

# Message from the Chairman



*Dr. K.P. Singh, Chairman*

## *Dear Shareholders,*

Several path-breaking reforms ushered in by the Government over the past few years are gradually beginning to have a salutary impact on the economy as a whole and on the Real Estate sector in particular.

Even as economic players are rapidly adapting to structural changes like GST, IBC and RERA, there are signs of general endorsement of the Prime Minister's call to Reform, Perform and Transform.

Although, as a nation in transition, India still faces many hurdles on the road to revival and faster growth, the year gone by has provided hopeful indications that the country is moving in the right direction.

Added to that is the recent global recognition of India's ranking as the sixth largest economy and as the fast-growing large economy in the world. This has reinforced the belief that broadly speaking

macro-economic fundamentals have remained stable despite the downturn in recent years.

It would be a fallacy however, to become complacent on the basis of the GDP estimates of 6.7 percent in 2017-18. The reality, as I have often emphasized in the past, is that India needs a consistent double-digit 'real' growth rate sustained over several years in order to achieve the national goals of inclusive growth and justice to all sections of the vast population.

As I have also repeatedly advocated, the key to transformation of India's future lies in recognizing the Real Estate sector as the principle engine of growth. The housing and construction sector has a multiplier effect on the entire economy - it is the fourth largest employment generator and is a significant contributor to GDP, with studies showing that construction as a whole, accounts for 11.39 percent of the total economic output. Moreover, every rupee invested in the housing sector results in an addition

of ₹ 1.54 to GDP and, if household expenditure is also taken into consideration, the contribution adds up to ₹ 2.84.

The Government has brought forward several important reforms, the most significant being the Real Estate (Regulation and Development) Act, 2016 (RERA). This shall undoubtedly boost consumer confidence and pave the way for accelerated demand for housing products and facilitate flow of investments into the real estate sector, both from global and Indian investors.

Implementation of RERA shall also streamline norms for transparency and accountability and a compliance mechanism for timely delivery of good quality housing projects.

RERA has been well supported by the implementation of Goods and Services Tax (GST) regime which will create a level playing field for the organized players like your Company and helped in accelerating the growth in the sector.

Real estate demand, in the recent months, has also received much needed impetus with the Credit Linked Subsidy Scheme (CLSS) for the middle income group under the Pradhan Mantri AwasYojna (PMAY).

I am happy to report that your Company is well placed to capitalize on these opportunities in the business development space. Acknowledging the strength of your Company, GIC Real Estate has entered into one of the largest transactions by becoming a shareholder in DLF Cyber City Developers Limited (DCCDL), which has a huge annuity portfolio.

DLF's partnership with GIC has positioned your Company for faster growth in the office and retail space. In addition to capturing the growth within DCCDL, your Company can continue to develop offices or retail malls outside the JV – DCCDL.

As a business strategy, your Company shall try to sell its products only when the project has progressed to a stage, where the uncertainties linked to development are significantly reduced.

I am confident that your Company is well equipped not only to tide over the travails of transition but also to remain at the forefront of real estate development. Our unique business model shall cushion the impact of market down cycles given the different types of incomes and geographic diversity.

Your Company has been committed to the cause of social empowerment and uplifting the lives of under privileged. Through DLF Foundation and other NGO's, DLF has been working and contributing in national priorities such as skill development, education, rural health care, community development and promoting art, culture, spirituality and leadership based on Vedic philosophy, women empowerment. The goal of these initiatives is to make the rural masses more self-reliant. Under the nurturing talent program, 1,021 students were supported by your Company at the primary, secondary schools and professional colleges level during the year. Your Company has adopted 16 Government schools for supporting infrastructural up-gradation and education enhancement project in 6 Government schools. To support the bridge schools, your Company has addressed the needs of school dropouts and subsequently facilitate their enrolment in Government schools after enhancing their learning skills and provide remedial classes to over 1,019 students in three learning centres. Under the health care including mobile medical program, over a lakh people have been benefitted. The social outreach initiatives have won many recognitions at various national and international levels.

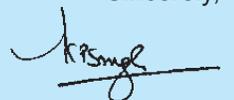
It is my privilege to inform you that your Company's sterling products have been recognized and awarded platinum certification (highest certification) and IGBC's LEED India platinum rating by the US Green Building Council and Indian Green Building Council, respectively.

Our employees, customers, business associates and shareholders have always been a source of strength and I thank them for their continued support. On behalf of my fellow Directors and DLF Corporate family, I renew our pledge towards building a new India.

We look forward your continued support to all our endeavors in delivering happiness in the lives of millions of people who joined our journey of Building India.

With best wishes,

Sincerely,



New Delhi  
10 August 2018

**(Dr. K.P. Singh)**  
**Chairman**