

DLF Limited

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April 8, 2015

The General Manager Dept. of Corporate Services BSE Limited P.J. Tower, Dalal Street, Mumbai – 400 001 e-mail: corp.relations@bseindia.com	The Vice-President National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai – 400 051 e-mail: cmlist@nse.co.in
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Dear Sir,

Sub: Disclosure to Stock Exchanges

We are sending herewith a Press Release dated 1st April, 2015 issued by CRISIL reaffirming the ratings at 'CRISIL A/CRISIL A2+' on the bank facilities and debt instruments, for your kind information and record please.

Thanking you,

Yours faithfully,
For **DLF Limited**

Subhash Setia
Company Secretary

For any clarifications, please contact:-

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Rating Rationale



April 01, 2015
Mumbai

DLF Limited

Ratings removed from 'Watch Negative'; Ratings reaffirmed

Total Bank Loan Facilities Rated	Rs.157.30 Billion
Long Term Rating	CRISIL A/Negative (Removed from 'Watch with Negative implications'; Reaffirmed)
Short Term Rating	CRISIL A2+ (Removed from 'Watch with Negative implications'; Reaffirmed)

(Refer to Annexure 1 for Facility-wise details)

Rs.50 Billion Non Convertible Debentures	CRISIL A/Negative (Removed from 'Watch with Negative implications'; Reaffirmed)
Rs.30 Billion Short Term Debt	CRISIL A2+ (Removed from 'Watch with Negative implications'; Reaffirmed)

CRISIL has removed its ratings on the bank facilities and debt instruments of DLF Ltd (DLF) from 'Watch with Negative Implications' and reaffirmed the ratings at 'CRISIL A/CRISIL A2+'; the rating outlook on the long-term facilities is '**Negative**'.

The rating action follows Securities Appellate Tribunal's (SAT's) order dated March 13, 2015, in reply to DLF's appeal setting aside the order of Securities and Exchange Board of India (SEBI) dated October 10, 2014. CRISIL had placed the ratings on watch with negative implications in October 2014 following the SEBI order restraining DLF and some of its key executives from accessing the securities market and from buying, selling, or dealing in securities, directly or indirectly, for a period of three years. The SEBI order was in relation to violation of SEBI regulations on disclosure with respect to DLF's initial public offering (IPO). However, SAT's favourable order will enable DLF to access capital markets and will support its financial flexibility, which is its key rating strength. DLF plans to raise over Rs.25 billion through fresh issue of equity shares and real estate investment trusts (REITs) over the medium term.

CRISIL has assigned 'Negative' outlook to DLF's long-term bank facilities and debt instruments on account of the company's significantly high debt level, weak operating cash flows, and residual uncertainty over regulatory issues. DLF's debt (as on March 31, 2015) is expected to be higher than CRISIL's earlier expectation, on account of weak operating cash flows and the company's inability to raise funds through equity issuance because of the SEBI order. The elevated debt level will also result in substantially weak debt protection metrics. DLF is actively pursuing a debt reduction plan that includes disposal of non-core assets, induction of strategic investors in a few large residential projects, and raising funds through fresh equity issuance and REITs over the medium term. Also, the company has witnessed some improvement in its operating cash flows in the past few months. Though the SAT order is in favour of DLF, SEBI may appeal before the Supreme Court. Any adverse outcome could delay DLF's debt reduction plan. CRISIL believes that DLF will reduce its debt (net of liquidity) to around Rs.175 billion as on March 31, 2016, from Rs.203 billion as on December 31, 2014. CRISIL will continue to monitor progress of DLF's debt reduction plan, improvement in operating cash flows, and outcome of regulatory issues.

The ratings reflect DLF's healthy business risk profile and financial flexibility. These rating strengths are partially offset by the company's sizeable debt (resulting in weak debt protection metrics), and susceptibility to risks and cyclicalities inherent in the real estate sector.

For arriving at the ratings, CRISIL has combined the business and financial risk profiles of DLF and its subsidiaries, joint ventures, and associate companies, because of their strong operational and financial linkages.

Outlook: Negative

CRISIL believes that DLF's operating cash flows will remain weak over the medium term; however, DLF will reduce its debt over the period through active implementation of its debt reduction plan. The ratings may be downgraded if DLF's debt remains higher than expectation because of low operating cash flows, slow progress of debt reduction plan, or adverse impact of any regulatory action. Conversely, the outlook may be revised to 'Stable' in case of faster-than-expected improvement in DLF's operating cash flows or significant reduction in its debt.

About the Company

DLF is one of the oldest and largest real estate companies in India. The company has a diverse asset

portfolio across the real estate segment, and is expanding its presence all over India.

For 2013-14, DLF reported a net profit of Rs.6.04 billion on net sales of Rs.83.0 billion (Rs.6.8 billion and Rs.77.7 billion, respectively, for 2012-13). For the nine months ended December 31, 2014, the company reported a net profit of Rs.3.69 billion on net sales of Rs.56.95 billion (Rs.4.27 billion and Rs.63.29 billion, respectively, for the corresponding period of the previous year).

Annexure 1 - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Billion)	Rating	Facility	Amount (Rs.Billion)	Rating
Bank Guarantee	8.60	CRISIL A2+	Bank Guarantee	8.60	CRISIL A2+/Watch Negative
Letter of Credit	8.10	CRISIL A2+	Letter of Credit	8.10	CRISIL A2+/Watch Negative
Overdraft Facility	4.15	CRISIL A/Negative	Overdraft Facility	4.15	CRISIL A/Watch Negative
Proposed Long Term Bank Loan Facility	2.19	CRISIL A/Negative	Proposed Long Term Bank Loan Facility	2.19	CRISIL A/Watch Negative
Short Term Loan	18.45	CRISIL A2+	Short Term Loan	18.45	CRISIL A2+/Watch Negative
Term Loan	115.81	CRISIL A/Negative	Term Loan	115.81	CRISIL A/Watch Negative
Total	157.30	--	Total	157.30	--

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Crisil complexity levels are assigned to various types of financial instruments. The crisil complexity levels are available on www.crisil.com/complexity-levels. Investors are advised to refer to the crisil complexity levels for instruments that they desire to invest in. Investors may also call the Customer Service Helpdesk with queries on specific instruments.

About CRISIL LIMITED

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

About CRISIL Ratings

CRISIL Ratings is India's leading rating agency. We pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we have a leadership position. We have rated over 75,000 entities, by far the largest number in India. We are a full-service rating agency. We rate the entire range of debt instruments: bank loans, certificates of deposit, commercial paper, non-convertible debentures, bank hybrid capital instruments, asset-backed securities, mortgage-backed securities, perpetual bonds, and partial guarantees. CRISIL sets the standards in every aspect of the credit rating business. We have instituted several innovations in India including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We pioneered a globally unique and affordable rating service for Small and Medium Enterprises (SMEs). This has significantly expanded the market for ratings and is improving SMEs' access to affordable finance. We have an active outreach programme with issuers, investors and regulators to maintain a high level of transparency regarding our rating criteria and to disseminate our analytical insights and knowledge.

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Last updated: August, 2014

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April 01, 2015

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CRISIL has revised its rating symbols and definitions with effect from July 11, 2011, to comply with the SEBI circular, 'Standardisation of Rating Symbols and Definitions'. The revised rating symbols carry the prefix, 'CRISIL'. The rating symbols for short-term instruments have been revised to 'CRISIL A1', 'CRISIL A2', 'CRISIL A3', 'CRISIL A4', and 'CRISIL D' from the earlier 'P1', 'P2', 'P3', 'P4', and 'P5', respectively. The revision in the rating symbols and definitions is not to be construed as a change in the ratings. For details on revised rating symbols and definitions, please refer to the document, 'Revision of Rating Symbols and Definitions', at the link, <http://www.crisil.com/ratings/credit-rating-scale.html>