

## DLF Limited

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October 8, 2015

To, The General Manager Dept. of Corporate Services <b>BSE Limited</b> P.J. Tower, Dalal Street, Mumbai 400 001 e-mail: corp.relations@bseindia.com	To, The Vice-President <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 e-mail: cmlist@nse.co.in
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Dear Sir,

### Sub: Disclosure to Stock Exchanges

By notification dated August 29, 2014, the Company had advised the Stock Exchanges that the Audit Committee chaired by Sh. K.N. Memani had been empowered to comprehensively evaluate, review and recommend various strategic options to drive sustainable and long-term growth and development to the rental business; create the optimum structure for rental business in order to improve efficiency and control and to reduce conflicts of interest, if any, inter-se affiliated persons / entities in keeping with best corporate governance practices.

Further, vide notification dated March 13, 2015, it was advised to the Stock Exchanges that based on the recommendations of the Audit Committee, the Board of Directors vide its resolution dated March 13, 2015 sought cooperation of promoter group companies namely Rajdhani Investments & Agencies Private Limited, Buland Consultants and Investments Private Limited, Sidhant Housing and Development Company ("**CCPS Holders**") holding 15,96,99,999 Cumulative Compulsorily Convertible Preference Shares of Rs. 100 each ("**CCPS**") of DLF Cyber City Developers Limited ("**DCCDL**") (which would result in the CCPS Holders holding 40% equity shareholding in DCCDL upon conversion of the CCPS on a fully diluted basis) to defer the compulsory conversion of the CCPS by a period of one year and reduce the coupon rate (dividend) from 9% p.a. to 0.01% p.a. The CCPS Holders agreed to reduce the coupon rate (dividend) of CCPS from 9% p.a. to 0.01% p.a. and extended the conversion period of CCPS by one year upto 18<sup>th</sup> March, 2016.

The Audit Committee in its meeting held today evaluated several options available to the Company to reduce the conflict of interest with the CCPS Holders in relation to the rental business and after deliberations, recommended to the Board to consider the proposal that CCPS Holders sell the CCPS to unrelated third party institutional investor(s) (the "**Transaction**") *inter-alia* subject to the following conditions:

- The Company shall determine and finalize the strategic terms of Transaction including selection of third party institutional investor(s) and shall also oversee and facilitate the Transaction, in consultation with CCPS Holders as may be considered appropriate;
- The Company shall appoint bankers, transaction advisors, tax and legal advisors etc. to assist in the Transaction;

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- c) The CCPS Holders, subject to receipt of all necessary approvals/consents in accordance with all applicable laws, shall invest back in the Company, a substantial amount (net of taxes/other charges) of the consideration received from the sale of CCPS ; and
- d) The Company shall take such steps as may be required to ensure adherence to the minimum public shareholding requirements to comply with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and the listing agreement.

After deliberation and upon the CCPS holders conveying their consent, the Board accorded its approval for the Transaction. Upon completion of the proposed Transaction, the Company will continue to hold 60% equity interest in DCCDL, on a fully diluted basis.

The Board has authorized the Audit Committee *inter alia*, (i) to determine and finalize the strategic terms of Transaction including selection of third party institutional investor(s) in consultation with CCPS Holders, as appropriate, to negotiate and finalise the transaction documents and to oversee and facilitate the Transaction, and (b) to authorize Directors, officials of the Company to, subject to applicable laws, provide such information in relation to the due diligence process and execute such letters, papers, documents, writings, undertakings, agreements, etc. on behalf of the Company as it may deem appropriate in relation to the Transaction.

The Board also confirmed the appointments of bankers, transaction advisors, tax and legal advisors etc. to assist in the abovementioned Transaction.

The Board of Directors also requested DCCDL to provide requisite co-operation including information / documents, as may be necessary for consummation of above Transaction, subject to applicable laws.

The above Transaction shall be subject to necessary statutory and regulatory compliances/approvals.

The Company is accordingly advising the stock exchanges about the above decision of the Board of Directors of the Company.

Thanking you,

Yours faithfully,  
for **DLF LTD.**

  
**Subhash Setia**  
Company Secretary

For any clarifications, please contact:-

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