

DLF Limited

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13th March, 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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Ref: DLF Limited (BSE: 532868/NSE: DLF)
Sub: Outcome of Board Meeting of DLF Limited (“Company”)

Dear Sir,

By notification dated 29th August, 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.

The Audit Committee consistent with this mandate and considering the effect of the uncertainty created by the order of the SEBI Whole-time Member of 10th October, 2014 felt constrained to make a comprehensive suggestion to the Board. The promoter group companies, Buland Consultants and Investments Private Limited, Rajdhani Investments & Agencies Private Limited and Sidhant Housing and Development Company (‘CCPS Holders’), who hold 15,96,99,9999 9% Compulsorily Convertible Preference Shares in the aggregate (‘CCPS’) of DLF Cyber City Developers Limited (‘DCCDL’) (whose 100% equity/voting capital is held by Company), which were to otherwise convert on 19th March, 2015 have sought clarification on the way forward. In view of the same, a notice to convene Audit Committee and the Board was issued on March 5, 2015 to consider the matter.

The Audit Committee has sought the cooperation of the CCPS Holders to defer the compulsory conversion of the CCPS by a period of one year and reduction in dividend coupon rate from 9% p.a. to 0.01% p.a. in order to facilitate the consolidation and development of rental business of the Company without causing a conflict of interest by virtue of compulsory conversion of the CCPS which would result the CCPS Holders holding 40% equity shareholding in DLF Cyber City Developers Limited (‘DCCDL’).

The Board of Directors of the Company on the basis of the recommendation of the Audit Committee suggested to the promoter directors who are also directors on the Board of the CCPS Holders, the proposal to defer conversion of the CCPS for a period of one year and reduce the dividend coupon rate of the CCPS from 9% p.a. to 0.01% p.a. In view of the urgency, the Board requested the promoter group companies to consider the suggestion on the same date in view of the proximity of the compulsory conversion date of the CCPS.

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The promoter directors, being directors of the CCPS Holders, agreed to deliberate and convey the decisions for the CCPS Holders to the Board. The Board of Directors of the Company has authorised two Independent Directors namely Sh. K.N. Memani and Dr. D.V. Kapur to receive the decisions of CCPS Holders for the purpose of acceptance or rejection of their proposal.

The CCPS Holders have conveyed in writing to the DCCDL Board and informed the Independent Directors, Mr. K.N. Memani and Dr. D.V. Kapur that they are agreeable to defer conversion of the CCPS until March 18, 2016 and also to reduce the coupon rate on the CCPS from 9% p.a. to 0.01% p.a. for the period of the extension. 100% of the CCPS Holders of DCCDL and 100% of the Equity Shareholders of DCCDL have agreed to the variation in terms of the CCPS.

The Board also noted that the Securities Appellate Tribunal (SAT) has by its order dated March 13, 2015, quashed and set aside the order dated 10th October, 2014 passed by SEBI Whole Time Member wherein the Company was restrained from accessing the securities market, directly or indirectly, for a period of three years. The Company is in the process of examining the said order dated March 13, 2015 passed by the Hon'ble Tribunal and will take further action as per legal advice.

In view of the above, the Board is of the view that the above course of action is in the best interest of the Company.

The Company is accordingly advising the stock exchanges about the above changes in the terms of CCPS issued by DCCDL.

Thanking you,

Yours Sincerely,
For **DLF Limited**

A handwritten signature in black ink, appearing to read 'Subhash Setia', written over a horizontal line.

(Subhash Setia)
Company Secretary