

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3304
ANSWERED ON:13.08.2010
SEBI PROBE AGAINST DLF
Meena Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether probe about mis-statement and false statements against DLF Limited for alleged 'mis-statement' in its Red Herring Prospects while launching its Initial Public Offering (IPO) in 2007 have been completed;
- (b) if so, the details thereof and action taken on the findings thereof; and
- (c) if not, the reasons therefor and status thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Following a complaint lodged in June 2007 regarding non-disclosure of information about associate company (Sudipti Estates Pvt. Ltd.) by DLF Ltd., SEBI had got due diligence report from the merchant banker stating that Sudipti Estates Pvt. Ltd ceased to be an associate company of DLF Ltd. since November 2006. Thus, no disclosure regarding Sudipti Estates Pvt. Ltd. was made in the Draft Red Herring Prospectus filed by DLF in January 2007. Subsequently the matter had gone before Court and as per Court Order SEBI had initiated investigation.

(b): Not applicable in view of reply to (a) above.

(c): SEBI, following a Delhi High Court Order, had initiated investigation into the allegation that DLF did not disclose a criminal litigation filed against its associate company Sudipti Estates Pvt.Ltd. in the Red Herring Prospectus. However following an appeal by DLF, Delhi High Court has stayed the operation of the Order till 12-08-2010.