
| **As at April 1, 2020** | - | 1,611.06 | 2,349.21 | **3,960.26** | - | **3,960.26** |
| Charge for the year | - | 326.72 | 502.40 | **829.12** | - | **829.12** |
| Disposals/adjustment | - | - | (12.94) | **(12.94)** | - | **(12.94)** |
| **As at March 31, 2021** | - | **1,937.78** | **2,838.67** | **4,776.44** | - | **4,776.44** |
| **Net block** | | | | | | |
| As at March 31, 2020 | 18,477.14 | 15,843.54 | 1,912.41 | 36,233.09 | 22.26 | 36,255.35 |
| **As at March 31, 2021** | **18,477.14** | **15,533.23** | **1,465.02** | **35,475.39** | - | **35,475.39** |

**(i) Contractual obligations**

Refer note 35 for disclosure of contractual commitments for the acquisition of investment property.

**(ii) Capitalised borrowing cost**

The Company has not capitalised any borrowing cost during the year ended March 31, 2021 and the year ended March 31, 2020.

**(iii) Investment property pledged as security**

Refer note 15 for information on investment property pledged as security by the Company.

**(iv)** Additions includes ₹ 16.41 lacs (March 31, 2020: ₹ 9.72 lacs) capitalized as brokerage expense in Building under head "Investment Property" in accordance with the Ind AS 116 "Leases" and depreciated over the initial lease term.

**(v) Amount recognised in statement of Profit and Loss for Investment property.**

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Rental income | 7,884.10 | 12,902.67 |
| Direct operating expenses that generated rental income | (187.25) | (527.60) |
| Direct operating expenses that did not generated rental income | - | - |
| **Profit from leasing of investment property before depreciati** | **7,696.85** | **12,375.07** |
| Depreciation expense | (829.12) | (816.55) |
| **Profit from leasing of investment property after depreciatior** | **6,867.73** | **11,558.52** |

**(vi) Operating lease commitments- as a lessor**

The Company has entered into operating leases on its investment property portfolio consisting of retail building (see Note 22). These leases have terms of between 3 and 9 years. All leases include a clause to enable upward revision of the rental charge as per the agreement and according to prevailing market conditions.

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Upto one year | 5,182.45 | 6,417.81 |
| After one year but not more than 5 years | 685.09 | 554.92 |
| More than five years | - | - |
| **Total** | **5,867.54** | **6,972.73** |

**(vii) Fair Value**

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Fair Value | 139,370.00 | 135,150.00 |

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuation for its investment property at least annually and fair value measurements are categorised as level 3 measurement in the fair value hierarchy.
Following are the valuation models which have been applied by the external, independent valuer:
(i) Discounted cash flow method, where net present value is determined based on projected cash flows discounted at an appropriate rate
(ii) Sales comparable method, which compares the price or price per unit area of similar properties being sold in the marketplace

The fair value of investment property and investment property under development has been computed by the Valuer as an average of fair values derived using above two methods. Further, considering the outbreak of COVID-19 global pandemic, the valuer has considered lesser weightage to the previous market evidence for comparison purpose and has computed fair values based on 'material valuation uncertainty' i.e. with lesser certainty and a higher degree of caution attached to these valuations than would normally be the case, in accordance with VPS 3 and VPGA 10 issued by Royal Institution of Chartered Surveyors (RICS).
Further, inputs used in the above valuation models are as under:

(i) Property details comprising of total leasable area, area actually leased, vacant area, parking slots etc.
(ii) Revenue assumptions comprising of market rent, market parking rent, rent growth rate, parking income growth rate, market lease tenure, market escalations, CAM income prevailing in the market etc.
(iii) Cost assumptions comprising of brokerage cost, transaction cost on sale, cost escalations etc.
(iv) Discounting assumptions comprising of terminal cap rate, discount rate
(v) Estimated cash flows from lease rentals, parking income, operation and maintenance income etc. for the future years

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

**(viii) Deemed cost of investment property as on April 1, 2015**

For investment property existing as on the date of transition to Ind AS, i.e., April 1, 2015, the Company has used Indian GAAP carrying value as deemed costs

| Description | Gross block | Accumulated depreciation | Net block |
|---|---|---|---|
| Land | 18,477.14 | - | 18,477.14 |
| Buildings | 20,296.95 | 2,797.75 | 17,499.20 |
| Plant and equipments | 5,266.06 | 1,144.38 | 4,121.68 |
| Total | 44,040.15 | 3,942.13 | 40,098.02 |

(ix) The title deeds of immovable property amounting to ₹ 18,477.14 lacs are pledged with bank against borrowings taken by the Company and are not physically available with the Company. The Company has also constructed building on such land having net block of ₹ 15,533.23 lacs.

(This space has been intentionally left blank)

S.R. BATLIBOI & CO LLP * GURUGRAM *

DLF EMPORIO LIMITED *

*(All amounts in ₹ lacs, unless otherwise stated)*

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **5 Investments - non current** | | |
| **In compulsory convertible preference shares*** | | |
| Paliwal Real Estate Limited<br>- 6,50,00,000 5% Non-cumulative compulsory convertible preference shares of ₹ 100 each | 65,065.00 | 65,065.00 |
| DLF Assets Limited (formerly DLF Assets Pvt. Ltd. )<br>- 67,30,000 0.01% Compulsory convertible preference shares of ₹ 100 each | 9,731.58 | 9,309.09 |
| | **74,796.58** | **74,374.09** |

* refer note 43.

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **6 Loans** | | | | |
| **(Unsecured, considered good unless otherwise stated)** | | | | |
| Security deposits | 60.15 | 60.15 | - | - |
| | **60.15** | **60.15** | **-** | **-** |

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **7 Other financial assets** | | | | |
| Other Bank balance * | - | 1,267.05 | 1,350.77 | - |
| Interest accrued | | | | |
| - Security deposit | - | - | 4.30 | 4.63 |
| | **-** | **1,267.05** | **1,355.07** | **4.63** |

*Non-current portion for the year ended March 31, 2020 of other bank balance represents deposits (including interest accrued) with original maturity of 12 months held by the entity that are not available for use by the Company, as these deposits were pledged with the bank to fulfil the collateral requirements of bank loan.

| | Non-current | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| **8 Non current tax assets (net)** | | |
| Advance income tax (net of provisions for tax)(refer note 35) | 1,355.28 | 1,473.07 |
| | **1,355.28** | **1,473.07** |

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **9 Other assets** | | | | |
| Advance to suppliers | | - | 155.03 | 45.87 |
| Unbilled receivables | 355.14 | 22.59 | 364.26 | 237.22 |
| Balance with statutory authorities | - | - | 22.28 | 20.05 |
| Prepaid expenses | - | - | 88.32 | 79.08 |
| | **355.14** | **22.59** | **629.89** | **382.22** |

*(This space has been intentionally left blank)*

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

*(All amounts in ₹ lacs, unless otherwise stated)*

| | | Current | |
|---|---|---|---|
| | | March 31, 2021 | March 31, 2020 |
| 10 | **Trade receivables** | | |
| | **Related parties (refer note 39)** | | |
| | Secured, considered good | 40.78 | 56.59 |
| | Unsecured, considered good | 23.08 | 59.07 |
| | **Others** | | |
| | Secured, considered good | 769.55 | 528.68 |
| | Unsecured | | |
| | - Considered good | 7.35 | 31.17 |
| | - Considered doubtful | 133.28 | 155.69 |
| | | 974.04 | 831.20 |
| | Less : Allowance for expected credit loss | (133.28) | (155.69) |
| | | 840.76 | 675.51 |

| | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| 11 | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | In current account | 1.65 | 630.09 |
| | In escrow account (held as margin money as security against borrowings) | 537.15 | 84.11 |
| | | 538.80 | 714.20 |

**11.1 Changes in liabilities arising from financing activities**

| | April 1, 2020 | Cash flows | Charged to Statement of Profit & Loss | March 31, 2021 |
|---|---|---|---|---|
| Long term borrowings (including interest accrued) | 50,585.68 | 7,507.50 | 4,135.88 | 47,214.06 |
| Total liabilities from financing activities | 50,585.68 | 7,507.50 | 4,135.88 | 47,214.06 |

| | April 1, 2019 | Cash flows | Charged to Statement of Profit & Loss | March 31, 2020 |
|---|---|---|---|---|
| Long term borrowings (including interest accrued) | 52,509.65 | 7,059.80 | 5,135.83 | 50,585.68 |
| Total liabilities from financing activities | 52,509.65 | 7,059.80 | 5,135.83 | 50,585.68 |

| | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| 12 | **Other bank balances** | | |
| | Bank deposits with maturity more than 3 months but less than 12 months | 22,096.90 | 22,931.75 |
| | | 22,096.90 | 22,931.75 |

*(This space has been intentionally left blank)*

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

*(All amounts in ₹ lakhs, unless otherwise stated)*

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount |
| **13 Share capital** | | | | |
| **13.1 Equity share capital** | | | | |
| **(a) Authorised equity share capital** | | | | |
| Equity shares of ₹ 10 each | 4,959,000 | 495.90 | 4,959,000 | 495.90 |
| | **4,959,000** | **495.90** | **4,959,000** | **495.90** |
| **(b) Issued, subscribed and paid up** | | | | |
| Equity shares of ₹ 10 each | 4,959,000 | 495.90 | 4,959,000 | 495.90 |
| | **4,959,000** | **495.90** | **4,959,000** | **495.90** |
| **(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year** | | | | |
| At the beginning of the year | 4,959,000 | 495.90 | 4,959,000 | 495.90 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **4,959,000** | **495.90** | **4,959,000** | **495.90** |

**(ii) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Details of shares held by holding company and shareholders holding more than 5% shareholding in the Company**

| Name of the shareholder | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| Equity Shares | No of shares | % holding | No of shares | % holding |
| Richmond Park Property Management Services Limited, holding company | 2,725,750 | 54.96% | 2,725,750 | 54.96% |
| DLF Cyber City Developer Limited and its nominees | 2,233,250 | 45.04% | 2,233,250 | 45.04% |

**(iv)** The Company has not issued any equity shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last five years.

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| **13.2 Preference share capital** | No of shares | Amount | No of shares | Amount |
| **Authorised preference share capital** | | | | |
| 12% non-cumulative redeemable preference shares of ₹ 100 each | 100 | 0.10 | 100 | 0.10 |
| 9% non-cumulative redeemable preference shares of ₹ 100 each | 4,000 | 4.00 | 4,000 | 4.00 |
| | **4,100** | **4.10** | **4,100** | **4.10** |

| **14 Other equity** | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Reserves and surplus | | |
| Securities Premium | 4,455.00 | 4,455.00 |
| Capital redemption reserve | 4.10 | 4.10 |
| General reserve | 13,125.00 | 13,125.00 |
| Retained earnings | 61,653.93 | 60,044.88 |
| Equity instruments through other comprehensive income | 619.29 | 295.23 |
| | **79,857.32** | **77,924.21** |

**Nature and purpose of other reserves**

**Securities premium**

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital redemption reserve**

The amount of money that the Company must keep when it buys back shares and which it cannot pay to shareholders as dividends: The capital redemption reserve is a non-distributable reserve.

**General reserve**

Balance lying in general reserve represents amount transferred from debenture redemption reserve at the time of redemption of non-convertible debentures.

**Equity instruments through other comprehensive income**

The Company has elected to recognize changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through other comprehensive income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

| | Non - Current | | Current | |
|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **15 Borrowings** | | | | |
| **Secured** | | | | |
| Loan from bank (refer 15.1) | 47,101.76 | 50,437.27 | - | - |
| | **47,101.76** | **50,437.27** | - | - |
| Less : Disclosed under other financial liabilities (refer note 20 and 48) | **(47,101.76)** | **(2,869.70)** | - | - |
| | - | **47,567.57** | - | - |

**15.1 Rupee loan from bank :**

(i) Facility of ₹ Nil ( March 31, 2020 : ₹ 47,567.58 lacs ), balance amount is repayable in current year.

The term loan of ₹ 47,107.76 lacs (non-current: ₹ Nil and current ₹ 47,107.76 lacs) (March 31, 2020: ₹ 50,437.27 lacs (non-current: ₹ 47,567.57 lacs and current ₹ 2,869.70 lacs)) is secured by way of :

a. Equitable mortgage of immovable property situated at New Delhi owned by the Company

b. Charge on receivables pertaining to the aforesaid immovable property owned by the Company

(ii) Rate of interest- The Company's total borrowings from bank has a effective weighted contractual average rate of 7.25% ( March 31,2020 : 8.95%) per annum calculated using the interest rates effective as on March 31, 2021 for the respective borrowings.

| | Non - Current | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| **16 Other financial liabilities** | | |
| Security deposits received from tenants | 1,699.41 | 2,234.96 |
| | **1,699.41** | **2,234.96** |

| | Non - Current | |
|---|---|---|
| | March 31, 2021 | March 31, 2020 |
| **17 Deferred tax liabilities (net)** | | |
| **Deferred tax liabilities arising on account of :** | | |
| Deduction claimed under Section 24(b) of the Income-tax Act, 1961 | 1,893.89 | 1,718.05 |
| Rent straightlining | 139.69 | 41.48 |
| Fair valuation of investments | 186.01 | 87.59 |
| Financial liability measured at amortised cost | 0.59 | 4.20 |
| | **2,220.18** | **1,851.32** |

**Movement in deferred tax liabilities during the year ended March 31, 2021**

| Particulars | April 1, 2020 | Recognised in profit and loss and retained earnings | Recognised in other comprehensive income | March 31, 2021 |
|---|---|---|---|---|
| **Assets** | | | | |
| Investment property | 1,718.05 | 175.84 | - | 1,893.89 |
| Unbilled receivables | 41.48 | 98.21 | - | 139.69 |
| Investments | 87.59 | - | 98.42 | 186.01 |
| **Liabilities** | | | | |
| Financial liability measured at amortised cost | 4.20 | (3.61) | - | 0.59 |
| **Total** | **1,851.32** | **270.44** | **98.42** | **2,220.18** |

**Movement in deferred tax liabilities during the year ended March 31, 2020**

| Particulars | April 1, 2019 | Recognised in statement of profit and loss | Recognised in other comprehensive income | March 31, 2020 |
|---|---|---|---|---|
| **Assets** | | | | |
| Investment property | 2,082.01 | (363.96) | - | 1,718.05 |
| Unbilled receivables | 32.80 | 8.68 | - | 41.48 |
| Investments | - | - | 87.59 | 87.59 |
| **Liabilities** | | | | |
| Financial liability measured at amortised cost | 38.02 | (33.82) | - | 4.20 |
| **Total** | **2,152.83** | **(389.10)** | **87.59** | **1,851.32** |

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

***(All amounts in ₹ lacs, unless otherwise stated)***

| | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| **18** | **Other non-current liabilities** | | |
| | Deferred income | 186.77 | 246.53 |
| | | **186.77** | **246.53** |

| | | Current | |
|---|---|---|---|
| **19** | **Trade payables** | **March 31, 2021** | **March 31, 2020** |
| | Total outstanding dues of micro enterprises and small enterprises (refer note 33) | 38.05 | 0.30 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| | Related parties (refer note 39) | 255.88 | 13.36 |
| | Others | 226.53 | 179.04 |
| | | **520.46** | **192.70** |

| | | Current | |
|---|---|---|---|
| **20** | **Other financial liabilities** | **March 31, 2021** | **March 31, 2020** |
| | Current maturities of long term borrowings (bank loan) (refer note 15 and 48) | 47,101.76 | 2,869.70 |
| | Interest accrued on borrowings (refer note 15) | 112.30 | 148.41 |
| | Security deposits received from tenants | 4,935.83 | 4,119.71 |
| | Capital creditors | 0.85 | 18.89 |
| | Other payables | 19.18 | 13.27 |
| | | **52,169.92** | **7,169.98** |

| | | Current | |
|---|---|---|---|
| **21** | **Other current liabilities** | **March 31, 2021** | **March 31, 2020** |
| | Deferred income | 173.94 | 324.46 |
| | Advance from customers | 18.23 | 19.17 |
| | Statutory dues payable | 166.47 | 139.95 |
| | | **358.64** | **483.58** |

(This space has been intentionally left blank)

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **22 Revenue from operations** | | |
| **Operating revenue** | | |
| Rental income* | 7,884.10 | 12,902.67 |
| **Revenue from contract with customers** | | |
| **Disaggregated revenue information** | | |
| Service income | 1,998.43 | 2,911.25 |
| **Other operating revenue** | | |
| Other operating income | 159.81 | 404.49 |
| **Total revenue from contracts with customers** | **2,158.24** | **3,315.74** |
| | **10,042.34** | **16,218.41** |

* It includes ₹309.43 lacs (March 31, 2020: ₹ 390.07 lacs) income on account of financial liability measured at amortised cost and ₹449.84 lacs (March 31, 2020: ₹50.02 lacs ) on account of rent straight lining.

During the current year, rental income of ₹ Nil (March 31,2020: ₹527.00 Lacs) has not been recognised on account of lack of certainity of collection of lease payments from the lessees, also refer note 47.

**Other disclosures required under Ind AS 115 "Revenue from contracts with customers"**

| | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| a. | **Timing of revenue recognition** | | |
| | Revenue recognised over period of time | 2,158.24 | 3,254.22 |
| | Revenue recognised at a point of time | - | 61.52 |
| | | **2,158.24** | **3,315.74** |
| b. | **Contract balances** | | |
| | Trade receivable from contracts with cutomers | 282.90 | 322.14 |
| | Contract assets | 34.13 | 24.37 |
| | Contract liabilities | 2.39 | 19.24 |

Trade receivables are generally on terms of 7 to 30 days. Interest on delay in payments from customers (if any) is recognised as per the terms of contracts.

Contract assets are initially recognised for revenue earned from maintenance services and other operating income as receipt of consideration is conditional on successful provision of services. Upon completion of services, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities include advances received in respect of provision of maintenance services to the tenants.

| | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| c. | **Significant changes in contract assets and contract liabilities during the year** | | |
| i) | **Movement of contract liabilities** | | |
| | Amounts included in contract liabilities at the beginning of the year | 19.24 | 0.36 |
| | Amount received / adjusted against contract liabilities during the year | (16.85) | 18.88 |
| | Revenue recognised from performance obligations satisfied in previous years | - | - |
| | **Amounts included in contract liabilities at the end of the year** | **2.39** | **19.24** |
| ii) | **Movement of contract assets** | | |
| | Amounts included in contract assets at the beginning of the year | 24.37 | 65.45 |
| | Amount received / adjusted during the year | 9.76 | (41.08) |
| | **Amounts included in contract assets at the end of the year** | **34.13** | **24.37** |
| d. | **Set out below is the amount of revenue recognised from:** | | |
| | Amounts included in contract liabilies at the beginning of the year | - | - |
| | Performance obligations satisfied in previous years | - | - |
| e. | **Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price** | | |
| | Revenue as per contract price | 2,158.24 | 3,315.74 |
| | Adjustment (if any) | - | - |
| | | **2,158.24** | **3,315.74** |

f. **Perfomance obligation**

The performance obligation of the Company in case of maintenance services is satisfied over-time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. The Company raises invoices as per the terms of the contracts, upon which the payment is due to be made by the tenants.

As per the terms of the service contracts with the customers, the Company has right to consideration from customers in an amount that directly corresponds with the value to the customers of the Company's performance obligation completed till date. Accordingly, the Company has used the practical expedient under Ind AS 115 "Revenue from contracts with customers" and has disclosed information relating to performance obligations to the extent required under Ind AS 115.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

**(All amounts in ₹ lacs, unless otherwise stated)**

| **23 Other income** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Interest income on: | | |
| Bank deposits | 1,180.92 | 1,300.93 |
| Loans | - | 5,533.22 |
| Others | 17.43 | 15.87 |
| Dividend Income | 0.67 | - |
| Unclaimed balances and excess provisions written back | 22.41 | 0.02 |
| Miscellaneous income | 10.98 | 3.01 |
| | **1,232.41** | **6,853.05** |

| **24 Finance costs** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Interest expense on : | | |
| Non-convertible debentures | - | 978.07 |
| Bank loan (refer note 15 and 48) | 4,135.88 | 4,157.76 |
| Income tax | 75.90 | 4.65 |
| Financial liability measured at amortised cost | 328.26 | 368.56 |
| Guarantee and bank charges | 0.46 | 0.25 |
| | **4,540.50** | **5,509.29** |

| **25 Depreciation expense** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Depreciation on property, plant and equipment | 1.50 | 1.50 |
| Depreciation on investment property | 829.12 | 816.55 |
| | **830.62** | **818.05** |

| **26 Other expenses** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Rates and taxes | 32.35 | 44.98 |
| Electricity, fuel and water | 579.69 | 904.39 |
| Advertisement and publicity | 160.07 | 423.53 |
| Repair and maintenance - building | 27.18 | 104.07 |
| Repair and maintenance - others | 97.02 | 153.00 |
| Facility maintenance expenses | 1,247.35 | 1,610.32 |
| Heating, ventilation and airconditioning | 270.34 | 487.18 |
| Payment to auditors (refer note 26.1) | 23.61 | 29.20 |
| Legal and professional fees | 28.94 | 47.87 |
| Corporate social responsibility expense (refer note 38) | 257.06 | 253.00 |
| Director's sitting fees | - | 1.82 |
| Director's travelling expense | - | 0.85 |
| Business support service charges | 69.34 | 83.57 |
| Provision for doubtful debts | - | 155.69 |
| Loss on pre settlement/ modification of financial liability (net) (refer note 45) | 2.08 | 128.67 |
| Loss on sale of investment property | 3.71 | 4.95 |
| Miscellaneous expenses | 3.46 | 7.87 |
| | **2,802.20** | **4,440.96** |

| **26.1 Auditor's remuneration*** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Audit fees (inluding limited reviews) | 18.75 | 20.00 |
| Tax audit fees | 3.68 | 3.50 |
| Other services | 1.00 | 4.00 |
| Reimbursement of expenses | 0.18 | 1.70 |
| | **23.61** | **29.20** |

**exclusive of applicable taxes*

*(This space has been intentionally left blank)*

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **27 Tax expense** | | |
| Current tax | 1,221.94 | 2,853.33 |
| Deferred tax credit | 270.44 | (389.10) |
| | **1,492.38** | **2,464.23** |

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 29.12% (March 31, 2020: 29.12%) and the reported tax expense in profit or loss are as follows:

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Accounting profit before income tax** | **3,101.44** | **12,303.16** |
| At country's statutory income tax rate of 29.12% (March 31, 2020: 29.12%)**(A)** | 903.14 | 3,096.46 |
| **Adjustments** | | |
| **Non deductible expense for tax purposes:** | | |
| Expenses relating to income chargeable under "Income from House Property" and "Profit and Gains from Business and Profession" | 459.25 | 699.61 |
| **Expenses allowable for tax purposes:** | | |
| Standard deduction under Section 24(a) of the Income-tax Act, 1961 | (586.83) | (942.73) |
| Deduction claimed during the year in respect of rental income not recognised in the previous year | (110.45) | - |
| **Others** | | |
| Difference due to change in tax rate* | - | (282.56) |
| Tax related to earlier years* | 833.78 | - |
| Others | (6.51) | (106.54) |
| **Total adjustment (B)** | **589.24** | **(632.23)** |
| **Income tax expenses recognised in the books (A+B)** | **1,492.38** | **2,464.23** |

* During the previous year, the Company had estimated to avail option to pay income tax at lower rate as prescribed under Section 115BAA of the Income-tax Act, 1961 and had computed provision for income tax and deferred tax asset/ liability accordingly in the financial statements for the year ended March 31, 2020.
Subsequently, the Company reassessed the resultant tax exposure in line with its revised future business plans and filed its income tax return for the year ended March 31, 2020 without availing the option under the said section. In accordance with the provisions of Ind AS 8 "Accounting policies, changes in accounting estimates and errors", the Company has recognised additional provision for income tax and deferred tax expense relating to the previous year amounting to ₹ 556.83 lacs and ₹ 276.95 lacs respectively in these financial statements on account of change in said estimates.

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **28 Other comprehensive income** | | |
| **Items that will not be reclassed to profit or loss** | | |
| Fair valuation gain on investment in equity instruments | 422.48 | 382.81 |
| Income tax effect on above | (98.42) | (87.58) |
| | **324.06** | **295.23** |

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **29 Earnings per equity share** | | |
| Earnings attributable to equity shareholders | 1,609.05 | 9,838.93 |
| Weighted average number of equity shares outstanding (in numbers) | 4,959,000 | 4,959,000 |
| Nominal value of equity share (₹) | 10.00 | 10.00 |
| Earnings per equity share (₹) | | |
| - Basic | 32.45 | 198.41 |
| - Diluted | 32.45 | 198.41 |

*(This space has been intentionally left blank)*

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

*(All amounts in ₹ lacs, unless otherwise stated)*

**30 Fair value disclosures**

**i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Valuation technique used to determine fair value**

Fair value of investment in equity instruments have been determined based on discounted cash flow method (income approach).

**(iii) Investment in equity instruments**

| Particulars | Amount |
|---|---|
| **As at March 31, 2019** | - |
| Purchase of investments | 73,991.28 |
| Gain/(loss) recognised in other comprehensive income | 382.81 |
| **As at March 31, 2020** | **74,374.09** |
| Purchase of investments | - |
| Gain recognised in other comprehensive income | 422.48 |
| **As at March 31, 2021** | **74,796.58** |

**(iv) Financial instruments by category**

| Particulars | March 31, 2021 | | | March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Level | Carrying value | Amortised cost | Level | Carrying value | Amortised cost |
| **Financial assets** | | | | | | |
| Loans | Level 3 | 60.15 | 60.15 | Level 3 | 60.15 | 60.15 |
| Other financial assets | Level 3 | - | - | Level 3 | 1,267.05 | 1,267.05 |
| **Total financial assets** | | **60.15** | **60.15** | | **1,327.20** | **1,327.20** |
| **Financial liabilities** | | | | | | |
| Borrowings | Level 3 | - | - | Level 3 | 47,567.57 | 47,567.57 |
| Security deposits | Level 3 | 1,699.41 | 1,699.41 | Level 3 | 2,234.96 | 2,234.96 |
| **Total financial liabilities** | | **1,699.41** | **1,699.41** | | **49,802.53** | **49,802.53** |

The above disclosure is presented for non-current financial assets and non-current financial liabilities.

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**31 Financial risk management**

**i) Financial instruments by category**

Financial instruments, carrying value represents the best estimates of fair values

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| | Amortised cost | Amortised cost |
| **Financial assets** | | |
| Trade receivables | 840.76 | 675.51 |
| Loans | 60.15 | 60.15 |
| Cash and cash equivalents | 538.80 | 714.20 |
| Other bank balances | 22,096.90 | 22,931.75 |
| Other financial assets | 1,355.07 | 1,271.68 |
| **Total** | **24,891.68** | **25,653.29** |
| **Financial liabilities** | | |
| Borrowings including interest accrued | 47,214.06 | 50,585.68 |
| Trade payables | 520.46 | 192.70 |
| Security deposits | 6,635.24 | 6,354.67 |
| Other financial liabilities | 20.03 | 32.16 |
| **Total** | **54,389.79** | **57,165.21** |

**ii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

*(This space has been intentionally left blank)*

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**a) Credit risk management**

*Credit risk rating*

The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

| Asset group | Basis of categorisation | Provision for expenses credit loss |
|---|---|---|
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 12 month expected credit loss/life time expected credit loss |
| Moderate credit risk | Other financial assets | 12 month expected credit loss/life time expected credit loss |
| High credit risk | Trade receivables | Life time expected credit loss |

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical

Assets under credit risk –

| Credit rating | Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables, other assets and other financial assets | 99,554.99 | 99,871.69 |
| B: Moderate credit risk | Other financial assets | - | - |
| C: High credit risk | Trade receivables | 133.28 | 155.69 |

**b) Credit risk exposure**

**Provision for expected credit losses**

The Company provides for expected credit loss based on lifetime expected credit loss mechanism for financial assets.

**March 31, 2021**

| Particulars | Gross carrying amount | Expected credit losses | Carrying amount net of provision |
|---|---|---|---|
| Investments | 74,796.58 | - | 74,796.58 |
| Trade receivables | 974.04 | 133.28 | 840.76 |
| Cash and cash equivalents | 538.80 | - | 538.80 |
| Other bank balance | 22,096.90 | - | 22,096.90 |
| Other financial assets | 1,355.07 | - | 1,355.07 |
| Loans | 60.15 | - | 60.15 |

**March 31, 2020**

| Particulars | Gross carrying amount | Expected credit losses | Carrying amount net of provision |
|---|---|---|---|
| Investments | 74,374.09 | - | 74,374.09 |
| Trade receivables | 831.20 | 155.69 | 675.51 |
| Cash and cash equivalents | 714.20 | - | 714.20 |
| Other bank balance | 22,931.75 | - | 22,931.75 |
| Other financial assets | 1,271.68 | - | 1,271.68 |
| Loans | 60.15 | - | 60.15 |

In respect of trade receivables, the Company considers provision for lifetime expected credit loss. Given the nature of business operations, the Company's trade receivables has low credit risk as the Company holds security deposits equivalents ranging from three to six months rentals. Further historical trends indicate any shortfall between such deposits held by the Company and amounts due from customers have been negligible.

The credit risk for cash deposits with banks and cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due. The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation these deposits.

Other financial assets being security deposits, investment and others are also due from several counter parties and based on historical information about defaults from the counter parties, management considers the quality of such assets that are not past due to be good.

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

(All amounts in ₹ lacs, unless otherwise stated)

**Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| March 31, 2021 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings including interest | 48,353.86 | - | - | 48,353.86 |
| Trade payables | 520.46 | - | - | 520.46 |
| Security deposits | 4,995.00 | 1,856.87 | 147.03 | 6,998.90 |
| Other financial liabilities | 20.03 | - | - | 20.03 |
| Total | **53,889.35** | **1,856.87** | **147.03** | **55,893.25** |

| March 31, 2020 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings including interest | 7,296.45 | 34,256.06 | 31,444.31 | 72,996.82 |
| Trade payables | 192.70 | - | - | 192.70 |
| Security deposits | 4,206.87 | 2,464.43 | 278.25 | 6,949.55 |
| Other financial liabilities | 32.16 | - | - | 32.16 |
| Total | **11,728.18** | **36,720.49** | **31,722.56** | **80,171.23** |

**C) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and price risk. Financial instruments affected by market risk include fixed rate borrowings, fixed deposits and FVTOCI investments.

**a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**i) Liabilities**

*Interest rate risk exposure*

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the borrowing:

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Variable rate borrowing | 47,101.76 | 50,437.27 |
| **Total borrowings** | **47,101.76** | **50,437.27** |

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Interest sensitivity** | | |
| Interest rates – increase by 100 basis points (100 bps) | 471.02 | 504.37 |
| Interest rates – decrease by 100 basis points (100 bps) | (471.02) | (504.37) |

**ii) Assets**

The Company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**b) Price risk**

The Company's exposure to price risk arises from investments held and classified as FVOCI. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

*Sensitivity analysis*

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Price sensitivity** | | |
| Price - increase by 500 basis points (5%) | 3,739.83 | 3,718.70 |
| Price - decrease by 500 basis points (5%) | (3,739.83) | (3,718.70) |

**32 Capital management**

**(a) Risk management**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide a balance between financial flexibility and balance sheet efficiency. In determining its capital structure, the Company considers the robustness of future cash flows, potential funding requirements for growth opportunities and acquisitions, the cost of capital and ease of access to funding sources.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Total borrowings * | 47,214.06 | 50,585.67 |
| Less : Cash and cash equivalent | (538.80) | (714.20) |
| **Net debt** | **46,675.26** | **49,871.47** |
| Total equity ** | 80,353.22 | 78,420.11 |
| **Net debt to equity ratio** | **0.58** | **0.64** |

* Total borrowings = long term borrowings + current maturities of loan term borrowings + interest accrued
** Total equity = equity share capital + other equity

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED

33 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | 38.05 | 0.30 |
| ii) the amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | Nil | Nil |
| iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | Nil | Nil |
| iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23. | Nil | Nil |

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

34 **Segment reporting**

In line with the provisions of Ind AS 108 "Operating Segments" and basis the review of operations being done by the senior management, the operations of the Company fall under business of leasing of real estate activities. The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

35 **Contingent liabilities and commitments (to the extent not provided for)**

**Claim against the company not acknowledged as debts**

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Income tax (Assessment year 2009-10)* | 1,046.70 | 1,046.70 |
| Income tax (Assessment year 2010-11) ** | 1,694.42 | 1,694.42 |
| Income tax (Assessment year 2011-12)*** | 1,796.57 | 1,796.57 |
| Income tax (Assessment year 2012-13)*** | 805.08 | 805.08 |
| Income tax (Assessment year 2018-19)**** | 48.38 | - |
| Service tax (for Financial Year 2007-08 to 2009-10)# | - | 767.07 |
| Service tax (for Financial Year 2011-12)# | - | 60.76 |
| Service tax (for Financial Year 2014-15 to 2017-18)## | 277.92 | - |

(a) **Income Tax**

***Assessment Year 2009-10**

The Assessing Officer ('AO') had made disallowance of interest under Section 24(b) of the Income-tax Act, 1961, tax impact of which was ₹ 1046.70 lacs. The Company had preferred an appeal before Commissioner of Income Tax (Appeals) ('CIT(A)'), who further enhanced the disallowance. Against this, the Company filed an appeal before Income Tax Appellate Tribunal ('ITAT'), who restored the matter to file of Ld. CIT(A) for issuing a fresh notice and decide afresh in accordance with law, after verifying the facts. The matter is currently pending before CIT (A).

**** Assessment Year 2010-11**

A.O. had disallowed the interest under Section 24 (b) of Income-tax Act, tax impact of which was ₹ 1,694.42 lacs. The Company had preferred an appeal before CIT(A) who dismissed the appeal of the Company. Against this, the Company filed an appeal before Income Tax Appellate Tribunal ('ITAT'), who set aside the matter back to the AO for verification of facts of the case and allow the claim of deduction in accordance with the provisions of Section 24(b) of the Act. However, the Company on a conservative basis, has disclosed the said amount as contingent liability.

***** Assessment Year 2011-12 & 2012-13**

A.O. had disallowed the interest under Section 24(b) of the Income-tax Act, 1961 for the assessment year 2011-12 and 2012-13, the tax impact of which was ₹ 1,796.57 lacs and Rs. 805.08 Lacs respectively. The Company had preferred an appeal before CIT(A) who allowed the assessee's appeal. Against the orders of CIT(A), the department had filed appeals before Income Tax Appellate Tribunal ('ITAT'), who have disposed of the appeals on December 16,2019, and set aside the matter back to the file of the Assessing Officer for verification of facts of the case and allow the claim of deduction in accordance with the provisions of Section 24(b) of the Act. However, the Company on a conservative basis, has disclosed the said amount as contingent liability. Further in respect of AY 2011-12, in the earlier years the Company had deposited ₹ 605 lacs under protest which has been disclosed in note 8. Based on the advice from independent tax experts , the management is confident that amount so deposited under protest holds good for recovery and hence, no provision is required to be made in the financial statements

****** Assessment Year 2018-19**

The assessee claimed deduction under Section 80G of the Income-tax Act,1961 being 50% of CSR payment made to registered trust which was disallowed by the Assessing Officer ('AO'). The Company has filed an appeal before the CIT(A) under National Faceless Assessment Centre (NFAC) which is pending for disposal.

(b) **Service Tax**

\# During the earlier years, the Company received an order passed by Commissioner of Service tax demanding service tax liability amounting to ₹ 827.83 lacs (which constitutes service tax liability amounting to ₹ 413.92 lacs along with 100% penalty amounting to ₹ 413.92 lacs) and interest thereon, on denial / recovery of cenvat credit availed (being the credit of service tax paid on construction services) & utilized against output service i.e. rental income for financial Year 2007-08 to 2009-10 and financial year 2011-12). The Company had filed an appeal along with stay application with respect to the aforesaid Commissioner of Service tax's order before Customs, Excise & Service Tax Appellate Tribunal (CESTAT).

During the previous year, CESTAT had allowed appeal & passed the order in favour of the Company, against which the department has not filed any further appeal as on now. Since the time limit of filing further appeal has lapsed, contingent liability in respect of the above case has not been considered.

\## During the current year, the Company has received demand-cum-show cause notice issued by Commissioner, Central Tax, Audit – II, Delhi, who has demanded service tax on electricity charges billed for internal lighting to tenants amounting to ₹ 277.92 lacs pertaining to financial year 2014-15 to 2017-18 (till June, 2017). The matter is under adjudication.

Based on the advice from independent tax experts, the Company is confident that the additional tax so demanded will not be sustained on the completion of appellate proceedings and accordingly, no provision has been made in these financial statements.

(c) **Guarantees**

There are no guarantees issued by Company on behalf of loan taken by others.

(d) **Capital commitments**

Estimated amount of commitments on capital account as on March 31, 2021 is ₹ Nil (March 31, 2020 ₹ 3.43 lacs).

S.R. BATLIBOI & CO LLP * GURUGRAM *

DLF EMPORIO LIMITED

36 In the opinion of the board of directors, current assets and other financial assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provisions of all known liabilities have also been made.

37 All loans, guarantees and securities as disclosed in respective schedules/ notes are given for business purposes.

38 In accordance with the provisions of Section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Company was required to spend a sum of ₹ 257.06 lacs (March 31, 2020: ₹253.00 lacs) towards CSR activities. The details of amount paid by the Company during the year to the related party is as under (refer note 39):

| Particulars | Amount Paid | Amount yet to be Paid | Total |
|---|---|---|---|
| **March 31, 2021 :** | | | |
| Donation made for construction/ acquisition of assets | - | - | - |
| Donation made for promoting preventive healthcare, education promotion programme and covid 19 relief. | 257.06 | - | 257.06 |
| **March 31, 2020 :** | | | |
| Donation made for construction/ acquisition of assets | - | - | - |
| Donation made for education, sanitation, sports, and environment activities | 253.00 | - | 253.00 |

**39 Related party disclosures**
Information required to be disclosed under Ind AS 24 " Related party disclosures"

**i) Related parties where control exists**

**a) Ultimate holding company**
DLF Cyber City Developers Limited

**b) Holding Company**
Richmond Park Property Management Services Limited (the immediate holding company)

**c) Entity having joint control over the ultimate holding company**
DLF Limited
Reco Diamond Private Limited

**d) Additional related party as per the Companies Act, 2013**
**Holding company of the entity having joint control over the Company's ultimate holding company**
Rajdhani Investments & Agencies Private Limited

**ii) Related parties with whom there were transactions during the year**
**a) Ultimate holding company**
DLF Cyber City Developers Limited

**b) Entity having joint control over the ultimate holding company**
DLF Limited

**c) Fellow subsidiary company**
DLF Power & Services Limited
DLF Assets Limited (Formerly DLF Assets Private Limited)
Paliwal Real Estate Limited

**d) Subsidiary of entity having joint control over the ultimate holding company**
DLF Home Developers Limited
DLF Emporio Restaurants Limited

**e) Enterprises under the control of Key managerial personnel (KMP) of entities having joint control over the holding company or their relatives at any time during the year**
Rod Retail Private Limited
DLF Foundation
DLF Qutab Enclave Complex Education Charitable Trust
Mr. Raj Kumar Jain (till July 18, 2019)
Mr. Santosh Kumar Garg (till July 18, 2019)
Mr. Surinder Singh Chawla (till July 18, 2019)

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

*(This space has been intentionally left blank)*

*(All amounts in ₹ lacs, unless otherwise stated)*

(iii) The following transactions were carried out with related parties during the year:

| Description | Ultimate Holding Company | | Holding Company | | Entity having joint control over the holding company | | Fellow subsidiary companies | | Subsidiary of entity having joint control over the holding company | | Key managerial personnel (KMP) or enterprises under the control of KMP of entities having joint control over the holding company or their relatives at any time during the year | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| **Rental income** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 83.24 | 212.26 | - | - | 83.24 | 212.26 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | 74.52 | 83.73 | 74.52 | 83.73 |
| **Rental income not recognised due to lack of certainty of collection of lease payments (refer note 22)** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | - | 2.81 | - | - | - | 2.81 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | - | 3.64 | - | 3.64 |
| **Service income** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 144.73 | 304.08 | - | - | - | - | 144.73 | 304.08 |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 171.24 | 363.68 | - | - | 171.24 | 363.68 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | 10.51 | 12.74 | 10.51 | 12.74 |
| **Parking Income** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 2.02 | 3.20 | - | - | 2.02 | 3.20 |
| **Interest income** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | - | 210.88 | - | - | - | 210.88 |
| DLF Home Developers Limited | - | - | - | - | - | - | - | - | - | 5,322.34 | - | - | - | 5,322.34 |
| **Dividend Income** | | | | | | | | | | | | | | |
| DLF Assets Limited | - | - | - | - | - | - | 0.67 | - | - | - | - | - | 0.67 | - |
| **Business promotion income** | | | | | | | | | | | | | | |
| DLF Home Developers Limited | - | - | - | - | - | - | - | - | - | 45.00 | - | - | - | 45.00 |
| **Business promotion charges** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 6.31 | 40.92 | - | - | 6.31 | 40.92 |
| **Property tax recovered** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 20.37 | 40.75 | - | - | 20.37 | 40.75 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | 0.65 | 1.30 | 0.65 | 1.30 |
| **Finance costs on financial liability measured at amortised cost (including loss on pre-settlement)** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 33.28 | 35.28 | - | - | 33.28 | 35.28 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | 1.64 | - | 1.64 | - |
| **Electricity expenses** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 117.99 | 61.12 | - | - | - | - | 117.99 | 61.12 |
| **Bank guarantee Charges** | | | | | | | | | | | | | | |
| DLF Limited | - | - | - | - | 0.55 | 1.19 | - | - | - | - | - | - | 0.55 | 1.19 |
| **Bank guarantee taken/(released) (net)** | | | | | | | | | | | | | | |
| DLF Limited | - | - | - | - | 6.41 | - | - | - | - | - | - | - | 6.41 | - |
| **Facility maintenance expenses** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 1,206.61 | 1,599.77 | - | - | - | - | 1,206.61 | 1,599.77 |
| **Repair and maintenance - building** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 97.02 | 31.55 | - | - | - | - | 97.02 | 31.55 |
| **Repair and maintenance - others** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 15.36 | 128.63 | - | - | - | - | 15.36 | 128.63 |
| **Heating, ventilation and airconditioning** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 270.34 | 487.18 | - | - | - | - | 270.34 | 487.18 |
| **Business support service charges** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 68.54 | 97.70 | - | - | - | - | 68.54 | 97.70 |
| **CSR expense** | | | | | | | | | | | | | | |
| DLF Foundation | - | - | - | - | - | - | - | - | - | - | 157.27 | 53.00 | 157.27 | 53.00 |
| DLF Qutab Enclave Complex Education Charitable Trust | - | - | - | - | - | - | - | - | - | - | 99.78 | 200.00 | 99.78 | 200.00 |
| **Investments made** | | | | | | | | | | | | | | |
| DLF Cyber City Developers Limited | - | 73,991.28 | - | - | - | - | - | - | - | - | - | - | - | 73,991.28 |
| **Fair valuation gain on investments** | | | | | | | | | | | | | | |
| DLF Assets Limited | - | - | - | - | - | - | 422.48 | 317.81 | - | - | - | - | 422.48 | 317.81 |
| Paliwal Real Estate Limited | - | - | - | - | - | - | - | 65.00 | - | - | - | - | - | 65.00 |
| **Loan received back** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | - | 2,621.75 | - | - | - | 2,621.75 |
| DLF Home Developers Limited | - | - | - | - | - | - | - | - | - | 66,196.00 | - | - | - | 66,196.00 |
| **Director's expense** | | | | | | | | | | | | | | |
| Mr. Rai Kumar Jain | - | - | - | - | - | - | - | - | - | - | - | 0.40 | - | 0.40 |
| Mr. Santosh Kumar Garg | - | - | - | - | - | - | - | - | - | - | - | 0.60 | - | 0.60 |
| Mr. Surinder Singh Chawla | - | - | - | - | - | - | - | - | - | - | - | 0.80 | - | 0.80 |

Note: The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

(All amounts in ₹ lacs, unless otherwise stated)

(iv) Balance at year end

| Description | Ultimate Holding Company | | Holding Company | | Entity having joint control over the holding company | | Fellow subsidiary companies | | Subsidiary of entity having joint control over the holding company | | Key managerial personnel (KMP) or enterprises under the control of KMP of entities having joint control over the holding company or their relatives at any time during the year | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 | Mar-20 |
| | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| **Security deposits accepted** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 374.63 | 356.82 | - | - | 374.63 | 356.82 |
| DLF Brands Limited | - | - | - | - | - | - | - | - | - | - | - | 34.25 | - | 34.25 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | 43.82 | - | 43.82 | - |
| **Deferred income** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 17.06 | 33.63 | - | - | 17.06 | 33.63 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | 3.76 | - | 3.76 | - |
| **Unsecured loans (given)** | | | | | | | | | | | | | | |
| **Trade receivables (including receivables pertaining to revenue not recognised due to lack of certainty of collection of lease payments)** | | | | | | | | | | | | | | |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 10.90 | 56.59 | - | - | 10.90 | 56.59 |
| Rod Retail Private Limited | - | - | - | - | - | - | - | - | - | - | 29.87 | 45.25 | 29.87 | 45.25 |
| DLF Power & Services Limited | - | - | - | - | - | - | 23.08 | 13.82 | - | - | - | - | 23.08 | 13.82 |
| **Trade payable** | | | | | | | | | | | | | | |
| DLF Power & Services Limited | - | - | - | - | - | - | 250.80 | 12.85 | - | - | - | - | 250.80 | 12.85 |
| DLF Emporio Restaurants Limited | - | - | - | - | - | - | - | - | 4.78 | - | - | - | 4.78 | - |
| DLF Limited | - | - | - | - | 0.29 | 0.51 | - | - | - | - | - | - | 0.29 | 0.51 |
| **Investments** | | | | | | | | | | | | | | |
| DLF Assets Limited | - | - | - | - | - | - | 9731.58 | 9,309.09 | - | - | - | - | 9,731.58 | 9,309.09 |
| Paliwal Real Estate Limited | - | - | - | - | - | - | 65065.00 | 65,065.00 | - | - | - | - | 65,065.00 | 65,065.00 |
| **Bank guarantee taken** | | | | | | | | | | | | | | |
| DLF Limited | - | - | - | - | 91.02 | 84.61 | - | - | - | - | - | - | 91.02 | 84.61 |
| **Share Capital** | | | | | | | | | | | | | | |
| DLF Cyber City Developers Limited | 223.33 | 223.33 | - | - | - | - | - | - | - | - | - | - | 223.33 | 223.33 |
| Richmond Park Property Management Services Limited | - | - | 272.58 | 272.58 | - | - | - | - | - | - | - | - | 272.58 | 272.58 |

*(This space has been intentionally left blank)*

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

40 During the current year, the Company has charged the Common Area Maintenance ("CAM") revenue (included under the head "Revenue from Operations") from tenants on provisional basis, based on management's estimate of cost incurred. However, post the year-end, the Company will obtain an independent party certificate of actual expenditure incurred towards maintenance charges for the year ended March 31, 2021. The management believes that no material adjustments will arise in CAM revenue which will affect the current year's financial statements.

41 As at March 31, 2019, the Company had given unsecured loans bearing interest of 11.50% per annum to group companies of DLF Limited amounting to ₹ 81,080.24 lacs (including interest recoverable of ₹ 12,262.49 lacs). As per the terms of Share Purchase and Shareholder Agreement ("SPSHA"), DLF Limited had committed to repay these loans over a maximum period of 180 days from December 26, 2017 i.e. till June 24, 2018. The Company had entered into "Amended and Restated Loan Agreement" dated December 28, 2018 with the said borrowers wherein the parties had agreed that interest shall also be payable on the outstanding interest amounting to ₹10,244.70 lacs as at September 30, 2018 and the entire loan shall be repaid by September 30, 2019.
Further, in case of default in payment of quarterly interest within 15 days from the end of the relevant quarter, additional interest of 2% per annum shall be payable from last date of the relevant quarter till the date of payment. Furthermore, rate of interest had been agreed to be enhanced to 14% per annum w.e.f. April 1, 2019. Further, subsequent to the year end, DLF Limited had given corporate guarantee against these loans.
Pursuant to the above, the group companies of DLF Limited had repaid all their respective outstanding loans including interest accrued till September 30, 2019

42 During the earlier years, the Company had issued rated, listed, redeemable 10.90% Non-Convertible Debentures ("NCDs") amounting to ₹ 52,500 lacs of the face value of ₹ 10 each on private placement basis for its general corporate purposes and refinancing of its then existing debt. These NCDs were secured by way of pari-passu charge on the immovable property owned by the Company.
On May 22, 2019, the Company had redeemed these NCDs by delivering a prior written notice to the debenture trustee. Consequently, these NCDs were delisted from Bombay Stock Exchange's (BSE) portal w.e.f. June 26, 2019. On the date of redemption, the Company had transferred the balance lying in Debenture Redemption Reserve amounting to ₹ 13,125 lacs to General Reserve.
The redemption of above NCDs was financed out of the proceeds received from bank loan amounting to ₹ 52,500 lacs on May 20, 2019, details of which are given under note 15.

43 a. Pursuant to resolution passed by Board of Directors in their meeting held on September 24, 2019, read with the approval of the members vide special resolution dated November 20, 2018, the Company acquired 65,000,000 5% Non-Cumulative Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value ₹ 100 each of Paliwal Real Estate Limited ("Paliwal"), a fellow subsidiary company from DLF Cyber City Developers Limited for a consideration ₹ 65,000 lacs on the basis of fair valuation report obtained from an external valuer, relevant terms of which were as under:
'- OCRPS shall, at the option of Paliwal, be either converted into 10 equity shares of ₹ 10/- each, at any time on or before 10 years from the date of allotment, at par or be redeemed at the end of 10 years at ₹ 100/- each for cash at par.
'- OCRPS shall rank for dividend in priority to the equity shares.
'- OCRPS shall in winding up be entitled to rank, as regards repayment of capital, in priority to equity shares but shall not be entitled to any further participation in profits or assets.
'- OCRPS shall not carry any voting rights except as provided under the provisions of Section 47 of the Companies Act, 2013 and Articles of Association of Paliwal.
'Subsequently, Board of Directors of the Company, in their meting held on March 18, 2020, passed a resolution for amendment of following terms of above OCRPS:
'- It shall now be compulsorily convertible into 10 equity shares of ₹ 10 each at any time on or before 10 years from the date of allotment, at par at the option of Paliwal.
- It shall now be called as 5% Non- Cumulative Compulsorily Convertible Preference Shares ("CCPS").

In accordance with provisions of Ind AS 109 "Financial Instruments" and Ind AS 32 "Financial instruments", the Company has classified the above instrument as "Equity Instrument" and has measured the same at fair value through other comprehensive income during the year ended March 31, 2020 and has accordingly, recognised a gain of ₹ Nil lacs (March 20: ₹50.13 lacs) (net of deferred tax of ₹ Nil lacs (March 20: ₹14.87 lacs)) through other comprehensive income.The fair value of CCPS as at March 31, 2021 is as per the fair valuation report of an external valuer, which has been determined using discounted cash flow method.

b. Pursuant to resolution passed by Board of Directors in their meeting held on September 24, 2019, read with the approval of the members vide special resolution dated November 20, 2018, the Company acquired 6,730,000 0.01% Compulsorily Convertible Preference Shares ("CCPS") of face value of ₹ 100 each of DLF Assets Limited ("DAL", a fellow subsidiary) from DLF Cyber City Developers Limited for a consideration ₹ 8,991.28 lacs on the basis of valuation report obtained from an external valuer. Further, each CCPS shall be converted into 10 equity shares of ₹ 10 each of DAL but not later than May 24, 2025.

In accordance with provisions of Ind AS 109 "Financial Instruments" and Ind AS 32 "Financial instruments", the Company has classified the above instrument as "Equity Instrument" and has measured the same at fair value through other comprehensive income and has accordingly, recognised a gain of ₹ 324.06 lacs (March 20: ₹245.10 lacs) (net of deferred tax of ₹ 98.42 (March 20: ₹ 72.71 lacs) through other comprehensive income.The fair value of CCPS as at March 31, 2021 is as per the fair valuation report of an external valuer, which has been determined using discounted cash flow method.

44 During the current year, Richmond Park Property Management Services Limited("transferor Company"), Pursuant to the approval of the Board of Directors vide its resolution dated February 25, 2020 and in accordance with provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder has filed a Scheme of Amalgamation with the Company before National Company Law Tribunal ('NCLT'), Chandigarh Bench.The appointed date as per the scheme of amalgamation is April 1, 2019. The Hon'ble NCLT vide its Order dated August 14, 2020 has disposed the First Motion petition with directions to file Second Motion Petition. The Second Motion Petition was filed on October 21, 2020. The petition is under consideration before the Hon'ble NCLT and hence, no effect has been given in these financial statements.

45 In accordance with provisions of Ind AS 109 "Financial Instruments", during the year ended March 31, 2020, the Company had accounted for modification of liability in respect of security deposits received from tenants due to change in estimated lease term and had accordingly, computed revised estimated value of the financial liability discounted at original effective interest rate and adjusted the difference between the existing value of liability and revised liability amounting to ₹ 128.67 lacs in the Statement of Profit and Loss.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

DLF EMPORIO LIMITED *

46 The Company is in the business of leasing and maintenance of a shopping mall, revenue pertaining to which, arises from underlying lease agreements. On account of COVID-19 pandemic, nationwide lockdown was imposed by Government of India from March 2020 which resulted into intermittent lockdowns / restrictions since last 1 year in varied forms in varied parts of the country.

On account of ongoing pandemic along with the lockdown and other restrictive instructions issued by the Central and State Governments, the shopping mall of the Company was shut for part of the year. Further, the businesses of various tenants were also impacted, consequent to which the Company offered rental concessions to its tenants. The Company has assessed the possible effects on the carrying amounts of investment property under development, receivables including unbilled receivables, contract assets, and other assets / liabilities based on various internal and external factors up to the date of approval of financial statements. The Company has performed sensitivity analysis on the assumptions used (in consultation with management's expert valuers) and based on current estimates, expects that the carrying amount of these assets will be recovered. Further, the management has made assessment of impact on business and financial risks on account of COVID-19.

Basis above, management has estimated its future cash flows for the Company which indicates no major change in medium to long term financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to continue as going concern and meeting its liabilities as and when they fall due. However, due to the unpredictable nature of the ongoing pandemic, the impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

47 Ind AS 116 "Leases" require the lessors to account for modifications to operating leases as a new lease from the effective date of modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. Owing to impact of COVID-19 on the Company's operations and its tenants' businesses of retail operations, the Company has entered into Addendums to Lease Agreements with certain tenants wherein it has agreed revised reduced concessional rates of rentals for the financial year ended March 31, 2021 with these tenants and thus, the revenue for the year is reduced accordingly. The Company has accounted the same as per the above provisions of Ind AS 116. The management believes that no further adjustment is required to be made in these financial statements in this regard.

48 During the current year, the Company has revised its estimate of period to repay its outstanding term loan within next 1 year and hence, has classified the same as "current maturities of long term borrowings" under note 20. Accordingly, consequential difference of ₹ 104.21 lacs between the existing carrying value and the recomputed value of term loan as disclosed in note 20 has been recognised in the Statement of Profit and Loss.

49 There are no transactions of loans and advances to subsidiaries, associate firms/ companies in which directors are interested.

50 There are no loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below the prevailing bank rate as per Section 186 of the Companies Act, 2013.

51 The figures of previous year have been reclassified/ regrouped for better presentation in the financial statements and to conform to the current year's classifications/ disclosures.

**As per our report of even date**

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/ E300005

S.R. BATLIBOI & CO. LLP GURUGRAM

**per Amit Gupta**
Partner
Membership Number: 501396

**Place** : Faridabad
**Date** : June 1, 2021

**For and on behalf of the Board of Directors**
**DLF Emporio Limited**

**Giri Raj Shah**
Director
DIN: 03436135

**Prashant Gaurav Gupta**
Director & Manager
DIN: 07951272

**Hari Krishan Bansal**
Chief Financial Officer

DLF EMPORIO LIMITED

**Place** : Gurugram
**Date** : June 1, 2021