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DLF's 40% Stake Sale in Rental Arm to GIC Enters Final Lap

Realtor to place proposal before audit committee for approval soon

Kailash.Babar
@timesgroup.com

Mumbai: The deal between the country's largest realty developer DLF and Singapore's sovereign wealth fund GIC for a 40% stake in DLF Cyber City Developers (DCCDL) has entered the final stages.

DLF told analysts on Sunday that the stake sale, estimated to be valued at \$2 billion (around ₹13,000 crore), will be placed before the audit committee for approval soon. Promoters of DLF have entered into an exclusive agreement with GIC to sell their 40% stake in the rental arm DCCDL, which opera-

tes a portfolio of nearly 27 million sq ft commercial properties that are completely leased out.

DLF had first announced its promoters' plan to sell their stake in DCCDL in October 2015. The deal value was then estimated at ₹12,000-14,000 crore. A substantial chunk of the proceeds, would be reinvested in the company to help reduce debt, it had said.

On Saturday, the developer reported a 58.4% year-on-year drop in its first-quarter net profit at ₹109 crore. Total income from operations rose 9% to ₹2,211.24 crore. Its finance cost during the June quarter rose nearly 5% from a year earlier to ₹782.66 crore.

DLF's consolidated net debt sto-

od at ₹25,898 crore at the end of June quarter. "Continued capex in new office complexes and construction spend on residential shall result in temporary spike in net debt levels for which financing is already in place," DLF said in its investor presentation.

The stake sale had initially attracted interest from around 25 investors and the list was then shortened to six entities.

However, in February 2016, in the backdrop of weak market conditions, DLF extended the deadline by deferring conversion of the compulsorily convertible preference shares to promoters until March 18, 2017 with the same terms and conditions.

Paring Debt

DCCDL has nearly **27 m sq ft** of commercial properties, all of which are leased out



DLF has inked an exclusive pact with GIC for 40% stake in rental arm

A substantial portion of the proceeds will be deployed to reduce co's debt

