


LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder (*as defined hereinafter*) of, Sobha Limited (the “**Company**”) as on the Record Date (*as defined hereinafter*), in accordance with the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the “**SEBI Buy-back Regulations**”). If you require any clarifications about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buy-back i.e. ICICI Securities Limited or the Registrar to the Buy-back i.e. Link Intime India Private Limited. Please refer to the section on “**Definitions**” for the definitions of the capitalized terms used herein and not having a specific definition ascribed to such capitalised term.

<p style="text-align: center;">SOBHA LIMITED</p> <p>Registered Office and Correspondence Address: ‘SOBHA’, Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore, Karnataka, 560103</p> <p>Tel. No.: 080-49320000; Fax: 080-49320446</p> <p>E-mail: investors@sobha.com; Website: www.sobha.com;</p> <p>Corporate Identification Number (CIN): L45201KA1995PLC018475</p> <p>Contact Person: Vighneshwar G. Bhat, Company Secretary and Compliance Officer;</p> <p>Tel. No.: 080-49320000, Extn: 6024; Fax: 080-49320446;</p> <p>E-mail: vighneshwar.bhat@sobha.com</p>	
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Cash offer to buy-back up to 14,58,823 (Fourteen Lakh Fifty Eight Thousand Eight Hundred Twenty Three) fully paid-up equity shares of face value ₹10 (Rupees Ten only) each (“**Equity Share**”), representing up to 1.5% of the total paid-up Equity Share capital of the Company, from all the Equity Shareholders of the Company as on the Record Date, on a proportionate basis, through the “**Tender Offer**” route, at a price of ₹425 (Rupees Four Hundred Twenty Five only) per Equity Share (“**Buy-back Price**”), for an aggregate maximum amount of not exceeding ₹62 Crore (Rupees Sixty Two Crores only) (the “**Buy-back Size**”) excluding Transaction Costs (*as defined hereinafter*). As required under the SEBI Buy-back Regulations, Equity Shares to be bought back are divided into two categories: (i) reserved category for Small Shareholders (*as defined hereinafter*); and (ii) general category for all other shareholders.

1. The Buy-back is in accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the “**Companies Act**”) and all applicable Rules thereunder, the SEBI Buy-back Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**SEBI Listing Regulations**”) Article 66 of the Articles of Association of the Company and is subject to other approvals, permissions, sanctions, filings and exemptions as may be required from time to time from the Securities and Exchange Board of India, Registrar of Companies, Karnataka, BSE Limited, National Stock Exchange of India Limited and/or other statutory, regulatory or governmental authorities, institutions or bodies, as may be applicable (the “**Appropriate Authorities**”) and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Appropriate Authorities while granting such approvals, permissions and sanctions, filings and exemptions which may be agreed to by the Board and/or any sub-committee thereof.
2. The Buy-back Size is up to 2.47% and 2.34% on a standalone and consolidated basis respectively, of the paid-up equity share capital and free reserves as per the latest audited balance sheet of the Company for the financial year ended March 31, 2017 (as approved by the Board and being the latest audited balance sheet available as on the date of the Board meeting recommending the proposal of the Buy-back, held on August 4, 2017) and is within the statutory limits of 10% of the total paid-up equity share capital and free reserves as per the latest audited balance sheet of the Company. The maximum number of Equity Shares proposed to be bought back represents up to 1.5% of the total number of Equity Shares in the paid-up share capital of the Company.
3. The Letter of Offer is sent to the Eligible Shareholders (Equity Shareholder(s) on the Record Date i.e. August 28, 2017).
4. The procedure for tendering and settlement is set out in Paragraph 20 on page 33 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the “**Tender Form**”) is enclosed together with this Letter of Offer.
5. For details of the procedure for Acceptance, please refer to Paragraph 19 on page 28 of this Letter of Offer. For mode of payment of consideration to the Eligible Shareholders, please refer to Paragraph 20 on page 33 of this Letter of Offer.
6. A copy of the Public Announcement, Draft Letter of Offer, and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India - www.sebi.gov.in.
7. Equity Shareholders are advised to refer to Details of the Statutory Approvals and Note on Taxation in Paragraphs 17 and 21 on page 26 and 43, respectively, of this Letter of Offer, before tendering their Equity Shares in the Buy-back.

BUY-BACK OPENS ON: SEPTEMBER 19, 2017

BUY-BACK CLOSSES ON: OCTOBER 03, 2017

LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: OCTOBER 05, 2017, 5:00 P.M.



MANAGER TO THE BUY BACK	REGISTRAR TO THE BUY BACK
 <p>ICICI Securities Limited Address: ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra, India Tel.: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: sobha.buyback@icicisecurities.com Website: www.icicisecurities.com Contact Person(s): Arjun A Mehrotra/Anurag Byas SEBI Regn. No.: INM000011179 Validity Period: Permanent Corporate Identity Number: U67120MH1995PLC086241</p>	 <p>Link Intime India Private Limited Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai, Maharashtra 400083 Tel.: +91 22 49186200 Fax: +91 22 49186195 Email: sobha.buyback2017@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Regn. No.: INR000004058 Validity Period: Permanent Corporate Identity Number: U67190MH1999PTC118368</p>

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TENDER FORMS FOR DEMAT EQUITY SHARES

TENDER FORMS FOR PHYSICAL EQUITY SHARES

1. SCHEDULE OF ACTIVITIES

Activity	Date
Date of the Board meeting to approve the proposal for Buy-back of Equity Shares	August 4, 2017
Date of publication of Public Announcement for the Buy-back	August 8, 2017
Record Date for determining the Buy-back Entitlement and the names of Eligible Shareholders	August 28, 2017
Buy-back opens on/date of opening of Buy-back	September 19, 2017
Buy-back closes on/date of closing of Buy-back	October 03, 2017
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar	October 05, 2017
Last date of verification by Registrar	October 06, 2017
Last date of providing Acceptance/Rejection to the Stock Exchange by the Registrar	October 11, 2017
Last date of settlement of bids on the Stock Exchange	October 12, 2017
Last date of dispatch of share certificate(s) by Registrar/return of unaccepted demat shares by Stock Exchange to Shareholder Broker	October 12, 2017
Last date of extinguishment of Equity Shares	October 17, 2017

Note: Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.

2. DEFINITION OF KEY TERMS

- 2.1 This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended, modified, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 2.2 The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buy-back Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Acceptance	Acceptance of fully paid-up Equity Shares tendered by Eligible Shareholders in the Buy-back.
Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buy-back Entitlement of such Equity Shareholder up to the extent of Equity Shares held by such Eligible Shareholder on the Record Date.
Articles	Articles of Association of the Company.
Board or Board of Directors or Directors	Board of Directors of the Company.
BSE	BSE Limited.
Buy-back or Buy-Back Offer or Offer	Offer by the Company to buy back up to 14,58,823 (Fourteen Lakh Fifty Eight Thousand Eight Hundred Twenty Three) fully paid-up Equity Shares at the Buy-back Price of ₹425 (Rupees Four Hundred Twenty Five only) per

	Equity Share from the Eligible Shareholders, through the Tender Offer route on a proportionate basis.
Buy-back Committee	The Buy-back Committee comprising Mr. Ravi P.N.C. Menon, Chairman, Mr. J.C. Sharma, Vice Chairman and Managing Director, Mr. Subhash Mohan Bhat, Chief Financial Officer, and Mr. Ramesh Babu, Vice President, Finance, constituted and authorized for the purposes of the Buy-back by a resolution dated August 4, 2017 of the Board of Directors. Additionally, Mr. Vighneshwar G. Bhat, Company Secretary is the Compliance Officer to the Buy-back.
Buy-back Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buy-back, based on the number of Equity Shares held by that Eligible Shareholder, on the Record Date and the ratio of Buy-back applicable in the category, to which such Eligible Shareholder belongs.
Buy-back Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹425 (Rupees Four Hundred Twenty Five only) per fully paid up Equity Share, payable in cash.
Buy-back Size	Number of Equity Shares proposed to be bought back (i.e. 14,58,823 (Fourteen Lakh Fifty Eight Thousand Eight Hundred Twenty Three) Equity Shares) multiplied by the Buy-back Price (i.e. ₹425 (Rupees Four Hundred Twenty Five only)) per Equity Share) aggregating to an amount not exceeding ₹62 Crores (Rupees Sixty Two Crores only). The Buy-back Size does not include any Transaction Costs.
CDSL	Central Depository Services Limited.
Companies Act	The Companies Act, 2013, with rules notified, as amended from time to time.
Depositories	NSDL and CDSL, referred collectively.
DP	Depository Participant.
Draft Letter of Offer/ DLoF	The Draft Letter of Offer dated August 14, 2017 filed with SEBI.
Designated Stock Exchange	BSE.
Eligible Shareholder (s)	Equity Shareholders eligible to participate in the Buy-back/Offer and would mean all Equity Shareholders as on the Record Date, but does not include such shareholders/beneficial owners of the Equity Shares who are not permitted under applicable laws to tender shares in the Buy-back.
Equity Shares	Fully paid-up equity shares of face value of ₹10 each of Sobha Limited.
Equity Shareholder	Holders of the Equity Shares and includes beneficial owners thereof.
Escrow Account	The Escrow Account titled “Sobha – Buy-Back of Equity Shares – Escrow A/c” bearing account number 917020059752494 opened with the Escrow

	Agent.
Escrow Agent	Axis Bank Limited.
Escrow Agreement	The escrow agreement dated August 22, 2017 entered into between the Company, Manager to the Buy-back and the Escrow Agent.
HUF	Hindu Undivided Family.
IT Act/ Income Tax Act	Indian Income Tax Act, 1961, as amended.
Letter of Offer	This Letter of Offer dated September 6, 2017 filed with SEBI, incorporating comments received from SEBI on the Draft Letter of Offer.
Manager to the Buy-back	ICICI Securities Limited.
Non-Resident Shareholder	Includes Non-resident Indians ('NRI'), Foreign Institutional Investors ('FII') and Foreign Portfolio Investors ('FPI') and erstwhile Overseas Corporate Bodies ('OCB') and Foreign Nationals.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
Public Announcement	Public announcement dated August 7, 2017 regarding the Buy-back, published on August 8, 2017 in the Financial Express (English national daily), the Jansatta (Hindi national daily) and Hosa Digantha (Kannada language daily).
RBI	Reserve Bank of India.
Record Date	The date for the purpose of determining the Buy-back Entitlement and the names of the Equity Shareholders to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the proposed Buy-back offer in accordance with the SEBI Buy-back Regulations. The Record Date for this Buy-back is August 28, 2017.
Registrar to the Buy-back	Link Intime India Private Limited.
Rules	Rules notified under Companies Act, 2013.
SEBI	The Securities and Exchange Board of India.
Shareholder Broker	A stock broker (who is a member of the Designated Stock Exchange) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buy-back.
Small Shareholder	An Eligible Shareholder, who holds Equity Shares having market value, on the basis of closing price on the Stock Exchanges, as applicable, contingent on highest trading volume in respect of Equity Shares, as on the Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakhs only).

Stock Exchanges	BSE and the NSE, being the stock exchanges where the Equity Shares of the Company are listed.
Tender Form	Form of Acceptance–cum–Acknowledgement.
Tender Offer	Method of buy back as defined in Regulation 2(1) (o) of the SEBI Buy-back Regulations.
Transaction Costs	The filing fees payable to the SEBI, Stock Exchanges fees, advisors fees, turnover charges, public announcement publication expenses, printing and dispatch expenses, transaction cost viz. brokerage, applicable taxes such as securities transaction tax, stamp duty, etc., and any other incidental and related expenses.
TRS	Transaction Registration Slip.

2.3 **Certain conventions, currency of presentation, use of financial information and stock market data**

(i) **Page Numbers and Paragraph Numbers**

Unless otherwise stated, all references to page numbers and paragraph numbers in this Letter of Offer are to page numbers of this Letter of Offer.

(ii) **Currency and Units of Presentation**

All references to “Rupee(s)”, “Rs.”, “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India.

(iii) **Financial and Other Data**

Unless stated or the context requires otherwise, our financial information in this Letter of Offer is derived from the audited results for the fiscal years 2015, 2016 and 2017.

Our Company’s fiscal year commences on April 1 of each year and ends on March 31 of the next year (referred to herein as “**Fiscal**”, “**Fiscal Year**” or “**FY**”).

Our Company’s audited numbers are expressed in Millions and therefore all our financial information used in this Letter of Offer have been presented in Millions or in whole numbers where the numbers have been too small to present in Millions unless stated otherwise. One Million represents 1,000,000.

(iv) **Stock Market Data**

Unless stated or the context requires otherwise, stock market data included in this Letter of Offer is derived from the websites of the Stock Exchanges.

3. **DISCLAIMER CLAUSE**

3.1 As required, a copy of this Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buy-back

commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buy-back has certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and SEBI Buy-back Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buy-back.

3.2 It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buy-back is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. Pursuant to this requirement, the Manager to the Buy-back, has furnished to SEBI a due diligence certificate dated August 14, 2017 in accordance with SEBI Buy-back Regulations, which reads as follows:

“We have examined various documents and materials relevant to the Buy-back as part of the due diligence carried out by us in connection with the finalization of the public announcement dated August 7, 2017 (the “**Public Announcement**”) and the Draft Letter of Offer dated August 14, 2017 (“**DLoF**”). On the basis of such examination and the discussions with the Company, we hereby state that:

- (i) The Public Announcement and the DLoF are in conformity with the documents, materials and papers relevant to the Buy-back;
- (ii) All the legal requirements connected with the said offer including the SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
- (iii) The disclosures in the Public Announcement and the DLoF are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buy-back;
- (iv) Funds used for Buy-back shall be as per the provisions of the Companies Act, 2013, as amended.”

3.3 The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buy-back.

3.4 The Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed/withheld and/or amounts to a mis-statement/misrepresentation, the Promoters/Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI Buy-back Regulations.

3.5 The Buy-back is being made for securities of an Indian company and is subject to the laws of India. The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulations of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. It is important for U.S. securities holders to be aware that this Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the U.S. and has been prepared in accordance with Indian law, format and style, which differs from customary U.S. format and style. This Letter of Offer, does not in any way, constitute an offer to sell, or an invitation to sell, or buy any securities in the United States of America, or in any other

jurisdiction in which offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Users of the information contained in this Letter of Offer are requested to inform themselves about and to observe such restrictions.

- 3.6 This Letter of Offer together with the Public Announcement that was published in connection with this Buy-back, has been prepared for the purposes of compliance with the SEBI Buy-back Regulations. Accordingly the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buy-back are under no obligation to update the information contained herein at any time after the date of this Letter of Offer. This Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe/purchase/sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe/purchase/sell any securities including the Equity Shares.
- 3.7 No action has been or will be taken to permit the Buy-back in any jurisdiction where action would be required for that purpose. The Letter of Offer will be dispatched to all Equity Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Equity Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.
- 3.8 Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Equity Shareholder who tenders his, her or its Equity Shares in the Buy-back shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.
- 3.9 The Promoters/Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buy-back.

3.10 **Forward Looking Statements**

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'believe', 'expect', 'intend', 'objective', 'plan', 'project', 'will', or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Actual results may differ materially from those in such forward-looking statements. The Company and the Manager to the Buy-back undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Actual results may differ materially from those suggest by forward-looking statements due to risks and uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the sector in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of financial markets in India and globally, changes in domestic

laws, regulations, and taxes and changes in competition in the sector we operate in.

4. EXTRACTS OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS

- 4.1 The Buy-back through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on August 4, 2017. The extracts of the Board resolution are as follows:

Quote

“RESOLVED THAT pursuant to the provisions of Article 66 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**), the Companies (Share Capital and Debentures) Rules, 2014 as amended and to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the **“Buy-back Regulations”**), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (**“Listing Regulations”**) as amended, and including any amendments, statutory modifications or re-enactments thereof for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Securities and Exchange Board of India (**“SEBI”**), Reserve Bank of India (**“RBI”**), the relevant Stock Exchanges (as defined below) and/or other authorities, institutions or bodies (the **“Appropriate Authorities”**), while granting such approvals, permissions and sanctions, and subject to the approval of the board of directors of the Company (hereinafter referred to as the **“Board”**, which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of up to 1,458,823 fully paid-up equity shares of Rs. 10 (Rupees Ten only) each of the Company (**“Equity Shares”**) representing upto 1.5% of the total paid-up Equity Share capital of the Company at a price of Rs. 425 (Rupees Four Hundred and Twenty Five only) per Equity Share (**“Buy-back Price”**) payable in cash for an aggregate amount of up to Rs. 620,000,000 (Rupees Sixty Two Crores only) (**“Buy-back Size”**), which is 2.47% of the fully paid-up Equity Share capital and free reserves as per the latest audited balance sheet of the Company for the financial year ended March 31, 2017 on a proportionate basis through the **“tender offer”** route as prescribed under the Buy-back Regulations, to all of the shareholders who hold Equity Shares as of the Record Date (as defined below) (**“Buy-back”**). The Buy-back Size does not include any expenses incurred or to be incurred for the Buy-back like filing fees payable to the SEBI, Stock Exchanges, advisors’ fees, public announcement publication expenses, printing and dispatch expenses, stamp duty, and any other incidental and related expenses incurred in connection with the Buy-back.

RESOLVED FURTHER THAT subject to applicable law, including but not limited to any disclosure required under the Buy-back Regulations, all of the shareholders of the Company who hold Equity Shares as of the Record Date will be eligible to participate in the Buy-back including promoters and promoter group of the Company (including members thereof) who hold Equity Shares as of the Record Date and persons in control (including such persons acting in concert) who hold Equity Shares as of the Record Date.

RESOLVED FURTHER THAT the Buy-back shall have reservation for small shareholders in accordance with the provisions of the Buy-back Regulations.

RESOLVED FURTHER THAT the Company shall implement the Buy-back using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and “Streamlining the Process

for Acquisition of Shares pursuant to Tender–Offers made for Takeovers, Buy Back and Delisting of Securities” notified by SEBI vide circular dated December 9, 2016, and the Company shall approach BSE Limited and/or National Stock Exchange of India Limited (together, the “**Stock Exchanges**”) for facilitating the same if and when required.

RESOLVED FURTHER THAT the Buy-back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations.

RESOLVED FURTHER THAT the amount required by the Company for the Buy-back is intended to be met out of the accumulated internal accruals and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

RESOLVED FURTHER THAT in terms of Regulation 19 (3) of the Buy-back Regulations, Mr. Vighneshwar G. Bhat, Company Secretary, be and is hereby appointed as the compliance officer for the Buy-back (“**Compliance Officer**”) and Link Intime India Private Limited, Registrar and Transfer Agent, is appointed as the investor service centre for the Buy-back.

RESOLVED FURTHER THAT as required including under clause (x) of Part A of Schedule II under Regulation 5 (1) of the Buy-Back Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of this Board meeting is convened, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards its prospects for the year immediately following the date of this Board Meeting that, having regard to the Board’s intentions with respect to the management of the Company’s business during the year following the date of this Board meeting and to the amount and character of the financial resources which will, in the Board’s view, be available to the Company during the year following the date of this Board meeting, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and,
- c) that in forming their opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) all Equity Shares of the Company are fully paid-up;
- b) a period of one year has elapsed from the closure of the preceding offer of buy-back by the Company;
- c) the Company shall not issue any Equity Shares or specified securities including by way of bonus till the date of closure of the Buy-back;
- d) the Company shall not raise further capital for a period of one year from the closure of the Buy-back, except in discharge of subsisting obligations;
- e) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- f) the Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-back;

- g) there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of any term loans to any financial institution or banks;
- h) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act;
- i) the aggregate amount of the Buy-back, i.e. Rs. 620,000,000 (Rupees Sixty Two Crores only), does not exceed 25% of the total number of Equity Shares in the paid-up capital and free reserves as per the audited balance sheet as on March 31, 2017;
- j) the maximum number of Equity Shares proposed to be purchased under the Buy-back, i.e. 1,458,823 Equity Shares, do not exceed 10% of the total number of Equity Shares in the paid-up Equity Share capital as per the latest audited financial statements as on March 31, 2017;
- k) the Company shall not make any offer of buy back within a period of one year reckoned from the date of closure of the Buy-back;
- l) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- m) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buy-back;
- n) as per the provisions of Section 68 (8) of the Companies Act, the Company will not issue Equity Shares or other securities within a period of six months after the completion of the Buyback, except by way of a bonus issue of Equity Shares or Equity Shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- o) that the Company shall not directly or indirectly purchase its own Equity Shares:
 - (i) through any subsidiary company including its own subsidiary companies, or,
 - (ii) through any investment company or group of investment companies.

RESOLVED FURTHER THAT Verist Law be and is hereby appointed as legal counsel to the Buy-back.

RESOLVED FURTHER THAT that a committee (the “**Buy-back Committee**”) be constituted comprising of Mr. Ravi PNC Menon, Chairman, Mr. J.C. Sharma, Vice Chairman and Managing Director, Mr. Subhash Mohan Bhat, Chief Financial Officer, and Mr. Ramesh Babu, Vice President, Finance, be constituted for the purposes of the Buy-back to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its shareholders in connection with the Buy-back.”

Unquote

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

- 5.1 As per Regulation 8 (1) of the SEBI Buy-back Regulations, the Company has made the Public Announcement dated August 7, 2017 for the Buy-back of Equity Shares, which was published on August 8, 2017 in the following newspapers, which is within two working days from the date of passing of the resolution in the meeting of the Board of Directors for the Buy-back, on August 4, 2017.

Name of the Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Hosa Digantha	Kannada	Bangalore

- 5.2 A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in during the period of the Buy-back.

6. DETAILS OF THE BUY BACK

- 6.1 The Board of Directors (and unless repugnant to the context or meaning thereof, be deemed to include a duly authorized Buy-back Committee) of the Company, at their meeting held on August 4, 2017, have approved the Buy-back of up to 14,58,823 (Fourteen Lakh Fifty Eight Thousand Eight Hundred Twenty Three) Equity Shares representing up to 1.5% of the total paid-up Equity Share capital of the Company at a price of ₹425 (Rupees Four Hundred Twenty Five only) per Equity Share payable in cash for an aggregate amount of not exceeding ₹62 Crores (Rupees Sixty Two Crores only) excluding Transaction Costs, which is 2.47% and 2.34% on a standalone and consolidated basis respectively, of the fully paid-up Equity Share capital and free reserves as per the latest audited balance sheet of the Company for the financial year ended March 31, 2017 (as approved by the Board), on a proportionate basis through the Tender Offer route as prescribed under the SEBI Buy-back Regulations from all of the Eligible Shareholders who hold Equity Shares as of the Record Date. The Buy-back would involve reservation for Small Shareholders, which will be 15% of the number of Equity Shares that the Company proposes to Buy-back, or their entitlement, whichever is higher.
- 6.2 The Buy-back is in accordance with the provisions of Article 66 of Articles of Association of the Company and Sections 68, 69, 70 and other applicable provisions of the Companies Act, SEBI Buy-back Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Appropriate Authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors.
- 6.3 The Company will adopt the Tender Offer route for the purpose of Buy-back. The Buy-back will be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and “Streamlining the Process for Acquisition of Shares pursuant to Tender – Offers made for Takeovers, Buy Back and Delisting of Securities” notified by SEBI vide circular dated December 9, 2016, and a notice issued by BSE bearing reference number 20170210-23, dated February 10, 2017.
- 6.4 The Buy-back Size does not include any other expenses incurred or to be incurred for the Buy-back like Transaction Costs.
- 6.5 The aggregate paid-up share capital and free reserves of the Company as on March 31, 2017 was ₹24,612.12 Million and under the provisions of the Act, the funds deployed for Buy-back shall not exceed 10% of the paid-up capital and free reserves of the Company under Board approval route, as provided for under the first proviso to Section 68(2) of the Companies Act. Accordingly, the maximum amount that can be utilised in the present Buy-back is ₹2,461.21 Million. The Company has proposed to utilise an aggregate amount of not exceeding ₹620 Million (Rupees Six Hundred and Twenty Million or Sixty Two Crores only) excluding Transaction Costs, for the Buy-back which is within the maximum amount as aforesaid.

- 6.6 The shareholding of the promoters of the Company (the “**Promoter**”) and promoter group and persons in control as on the date of publication of the Public Announcement i.e. August 8, 2017 is as under:

Sr. No.	Name of the Promoter/promoter group/person in control	No. of Equity Shares	% of total equity shares
1.	Mr. P.N.C. Menon	1,22,23,903	12.69
2.	Mrs. Sobha Menon	3,63,46,551	37.74
3.	Mr. P.N.C. Menon jointly with Mrs. Sobha Menon	53,60,896	5.57
4.	Mr. Ravi P.N.C. Menon	32,950	0.03
5.	Mr. P. N. Haridas	45,000	0.05
6.	Mrs. Sudha Menon	30	0.00
Total		5,40,09,330	56.08

- 6.7 The details of the Equity Shares pledged by the Promoters of the Company as on the date of publication of the Public Announcement i.e. August 8, 2017 is as under:

Sr. No.	Name of the Promoter	No. of Equity Shares Pledged	Name of the pledgee
1.	Mr. P.N.C. Menon	1,00,00,000	State Bank of India, Dubai

- 6.8 The Company does not have any Promoters which are companies or corporate entities.
- 6.9 Except as mentioned below, the persons mentioned in Paragraph 6.6 above have not purchased or sold any Equity Shares of the Company during a period of twelve months preceding the date of the Board Meeting i.e. August 4, 2017 and twelve months preceding the date of the Letter of Offer:
- Mrs. Sobha Menon has sold 40,00,000 Equity Shares on April 07, 2017 through open market at Rs. 414.89 (average price) (Rs. 415 (maximum price) and Rs. 410 (minimum price)) per Equity Share. Consequently, her shareholding has reduced from 4,03,46,551 Equity Shares to 3,63,46,551 Equity Shares.
- 6.10 In terms of the SEBI Buy-back Regulations, under the Tender Offer route, the Promoters and promoter group of the Company, have the option to participate in the Buy-back. In this regard, the Promoters have expressed their intention vide their letters dated August 4, 2017 to participate in the Buy-back and offer up to an aggregate maximum number of 4,40,09,300 Equity Shares. The extent of their participation in the Buy-back has been detailed in Paragraph 9.3 of this Letter of Offer.
- 6.11 The Promoters hold 56.08% of Equity Shares in the total paid up equity share capital of the Company as on the date of Public Announcement and the post Buy-back holding of the Promoters in the Company may increase from the current/present 56.08% to 56.19% of Equity Shares in the total paid up equity share capital. For details with respect to Promoters and promoter group shareholding post Buy-back please refer to Paragraph 13.7 of this Letter of Offer.
- 6.12 Post the Buy-back the non-Promoter and promoter group shareholding of the Company shall not fall below the minimum level required as per the Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

7. AUTHORITY FOR THE BUY-BACK

Pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act and Rules thereunder, and in accordance with the provisions of Article 66 of the Articles of Association of the Company and subject to the provisions of the SEBI Buy-back Regulations, SEBI Listing Regulations, and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof, the Board of Directors at their meeting on August 4, 2017 passed resolutions approving the Buy-back.

8. NECESSITY OF THE BUY-BACK

8.1 The Board of Directors is of the view that the Buy-back will help the Company achieve the following objectives:

- (a) Optimize returns to shareholders;
- (b) Enhance overall shareholders value; and,
- (c) Optimize the capital structure.

8.2 The above objectives will be achieved by returning part of surplus cash back to shareholders/beneficial owners holding Equity Shares as on Record Date of the Company through the Buy-back. This may lead to reduction in outstanding shares, improvement in earnings per share (“EPS”) and enhanced return on invested capital. The Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

8.3 The Buy-back is being undertaken for the following reasons:

- (i) The Buy-back is being undertaken, inter alia, for helping the Company to return surplus cash to the Eligible Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders. The Buy-back may also help in improvement on return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value.
- (ii) The Buy-back, which is being implemented through the Tender Offer process as prescribed under the SEBI Buy-back Regulations, which would involve allocation of such number of Equity Shares to the Eligible Shareholders (including the “small shareholders” as defined under Regulation 2 (1) (la) of the SEBI Buy-back Regulations and such Eligible Shareholders are hereinafter referred to as the “**Small Shareholders**”) as per the entitlement or 15% of the number of Equity Shares to be bought back, whichever is higher which will be reserved for the Small Shareholders. The reservation for small shareholders would benefit a large number of public shareholders.
- (iii) The Buy-back would help in improving financial ratios like EPS and return on equity, by reducing the equity base of the Company; and,
- (iv) The Buy-back gives an option to the Eligible Shareholders to either choose to participate in the Buy-back and receive cash in lieu of their Equity Shares which are accepted under the Buy-back or choose not to participate in the Buy-back and get a resultant increase in their percentage shareholding in the Company post the Buy-back, without additional investment.
- (v) After considering the abovementioned factors and benefits to the shareholders, the Board of Directors decided to recommend the Buy-back.

9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY

9.1 The Buy-back is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buy-back is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buy-back Entitlement, the funds deployed by the Company towards the Buy-back would not be exceeding ₹62 Crores (Rupees Sixty Two Crores only) excluding Transaction Costs.

9.2 In terms of the SEBI Buy-back Regulations, under the Tender Offer route, the Promoters have the option to participate in the Buy-back. In this regard, the Promoters have expressed their intention vide their letters dated August 4, 2017, to participate in the Buy-back and offer up to an aggregate maximum number of 4,40,09,300 (Four Crore Forty Lakh Nine Thousand Three Hundred) Equity Shares.

9.3 Please see below the maximum number of Equity Shares to be tendered by each of the Promoters in the Buy-back:

Sr. No.	Name of the Promoters	Maximum Number of Equity Shares intended to be tendered
1.	Mr. P.N.C. Menon	22,23,903
2.	Mrs. Sobha Menon	3,63,46,551
3.	Mr. P.N.C. Menon jointly with Mrs. Sobha Menon	53,60,896
4.	Mr. Ravi P.N.C. Menon	32,950
5.	Mr. P. N. Haridas	45,000
Total		4,40,09,300

9.4 Details of the date and price of acquisition of the Equity Shares that the Promoters intend to tender are set-out below:

(i) Mr. P.N.C. Menon

Date of Transaction	Nature of Transaction	Number of Equity Shares acquired/ (sold)	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (Cash, other than cash etc.)
August 07, 1995	Subscription to MOA	10	10	10	Cash
February 11, 1998	Further Allotment	11,74,729	10	10	Cash
December 22, 1998	Further Allotment	8,55,000	10	10	Cash
March 25, 1999	Further Allotment	10,00,000	10	10	Cash
July 11, 2002	Further Allotment	24,96,445	10	10	Cash
March 29, 2006	Off market Transfer	(10)	10	10	Cash
March 29, 2006	Off market Transfer	(15,000)	10	10	Cash
March 29, 2006	Off market	(15,000)	10	10	Cash

Date of Transaction	Nature of Transaction	Number of Equity Shares acquired/(sold)	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (Cash, other than cash etc.)
	Transfer				
June 28, 2006	Bonus	1,09,92,348	10	-	-
February 08, 2010	Market Sale	(40,00,000)	10	250 (Average Price)	Cash
July 22, 2016	Buyback	(2,64,619)	10	330	Cash
Total		1,22,23,903 *			

*Out of the total number of 1,22,23,903 Equity Shares, Mr. P.N.C. Menon has pledged 1,00,00,000 Equity Shares.

(ii) Mrs. Sobha Menon

Date of Transaction	Nature of Transaction	Number of Equity Shares acquired/(sold)	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (Cash, other than cash etc.)
August 07, 1995	Subscription to MOA	10	10	100	Cash
October 16, 1998	Further Allotment	19,34,823	10	10	Cash
March 25, 1998	Further Allotment	20,00,000	10	10	Cash
July 11, 2002	Further Allotment	98,47,984	10	10	Cash
March 29, 2006	Off market Transfer	(5)	10	10	Cash
March 29, 2006	Off market Transfer	(5)	10	10	Cash
June 28, 2006	Bonus	2,75,65,614	10	-	-
July 22, 2016	Buyback	(10,01,870)	10	330	Cash
April 07, 2017	Open market	(40,00,000)	10	414.89 (Average Price)	Cash
Total		3,63,46,551			

(iii) Mr. P. N. C. Menon jointly with Mrs. Sobha Menon

Date of Transaction	Nature of Transaction	Number of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (Cash, other than cash etc.)
July 11, 2002	Further Allotment	18,31,469	10	10	Cash
June 28, 2006	Bonus	36,62,938	10	-	-
July 22, 2016	Buyback	(1,33,511)	10	330	Cash
Total		53,60,896			

(iv) Mr. Ravi P.N.C. Menon

Date of Transaction	Nature of Transaction	Number of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (Cash, other than cash etc.)
May 25, 2012	Market Purchase	32,950	10	306.42	Cash
Total		32,950			

(v) Mr. P. N. Haridas

Date of Transaction	Nature of Transaction	Number of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (Cash, other than cash etc.)
March 29, 2006	Off market Transfer	15,000	10	10	Cash
June 28, 2006	Bonus	30,000	10	-	-
Total		45,000			

- 9.5 Assuming response to the Buy-back is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buy-back Entitlement, the aggregate shareholding of the Promoters and promoter group post the Buy-back may increase from the current/present 56.08% to 56.19%. Please refer to Paragraph 13.7 for further details.
- 9.6 Assuming the response to the Buy-back is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buy-back Entitlement, the aggregate shareholding of the public and others post Buy-back may decrease from the current/present 43.92% to 43.81%. Please refer to Paragraph 13.7 for further details.
- 9.7 The Buy-back of Equity Shares shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.8 Consequent to the Buy-back and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of each such person shall undergo a change. For further details in relation to change in the shareholding pattern of the Company please refer to Paragraph 13.7 for further details. The FIIs/FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buy-back.
- 9.9 The debt-equity ratio post Buy-back shall be compliant with the permissible limit of 2:1 prescribed under Companies Act even if the response to the Buy-back is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buy-back Entitlement.
- 9.10 The Buy-back is not expected to impact growth opportunities for the Company.
- 9.11 The Promoters of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoters during the period from the date of passing the Board resolution till the closing of the Buy-back offer.
- 9.12 The Company shall not raise further capital for a period of 1 (one) year from the closure of the Buy-back except in discharge of its subsisting obligations.

9.13 The Company shall not issue new shares or other specified securities including by way of bonus issue or convert any outstanding instruments into Equity Shares, till the date of closure of the Buy-back offer in accordance with the Companies Act and the SEBI Buy-back Regulations.

9.14 Salient financial parameters consequent to the Buy-back based on the standalone audited balance sheet as on March 31, 2017 are as under:

Parameters (based upon audited results for the year ended on March 31, 2017)	Pre Buy-back	Post Buy-back ⁷
Net Worth (₹in million) ¹	25,145.68	24,525.68
Return on Net Worth (%) ²	5.58%	5.72%
Earnings Per Share (in ₹) ³	14.47	14.80
Book Value per Equity Share (in ₹) ⁴	261.10	258.58
P/E as per latest audited financial results ⁵	26.55	25.95
Total Debt/Equity Ratio ⁶	0.86	0.89

Notes:

1. Net Worth is excluding revaluation reserves and miscellaneous expenditure to the extent not written off, if any.
2. Return on Net Worth = Profit after Tax / Net Worth (excluding revaluation reserves, if any).
3. Earnings per share represents Basic Earnings per share = Profit after Tax / Number of Shares as at March 31, 2017.
4. Book Value per Share = Net Worth (excluding revaluation reserves, if any) / Number of Shares as at March 31, 2017.
5. P/E as per latest audited financials balance sheet = Market Value per share / Earnings per share.

The price earnings ratio is based on the closing market price of Equity Shares of the Company as on August 7, 2017, being date of the Public Announcement, ₹ 384.20 (NSE).

6. Total Debt / Equity Ratio = Total Debt / Shareholder's Funds wherein Total Debt represents loan funds (long-term borrowings, short-term borrowings and current maturity of long-term borrowings included in current liabilities) / Shareholder's Funds (equity shares + reserves and surplus (including debenture redemption reserve).
7. The post Buy-back numbers are calculated (assuming full Acceptance) by reducing a) the Net Worth by the proposed Buy-back amount; b) Proposed number of shares to be bought back from Number of Shares as at March 31, 2017, without factoring in any impact on the Profit & Loss Account.

10. BASIS OF CALCULATING THE BUY-BACK PRICE

10.1 The Equity Shares are proposed to be bought back at a price of ₹425 (Rupees Four Hundred Twenty Five only) per Equity Share.

10.2 The Buy-back Price of ₹425 (Rupees Four Hundred Twenty Five only) per Equity Share has been arrived at after considering various factors such as volume weighted average prices of the Equity Shares on stock exchanges (where the Equity Shares are listed), the net-worth of the Company and the impact of the Buy-back on the key financial ratios of the Company.

10.3 The Buy-back Price represents

- (a) a premium of 8.49% and 5.83% over the volume weighted average market price of the Equity Shares on the NSE and BSE for the 3 (three) months preceding July 31, 2017, which is the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back (“**Intimation Date**”); and,
- (b) a premium of 5.77% and 5.32% over the volume weighted average market price of the Equity Shares on the NSE and BSE for the 2 (two) weeks preceding the Intimation Date.

10.4 The closing market price of the Equity Shares as on the Intimation Date was ₹398 (Rupees Three Hundred Ninety Eight only) on the BSE and ₹399.30 (Rupees Three Hundred Ninety Nine and Thirty Paise only) on NSE, respectively.

10.5 Certain financial ratios as at March 31, 2017 (“**Pre-Buy-Back**”) as derived from the standalone audited financial statements and the corresponding ratios assuming full Acceptance of Equity Shares in the Buy-Back (“**Post-Buy-Back**”) are set forth below:

Particulars	Pre-Buy-back (As at March 31, 2017)	Post-Buy-back
Book value per Equity Share (₹)	261.1	258.58
Basic EPS (₹)	14.47	14.78
Return on net worth (%)	5.6%	5.7%

11. SOURCES OF FUNDS FOR THE BUY-BACK

11.1 Assuming full Acceptance, the funds that would be utilized by the Company for the purpose of the Buy-back would not be exceeding ₹62 Crore (Rupees Sixty Two Crore only) excluding Transaction Costs.

11.2 The funds for the Buy-back will be sourced from the accumulated internal accruals of the Company, and on such terms and conditions as the Board may decide in its absolute discretion, or such other source as may be permitted by the SEBI Buy-back Regulations or the Companies Act. The Company does not intend to raise additional debt for the explicit purposes of the Buy-back. Thus, borrowed funds will not be used for the Buy-back. The Company may however, if so required, borrow funds in the ordinary course of its business.

11.3 The Buy-back is not likely to cause any material impact on the earnings of the Company.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN, AND DETAILS OF FIRM FINANCING ARRANGEMENTS

12.1 In accordance with the with Regulation 10 of the SEBI Buy-back Regulations, the Company has appointed Axis Bank Limited as the Escrow Agent for the aforementioned Buy-back, and the Company, the Manager to the Offer and the Escrow Agent have entered into an Escrow Agreement dated August 22, 2017 pursuant to which the Escrow Account in the name and style “Sobha – Buy-Back of Equity Shares – Escrow A/c” bearing account number 917020059752494 has been opened with the Escrow Agent. The Manager is empowered to operate the Escrow Account in accordance with the SEBI Buy-back Regulations. In accordance with Regulation 10 of the SEBI Buy-back Regulations, the Company proposes to deposit in cash 25% of the Buy-back Size, amounting to ₹15,50,00,000 (Rupees Fifteen Crore Fifteen Lakhs only) in the Escrow Account on or before the opening the Buy-back Offer.

- 12.2 The Company has adequate and firm financial resources to fulfil its obligations under the Buy-back and the same has been certified by Mr. M. Padmanabha Bhat, Chartered Accountant, having his office at #26, 'Aradhana', 8th Cross, Kaggadasapura Extn., C.V. Raman Nagar, Bangalore 560 093 (Telephone: (080) 4170 6986; Membership No: 025305), vide a certificate dated August 11, 2017.
- 12.3 Based on the aforementioned certificate, the Manager to the Buy-back confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buy-back are in place and that the Company has the ability to implement the Buy-back in accordance with the SEBI Buy-back Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure of the Company is as follows:

		(₹in Million)
Sr. No.	Particulars	Pre Buy-back
1.	Authorized Share Capital:	
	15,00,00,000 Equity Shares of ₹10 each	1,500
	50,00,000 7% redeemable preference shares of ₹100 each	500
	Total	2,000
2.	Issued, Subscribed and Paid-up Equity Share Capital:	
	96,304,676 Equity Shares fully paid up	963.05
	Total	963.05

- 13.2 Assuming full Acceptance in the Buy-back, the capital structure of the Company post Buy-back would be as follows:

		(₹in Million)
Sr. No.	Particulars	Post Buy-back
1.	Authorized Share Capital:	
	15,00,00,000 Equity Shares of ₹10 each	1,500
	50,00,000 7% redeemable preference shares of ₹100 each	500
	Total	2,000
2.	Issued, Subscribed and Paid-up Equity Share Capital:	
	9,48,45,853 Equity Shares fully paid up [#]	948.46
	Total	948.46

Assuming the full Acceptance of the Buy-back Size. However, the post-Buy-back issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

- 13.3 A time-period of one year has elapsed, from the date of the previous buy-back programme by the Company to the date of the Board meeting (August 4, 2017) approving this Buy-back offer.
- 13.4 There are no partly paid up Equity Shares.
- 13.5 There are no outstanding instruments convertible into shares.
- 13.6 There are no amounts under calls in arrears.

- 13.7 The shareholding pattern of the Company pre Buy-back as on date of the publication of the Public Announcement i.e. August 8, 2017 and the post Buy-back shareholding pattern assuming full Acceptance, is as follows:

Category of Shareholder	Pre Buy-back		Post Buy-back*	
	Number of Shares	% to the existing Equity Share capital	Number of Shares	% to post Buy-back Equity Share capital
Promoters and promoter group	54,009,330	56.08	53,297,892	56.19
Foreign Investors (Including Non-Resident Indians, FIIs, FPIs, Foreign Mutual Funds, Foreign Nationals)	30,573,701	31.70	41,547,961	43.81
Financial Institutions/Banks, Mutual Funds promoted by Banks/ Institutions	6,848,924	7.11		
Others (Public, Bodies Corporate, etc.)	4,872,721	5.11		
Total	96,304,676	100.00	94,845,853	100.00

*Assuming response to the Buy-back is to the extent of 100% (full Acceptance) from all the Eligible Shareholders of the Equity Shares up to their Buy-back Entitlement.

- 13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.
- 13.9 As of the date hereof, none of the directors or key managerial personnel of the Company hold any Equity Shares in the Company except for the following:

Sr. No.	Name of director/key managerial personnel	Number of Equity Shares	% of Equity Shares
1.	Mr. Ravi P.N.C. Menon, Chairman	32,950	0.03
2.	Mr. J. C. Sharma, Vice Chairman and Managing Director	40,015	0.04
3.	Dr. S. K. Gupta, Non-Executive Independent Director	1,335	0.00
4.	Mr. R. V. S. Rao, Non-Executive Independent Director	15,000	0.01
5.	Mr. Anup Shah, Non-Executive Independent Director	4,300	0.00
6.	Mr. Subhash Mohan Bhat, Chief Financial Officer	130	0.00
Total		93,730	0.08

- 13.10 Except as mentioned below, the persons mentioned in Paragraph 13.9 above have not purchased or sold any Equity Shares of the Company during a period of twelve months preceding the date of the Board Meeting i.e. August 4, 2017 and twelve months preceding the date of the Letter of Offer i.e. September 6, 2017.

Mr. J. C. Sharma, Vice Chairman and Managing Director has sold 50,000 Equity Shares on April 5, 2017 through open market at ₹411.80 per Equity Share. Consequently, his shareholding has reduced from 90,015 Equity Shares to 40,015 Equity Shares.

14. BRIEF INFORMATION OF THE COMPANY

14.1 History of the Company

- (i) The Company was incorporated on August 7, 1995. Headquartered in Bangalore, the Company is in the construction and development business and primarily focuses on

residential and contractual projects. The Company has a presence in 9 cities across India, viz. Bangalore, Gurgaon, Chennai, Pune, Coimbatore, Thrissur, Calicut, Cochin and Mysore. The name of the Company was changed from Sobha Developers Limited to Sobha Limited on August 18, 2014.

- (ii) The Company has its registered office situated at 'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore, Karnataka, 560103.
- (iii) The equity shares of the Company were listed in the year 2006 on the NSE (Code: SOBHA) and the BSE (Code: 532784).

14.2 Growth of Business

For the financial years ended March 31, 2017, 2016 and 2015, the Company recorded total income of ₹22,274 Million, ₹19,520 Million, and ₹24,016.5 Million, respectively, and profit after tax of ₹1402 Million, ₹1248 Million, and ₹1990.9 Million, respectively.

14.3 The details of changes in the share capital of the Company since incorporation as certified by the Company is as follows:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative paid-up share capital (₹)
August 7, 1995	30	10	10	Cash	30	300
February 11, 1998	11,74,729	10	10	Cash	11,74,759	11,747,590
October 16, 1998	19,34,823	10	10	Cash	31,09,582	31,095,820
December 22, 1998	8,55,000	10	10	Cash	39,64,582	39,645,820
March 25, 1999	30,00,000	10	10	Cash	69,64,582	69,645,820
July 11, 2002	1,41,75,898	10	10	Cash	2,11,40,480	211,404,800
June 28, 2006	4,22,80,960	10	10	-	6,34,21,440	634,214,400
October 28, 2006*	97,245	10	617	Cash	6,35,18,685	635,186,850
October 28, 2006**	4,86,223	10	617	Cash	640,04,908	640,049,080
December 12, 2006***	88,96,825	10	640	Cash	7,29,01,733	729,017,330
July 03, 2009****	2,51,62,135	10	209.40	Cash	9,80,63,868	980,638,680
July 22, 2016*****	17,59,192	10	330	Cash	96,304,676	963,046,760

* Pursuant to a Shareholders' Agreement dated October 25, 2006, 97,245 Equity Shares were issued and allotted, at a price of ₹617 per Equity Share including a share premium of ₹607 per Equity Share, aggregating ₹6 crores.

*** Pursuant to a subscription agreement dated October 26, 2006, 4,86,223 Equity Shares were issued and allotted at a subscription price of ₹617 per Equity Share including a share premium of ₹607 per Equity Share, aggregating ₹29.99 crores.*

**** 88,96,825 equity shares of ₹10 each, were issued and allotted as fully paid-up shares.*

***** 2,51,62,135 equity shares of ₹10 each, were issued as fully paid-up shares by way of Qualified Institutional Placement.*

****** Pursuant to a Letter of Offer dated June 20, 2016, in a buy-back through the tender offer process, 17,59,192 equity shares of ₹10 each were bought back at a price of ₹330 each and extinguished by the Company, resulting in a decrease in the cumulative number of equity shares.*

14.4 The Details of the Board of Directors of the Company as on date of the Letter of Offer i.e. September 6, 2017 are as follows:

Name, Qualifications, Occupation, Age (in years) and DIN of the Director	Designation	Date of Appointment/ Reappointment	Other Directorships in India
Mr. Ravi PNC Menon <i>Qualification:</i> B.Sc. in Civil Engineering. <i>Occupation:</i> Business <i>Age:</i> 35 <i>DIN:</i> 02070036	Chairman	Date of First Appointment: June 08, 2004 Date of Re-appointment: June 30, 2012 Date of Re-appointment: April 01, 2016	1. Sobha Space Private Limited. 2. Sobha Glazing and Metal Works Private Limited. 3. Sobha Innercity Technopolis Private Limited. 4. Sobha Electro Mechanical Private Limited. 5. Sobha Technocity Private Limited. 6. Oman Builders Private Limited. 7. Sobha Hitech City Developers Private Limited. 8. PNC Lighting Solutions Private Limited. 9. PNC Technologies Private Limited. 10. Sobha Assets Private Limited. 11. Sobha Highrise Ventures Private Limited. 12. Sobha Academy Private Limited. 13. PNC Switchgears Private Limited.
Mr. Jagdish Chandra Sharma <i>Qualification:</i> B.Com (Honours), ACA, ACS. <i>Occupation:</i> Professional <i>Age:</i> 58	Vice Chairman and Managing Director	Date of First Appointment: April 01, 2003 Date of Re-appointment: July 11, 2014	1. Sobha Glazing and Metal Works Private Limited. 2. Sobha Electro-Mechanical Private Limited. 3. Oman Builders Private Limited. 4. Hill and Menon Securities Private Limited. 5. Royal Interiors Private Limited.

Name, Qualifications, Occupation, Age (in years) and DIN of the Director	Designation	Date of Appointment/ Reappointment	Other Directorships in India
<i>DIN:</i> 01191608		Date of Re-appointment: August 4, 2017	6. Sobha Highrise Ventures Private Limited. 7. Sobha Innercity Technopolis Private Limited. 8. Sobha Technocity Private Limited. 9. Sobha Projects and Trade Private Limited. 10. HBR Consultants Private Limited. 11. PNC Technologies Private Limited. 12. Sobha Assets Private Limited. 13. Sobha Academy Private Limited. 14. Sobha Developers (Pune) Limited. 15. DivyaKaushal Properties LLP (Designated Partner).
Dr. Saibal Kanti Gupta <i>Qualification:</i> Ph.D Tech and D.Sc Tech <i>Occupation:</i> Professional <i>Age:</i> 78 <i>DIN:</i> 00011138	Independent Director	Date of First Appointment: June 28, 2006 Date of Re-appointment: July 11, 2014* *Appointment as Independent Director under the Companies Act.	1. Jindal Saw Limited.
Mr. Ramachandra Venkatasubba Rao <i>Qualification:</i> B.Com, LLB <i>Occupation:</i> Professional <i>Age:</i> 73 <i>DIN:</i> 00061599	Independent Director	Date of First Appointment: June 28, 2006 Date of Re-appointment: July 11, 2014* *Appointment as Independent Director under the Companies Act.	1. Icon Hospitality Private Limited. 2. Puravankara Limited. 3. Compassites Software Solutions Private Limited. 4. Sobha Developers (Pune) Limited. 5. Provident Housing Limited. 6. Purva Good Earth Properties Private Limited. 7. Purva Star Properties Private Limited. 8. River Shore Developers Private Limited.

Name, Qualifications, Occupation, Age (in years) and DIN of the Director	Designation	Date of Appointment/ Reappointment	Other Directorships in India
Mr. Anup Sanmukh Shah Qualification: B.Com, Degree in Law Occupation: Professional Age: 59 DIN: 00317300	Independent Director	Date of First Appointment: June 28, 2006 Date of Re-appointment: July 11, 2014* *Appointment as Independent Director under the Companies Act.	1. Bhoruka Power Corporation Limited. 2. Non-Executive Directors in Conversation Trust (Trustee). 3. Anup S Shah Law Firm (Partner). 4. Sobha Developers (Pune) Limited.
Dr. Punita Kumar-Sinha Qualification: Ph.D and Masters in Finance, MBA, CFA, B.Sc in Chemical Engineering Occupation: Professional Age: 55 DIN: 05229262	Independent Director	Date of First Appointment: October 06, 2014 Date of Appointment in AGM: July 15, 2015* *Appointment as Independent Director under the Companies Act.	1. JSW Steel Limited. 2. SREI Infrastructure Finance Limited. 3. Rallis India Limited. 4. Fino Payments Bank Limited. 5. Mahindra Intertrade Limited. 6. Bharat Financial Inclusion Limited. 7. Mahindra Two Wheelers Limited. 8. Metahelix Life Sciences Limited. 9. Infosys Limited.

14.5 The details of changes in the Board of Directors during the last 3 years are as under:

Name of the Director	Appointment / Resignation	Effective Date	Reasons
Mr. Ramakrishnan Prabhakaran	Resignation	April 7, 2017	Personal Reasons
Mr. Meleveetil Damodaran	Resignation	September 12, 2016	Personal Reasons
Dr. Punita Kumar-Sinha	Appointment	October 06, 2014	Induction of a woman independent director in compliance of Clause 49 of erstwhile Listing Agreement pertaining to composition of Board of Directors and Companies Act.

14.6 The Buy-back will not result in any benefit to any Directors of the Company/Promoters/ person in control of the Company/group companies except to the extent of their intention to

participate in the Buy-back and there may be change in the percentage of their shareholding as per the response received in the Buy-back, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buy-back.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company as extracted from the standalone audited financial statements for the last three years being March 31, 2017, March 31, 2016 and March 31, 2015 as under:

(₹in million unless stated otherwise)

Particulars	Year Ended		
	March 31, 2017 (Audited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)
Total Income	22,273.72	19,521.40	24,016.47
Total Expenses	17,945.67	15,095.31	18,811.19
Interest	1,478.62	1,529.22	1,522.86
Depreciation	599.88	585.84	688.60
Profit before tax	2,249.55	2,311.03	2,993.82
Provision for tax (including Deferred Tax)	847.41	1,063.36	1,002.97
Profit/ (Loss) after tax	1,403.47	1,245.83	1,990.85
Equity Share Capital	963.05	980.64	980.64
Reserves & Surplus*	24,182.63	23,573.78	22,477.70
Networth*	25,145.68	24,554.42	23,458.34
Total debt (excluding working capital loans)	19,758.86	21,171.21	16,398.82

*Excluding revaluation reserves and miscellaneous expenditure to the extent not written off.

15.2 Key Financial Ratios

Particulars	Year Ended		
	March 31, 2017 (Audited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)
Key Ratios			
Earnings per Share – Basic (₹)	14.47	12.73	20.30
Earnings per Share – Diluted (₹)	14.47	12.73	20.30
Book Value Per Share (₹)	261.10	250.39	239.21
Return on Net worth (%)	5.58%	5.07%	8.48%
Debt-Equity Ratio	0.86	0.87	0.79

Notes:

1. Earnings per share = Profit after Tax / Number of Shares (as at March 31 of respective financial year)
2. Book Value per Share = Net Worth (excluding revaluation reserves, if any) / Number of Shares (as at March 31 of respective financial year)

3. *Return on Net Worth = Profit after Tax / Net Worth (excluding revaluation reserves, if any)*
4. *Debt / Equity Ratio = Total Debt / Shareholder's Funds wherein Total Debt represents loan funds (long-term borrowings, short-term borrowings and current maturity of long-term borrowings included in current liabilities) / Shareholder's Funds (equity shares + reserves and surplus (including debenture redemption reserve)).*

15.3 The Company shall comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it is in compliance with Sections 68, 69 and 70 of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014.

16. STOCK MARKET DATA

16.1 The Equity Shares are currently listed and traded only on the BSE and the NSE.

16.2 The high, low and average market prices in preceding three calendar years and the monthly high, low and average market prices for the six months preceding the date of publication of Public Announcement and the corresponding volumes on the NSE (stock exchange where Company's shares are most frequently traded) are as follows:

Period	High Price (₹)	Date of High Price	Number of shares traded on that date	Low Price (₹)	Date of Low Price	Number of shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of shares)
PRECEDING 3 YEARS								
FY 2017	382.1	23-Mar-17	20,70,028	216.05	06-Nov-17	10,97,23	290.8	2,79,85,530
FY 2016	468.6	10-Apr-15	4,14,601	230.00	25-Feb-16 and 26-Feb-16	42,285 and 25,338	324.26	3,61,79,556
FY 2015	583.80	09-Jun-14	6,42,136	357.10	09-May-14	1,07,312	448.50	5,04,87,249
PRECEDING 6 MONTHS								
July, 2017	414.8	13-Jul-17	3,19,682	366.05	03-Jul-17	1,76,960	397.0	52,46,719
June, 2017	401.3	07-Jun-17	1,56,172	358.7	30-Jun-17	1,66,880	381.6	31,60,425
May, 2017	450.0	17-May-17	24,19,224	363.7	31-May-17	3,05,185	399.6	97,41,239
April, 2017	416.6	06-Apr-17	27,24,201	340.95	03-Apr-17	1,42,209	380.7	1,41,05,458
March, 2017	382.1	23-Mar-17	20,70,028	289.3	01-Mar-17	18,34,806	330.6	86,57,918
February, 2017	296.8	17-Feb-17	4,90,306	258.3	01-Feb-17	1,33,853	281.9	16,98,851

Source: NSE (www.nseindia.com)

Note: High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

- 16.3 The high, low and average market prices in preceding three calendar years and the monthly high, low and average market prices for the six months preceding the date of publication of Public Announcement and the corresponding volumes on the BSE are as follows:

Period	High Price (₹)	Date of High Price	Number of shares traded on that date	Low Price (₹)	Date of Low Price	Number of shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of shares)
PRECEDING 3 YEARS								
FY 2017	388.0	24-Mar-17	68,406	224.1	22-Nov-16	24,447	290.7	36,79,500
FY 2016	467.90	10-Apr-15	42,870	230.05	25-Feb-16	3,044	324.18	45,69,166
FY 2015	581.00	09-Jun-14	1,45,974	357.00	01-Apr-14	18,922	448.54	74,73,636
PRECEDING 6 MONTHS								
July, 2017	415.0	19-Jul-17	25,173	371.5	03-Jul-17	23,150	397.1	5,80,113
June, 2017	401.3	07-Jun-17	16,186	360.0	30-Jun-17	30,046	381.3	3,83,511
May, 2017	449.1	17-May-17	2,77,037	364.3	31-May-17	55,613	400.5	13,91,458
April, 2017	423.3	07-Apr-17	46,85,676	340.7	03-Apr-17	9,513	382.2	65,65,360
March, 2017	388.0	24-Mar-17	68,406	291.1	01-Mar-17	2,14,311	330.9	11,89,341
February, 2017	297.1	17-Feb-17	3,84,999	258.2	01-Feb-17	12,648	281.3	4,73,607

Source: BSE (www.bseindia.com)

Note: High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

- 16.4 The closing market price of the Equity Shares on the BSE and the NSE as on August 3, 2017, being the working day prior to the day the Board approved the proposal for Buy-back, was ₹384.7 (Rupees Three Hundred Eighty Four and Seventy Paise only) and ₹385.2 (Rupees Three Hundred Eighty Five and Twenty Paise only) respectively.
- 16.5 The closing market price of the Equity Shares on the BSE and the NSE as on August 4, 2017, being the day the Board approved the proposal for Buy-back, was ₹386.7 (Rupees Three Hundred Eighty Six and Seventy Paise only) and ₹385.05 (Rupees Three Hundred Eighty Five and Five Paise only) respectively.
- 16.6 The closing market price of the Equity Shares on the BSE and the NSE as on August 7, 2017, being the working day after to the day of resolution of the Board approving the proposal for Buy-back, was ₹384.65 (Rupees Three Hundred Eighty Four and Sixty Five Paise only) and ₹384.2 (Rupees Three Hundred Eighty Four and Twenty Paise only) respectively.
- 16.7 The closing market price of the Equity Shares on the BSE and the NSE as on August 8, 2017, being the date of publication of the Public Announcement for Buy-back, was ₹377.85 (Rupees Three Hundred Seventy Seven and Eighty Five Paise only) and ₹378.40 (Rupees Three Hundred Seventy Eight and Forty Paise only) respectively.

17. DETAILS OF THE STATUTORY APPROVALS

- 17.1 The Buy-back is subject to approvals, if any, required under the provisions of the Companies Act and Rules thereunder, the SEBI Buy-back Regulations, SEBI Listing Regulations, SEBI

and/or Stock Exchanges, and applicable laws, rules and regulations, including as specified by RBI under FEMA (“**Foreign Exchange Management Act, 1999**”, as amended) and/or such other applicable laws, rules and regulations for the time being in force.

- 17.2 The Buy-back from each Eligible Shareholder is subject to all statutory consents and approvals as may be required by such Eligible Shareholders under applicable laws and regulations. The Eligible Shareholders shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the RBI, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buy-back. Eligible Shareholders would be required to provide copies of all such consents and approvals obtained by them to the Registrar to the Buy-back.
- 17.3 Buy-back from Non-Resident Shareholders will be subject to approvals, if any, of the Appropriate Authorities as applicable. Non-Resident Indians (“**NRI**”) and erstwhile Overseas Corporate Bodies (“**OCB**”) must obtain all approvals required, if any, to tender the Equity Shares held by them in this Buy-back (including without limitation the approval from the RBI). It is the obligation of such non-resident shareholders, NRI, OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender equity shares in the Buy-back and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- 17.4 By agreeing to participate in the Buy-back the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting.
- 17.5 If any statutory or regulatory approvals become applicable subsequently, the Buy-back will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory/regulatory approvals are delayed, changes to the proposed timetable of the Buy-back, if any, shall be intimated to BSE and NSE.

18. DETAILS OF THE REGISTRAR TO THE BUY BACK

18.1 Registrar to the Buy Back:

Link Intime India Private Limited

C-101, 247 Park

L.B.S. Marg, Vikhroli (W)

Mumbai, Maharashtra, 400083

Tel: +91 22 49186200

Fax: +91 22 49186195

Email: sobha.buyback2017@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration No.: INR000004058

Corporate Identity Number: U67190MH1999PTC118368

- 18.2 Eligible Shareholders are requested to submit their form(s) and requisite documents either by registered post/courier to the Registrar to the Buy-back, super scribing the envelope as “**Sobha Limited Buyback Offer 2017**”, or hand deliver the same to the Registrar to the Buy-back at the address mentioned above.

THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUY-BACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

19. PROCESS AND METHODOLOGY FOR THE BUY-BACK

- 19.1 The Company has proposed to Buy-back up to 14,58,823 (Fourteen Lakh Fifty Eight Thousand Eight Hundred Twenty Three) fully paid-up Equity Shares representing up to 1.5% of issued, subscribed, and paid-up Equity Share capital of the Company from all Eligible Shareholders (Equity Shareholders as on the Record Date) at the Buy-back Price of ₹425 (Rupees Four Hundred Twenty Five) per Equity Share payable in cash for the Buy-back Size of an aggregate maximum amount of not exceeding ₹62 Crores (Rupees Sixty Two Crores only), excluding Transaction Costs, on a proportionate basis through the Tender Offer process as prescribed under the SEBI Buy-back Regulations. The Buy-back Size represents 2.47% and 2.34% on a standalone and consolidated basis respectively, of the fully paid-up Equity Share capital and free reserves as per the latest audited balance sheet of the Company for the financial year ended March 31, 2017 (as approved by the Board and being the last standalone audited balance sheet available as on the date of the Board meeting approving the Buy-back). The Buyback is subject to the grant of certain exemptions and no action relief by the staff of the U.S. Securities and Exchange Commission prior to the commencement of the tendering period in order to allow the Buyback Offer to be made to U.S. Eligible Shareholders without breaching the rules under the U.S. Securities Exchange Act of 1934, as amended. The Buyback Size does not exceed 25% of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2017.
- 19.2 The Buy-back is in accordance with the provisions of Sections 68, 69, 70 and other applicable provisions, of the Companies Act, including the Companies (Share Capital and Debentures) Rules, 2014, and in accordance with the provisions of Article 66 of the Articles of Association of the Company and the SEBI Buy-back Regulations and subject to such other approvals, permissions and exemptions as may be required, from time to time under applicable laws, including from the Appropriate Authorities.
- 19.3 The aggregate shareholding of the Promoter, promoter group and person in control of the Company, as at the date of the Public Announcement (i.e August 7, 2017) is 5,40,09,330 (Five Crore Forty Lakh Nine Thousand Three Hundred and Thirty) Equity Shares which represents 56.08% of the existing Equity Share capital of the Company. In terms of the SEBI Buy-back Regulations, under the Tender Offer route, the Promoters have the option to participate in the Buy-back. In this regard, the Promoters have expressed their intention vide their letters dated August 4, 2017 to participate in the Buy-back and offer up to an aggregate maximum number of 4,40,09,300 (Four Crore Forty Lakh Nine Thousand Three Hundred) Equity Shares.
- 19.4 Assuming response to the Buy-back is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buy-back Entitlement, the aggregate shareholding of the Promoter and promoter group post the Buy-back may increase from 56.08% to 56.19% of the post Buy-Back Equity Share capital.
- 19.5 **Record Date and Ratio of Buy-back as per the Buy-back Entitlement in each Category:**
- (i) As required under the SEBI Buy-Back Regulations, the Board, at its meeting held on

August 4, 2017 has fixed August 28, 2017 as Record Date for the purpose of determining the Buy-back Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buy-back.

- (ii) The Equity Shares to be bought back as a part of this Buy-back are divided into two categories, and the entitlement of a shareholder in each category shall be calculated accordingly:
 - (a) Reserved category for Small Shareholders (“**Reserved Category**”); and,
 - (b) General Category for other Eligible Shareholders other than Small Shareholders (“**General Category**”).
- (iii) As defined in the SEBI Buy-back Regulations, a “Small Shareholder” includes an Eligible Shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE (as applicable, contingent on highest trading volume in respect of Equity Shares as on the Record Date), of not more than ₹2,00,000 (Rupees Two Lakhs only). As on the Record Date, the volume of Equity Shares traded on BSE was 7,408 Equity Shares and on NSE was 97,667 Equity Shares. Accordingly, NSE being the stock exchange with highest trading volume, the closing price was ₹384.70 and hence all Eligible Shareholders holding not more than 519 Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buy-back Offer.
- (iv) Based on the above definition, there are 52,458 Small Shareholders with aggregate shareholding of 21,62,363 Equity Shares as on the Record Date, which constitutes 2.25% of the outstanding number of Equity Shares of the Company as on Record Date and 148.23% of the 14,58,823 Equity Shares which the Company proposes to buy back as a part of this Buy-back.
- (v) Pursuant to Regulation 6 of the SEBI Buy-back Regulations, the reservation for the Small Shareholders, will be higher of:
 - (a) Fifteen percent of the number of Equity Shares which the Company proposes to Buy-back i.e. 15% of 14,58,823 (Fourteen Lakh Fifty Eight Thousand Eight Hundred Twenty Three) Equity Shares which works out to 2,18,823 (Two Lakh Eighteen Thousand Eight Hundred Twenty Three) Equity Shares; and
 - (b) The number of Equity Shares entitled as per their shareholding as on Record Date (i.e. $(21,62,363/9,63,04,676) \times 2,18,823$) which works out to be 4914 Equity Shares. All the outstanding fully paid-up Equity Shares have been used for computing the Buy-back Entitlement of Small Shareholders since the Promoters also intend to participate in the Buy-back.

In case the total number of Equity Shares held by the Small Shareholders on the Record Date is 21,62,363, which is higher than 2,18,823 (higher of (a) and (b) above), the maximum number of Equity Shares reserved for Small Shareholders will be restricted to 2,18,823 Equity Shares.

Based on the above and in accordance with Regulation 6 of the SEBI Buy-back Regulations, 2,18,823 Equity Shares will be reserved for Small Shareholders. Accordingly, General Category for all other Equity Shareholders shall consist of 12,40,000 Equity Shares.

- (vi) Based on the aforementioned, the entitlement ratio of Buy-back for both categories is set forth below:

Category of Shareholders	Ratio of Buy-back
Reserved category for Small Shareholders	93 Equity Shares out of every 919 fully paid-up Equity Shares held on the Record Date.
General category for all other Equity Shareholders	13 Equity Shares out of every 987 fully paid-up Equity Shares held on the Record Date.

Note: The above ratio of Buy-back is approximate and provides an indicative Buy-back Entitlement. Any computation of entitled Equity Shares using the above ratio may provide a slightly different number due to rounding off. The actual Buy-back Entitlement for Reserved category for Small Shareholders is 10.12% and for General Category for all other Eligible Shareholders is 1.32%

19.6 Fractional Entitlements:

- (i) If the Buy-back Entitlement under Buy-back, after applying the above mentioned ratios to the Equity Shares (held on Record Date), is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buy-back Entitlement to tender Equity Shares in the Buy-back for both categories of Eligible Shareholders.
- (ii) On account of ignoring the fractional entitlement, those Small Shareholders who hold 9 or less Equity Shares (as on Record Date) will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buy-back offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

19.7 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

- (i) Subject to the provisions contained in the Letter of Offer and Tender Form, the Company will accept the Equity Shares tendered in the Buy-back by the Small Shareholders in the Reserved Category in the following order of priority:
- (a) Full Acceptance from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buy-back Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (b) Post the Acceptance as described in Paragraph 19.7(i)(a) above, in case there are any Equity Shares left to be bought back the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buy-back, shall be given preference and one Equity Share each from the Additional Equity Shares applied by such Small Shareholders would be bought back in the Reserved Category.
- (c) Post the Acceptance as described in Paragraph 19.7(i)(a) and 19.7(i)(b) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buy-back Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the SEBI Buy-back Regulations, i.e. valid Acceptance per Small Shareholder

shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered by the Small Shareholder and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with Paragraph 19.7(i)(b) above, shall be reduced by one.

- (ii) The procedure of adjustment for fractional results in case of proportionate Acceptance, as described in Paragraph 19.7(i)(c) above, is set forth below:
 - (a) For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (b) For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Shares validly tendered in the General Category:

- (i) In accordance with the Letter of Offer and the Tender Form, the Acceptance in the Buy-back from the General Category will be implemented in the following order of priority:
 - (a) Full Acceptance in the General Category from Eligible Shareholders who have validly tendered their Equity Shares, to the extent of their Buy-back Entitlement, or the number of Equity Shares tendered by them, whichever is less.
 - (b) Post the Acceptance as described in Paragraph 19.8(i)(a) above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the Eligible Shareholders under the General Category over and above their Buy-back Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances shall be made in accordance with the SEBI Buy-back Regulations, i.e. valid Acceptances per Eligible Shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.
 - (c) Adjustment for fractional results in case of proportionate Acceptance as described in Paragraph 19.8(i)(a) and 19.8(i)(b) above:
 - (A) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (B) For any Eligible Shareholder if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 (one) and the fractional Acceptance is less than 0.50,

then the fraction shall be ignored.

19.9 Basis of Acceptance of Equity Shares between the two Categories:

- (i) In case there are any Equity Shares left to be bought back in one category (“**Partially Filled Category**”) after Acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be Accepted proportionately, i.e. valid Acceptances per Eligible Shareholder shall be equal to the additional outstanding Equity Shares validly tendered by a Eligible Shareholder in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially Filled Category.
- (ii) If the Partially Filled Category is the General Category, and the second category is the Reserved Category then any Small Shareholder who has received a Tender Form with zero Buy-back Entitlement and who has tendered Additional Equity Shares shall be eligible for priority Acceptance of one Equity Share before Acceptance in Paragraph 19.9 (i) out of the Equity Shares left to be bought back in the Partially Filled Category provided no Acceptance could take place from such Small Shareholders in accordance with Paragraph 19.7.
- (iii) Adjustment for fraction results in case of proportionate Acceptance, as described in Paragraphs 19.9(i) and 19.9(ii) above:
 - (a) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (b) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Board or any person(s) authorized by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in this Paragraph 19.

19.10 For avoidance of doubt, it is clarified that the Equity Shares accepted under the Buy-back from each Eligible Shareholder, in accordance with the paragraphs above, shall be the lower of the following:

- (i) the number of Equity Shares held by respective Eligible Shareholder as on the Record Date; and,
- (ii) the Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder on the Record Date.

19.11 Clubbing of Entitlements

In order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company will club

together the Equity Shares held by such shareholders with a common PAN for determining the category (Reserved Category or General Category) and the Buy-back Entitlement. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of shareholders holding physical Equity Shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies, etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar to the Buy-back as per the shareholder records received from the Depositories.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

A. GENERAL

- 20.1 The Buy-back is open to all Eligible Shareholders (Equity Shareholders as on the Record Date) holding either physical Equity Shares or demat Equity Shares.
- 20.2 The Company proposes to implement the Buy-back through the tender offer process, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy-back and additional disclosures as specified in the SEBI Buy-back Regulations, will be physically dispatched Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date. Eligible Shareholders who have their email IDs registered with the Company will also be emailed the Letter of Offer along with Tender Form.
- 20.3 The Company will not accept any Equity Shares offered for Buy-back where there exists any restraint order of a court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 19(5) of the SEBI Buy-back Regulations which restricts the Company from buying back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the time the Equity Shares become transferable.
- 20.5 The Eligible Shareholders participation in the Buy-back will be voluntary. The Eligible Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buy-back or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post-Buy-back, without additional investment. The Eligible Shareholders may also tender a part of their Buy-back Entitlement. The Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their Buy-back Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buy-back Entitlement by the Eligible Shareholder, shall be in terms of procedure outlined in the in Paragraph 19 of this Letter of Offer.
- 20.6 Eligible Shareholders will have to transfer the demat Equity Shares from the same demat account in which they were holding the demat Equity Shares (as on Record Date) and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the demat Equity Shares were held (as on Record Date), such Eligible Shareholders should

provide sufficient proof of the same to the Registrar to the Buy-back, and the such tendered demat Equity Shares may be accepted subject to appropriate verification and validation by the Registrar.

- 20.7 The Company will accept Equity Shares validly tendered for the Buy-back by Eligible Shareholders, on the basis of their Buy-back Entitlement as on the Record Date.
- 20.8 As elaborated in Paragraph 19.5 above, the Equity Shares proposed to be bought as a part of the Buy-back is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for all other Eligible Shareholders, and the Buy-back Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.9 After accepting the Equity Shares tendered on the basis of Buy-back Entitlement, Equity Shares left to be bought as a part of the Buy-back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buy-back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy-back Entitlement, in other category.
- 20.10 The maximum tender under the Buy-back by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 20.11 The Buy-back shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, (“**SEBI Circulars**”) and the procedure prescribed in the notice issued by BSE bearing reference number 20170210-23, dated February 10, 2017 and following the procedure prescribed in the Companies Act and the SEBI Buy-back Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buy-back) and on such terms and conditions as may be permitted by law from time to time.
- 20.12 For implementation of the Buy-back, the Company has appointed ICICI Securities Limited, as the registered broker to the Company (the “**Company Broker**”) through whom the purchases and settlements on account of the Buy-back would be made by the Company. The contact details of the Company Broker are as follows:

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg,

Churchgate, Mumbai 400 020

Tel.: +91 2222882460

Fax.: +91 2222826580

Contact Person(s): Allwyn Cardoza/Mitesh Shah

Website: www.icicisecurities.com

SEBI Registration Number: BSE: (INB011286854) NSE: (INB230773037)

Corporate Identity Number: U67120MH1995PLC086241

- 20.13 The Company will request the BSE to provide the separate acquisition window (“**Acquisition Window**”) to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-back. The details of the platform will be specified by BSE from time to time.
- 20.14 All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Shareholder Broker**”).

20.15 In the event a Shareholder Broker(s) of an Eligible Shareholder is not registered with BSE, then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case an Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company’s Broker to bid by using quick UCC facility.

20.16 The Eligible Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

(a) In case of Eligible Shareholder being an individual or HUF:

(i) If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):

A. Forms required:

- Central Know Your Client (CKYC) form
- Know Your Client (KYC) form

B. Documents required (all documents self-attested):

- Bank details (cancelled cheque)
- Demat details in case of demat Equity Shares (demat master/latest demat statement)

(ii) If Eligible Shareholder is not registered with KRA:

A. Forms required:

- CKYC form
- KRA form
- KYC form

B. Documents required (all documents self-attested):

- PAN card copy
- Address proof
- Bank details (cancelled cheque)
- Demat details in case of demat Equity Shares (demat master /latest demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

b) In case of Eligible Shareholder other than Individual and HUF:

(i) If Eligible Shareholder is KRA registered:

A. Form required:

- KYC form

B. Documents required (all documents certified true copy):

- Bank details (cancelled cheque)
- Demat details in case of demat Equity Shares (demat master /latest demat statement)

- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

(ii) *If Eligible Shareholder is not KRA registered:*

A. Forms required:

- KRA form
- KYC form

B. Documents required (all documents certified true copy):

- PAN card copy of company/firm/LLP/trust
- Address proof of company/firm/LLP/trust
- Bank details (cancelled cheque)
- Demat details in case of Demat Shares (Demat Master/Latest Demat statement)
- Latest list of directors/authorised signatories/partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed/trust deed

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- 20.17 At the beginning of the Tendering Period, the order for buying the Equity Shares will be placed by the Company through the Company Broker. During the Tendering Period the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market.
- 20.18 Shareholder Broker can enter orders for Equity Shares in demat form as well as Equity Shares in physical form. In the tendering process, the Company Broker may also process the orders received from the Eligible Shareholders.
- 20.19 Multiple bids made by single Eligible Shareholder for selling the Equity Shares shall be clubbed as 'one' bid for the purpose of Acceptance.
- 20.20 Modification/cancellation of orders and multiple bids from an Eligible Shareholder will be allowed during the Tendering Period of the Buy-back offer.
- 20.21 The cumulative quantity tendered shall be made available on the BSE's website i.e. www.bseindia.com, throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.22 The non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any person who is eligible to receive the Offer, shall not invalidate the Offer to any person who is eligible to receive this Offer. In case of non-receipt of the Letter of Offer, Eligible Shareholders may participate in the offer by applying on the Tender Form downloaded from the Company's website (www.sobha.com) or obtain a duplicate copy of the

same by writing to the Registrar to the Buy-back. Such Eligible Shareholders may also participate in the Buy-back by providing their application in plain paper in writing signed by such shareholder (in case jointly held then signed by all shareholders), stating name, address, number of shares held, Client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as detailed in “*Procedure to be followed by Eligible Shareholders holding physical Equity Shares*” on page 38 in case of physical Equity Shares. Eligible Shareholder(s) have to ensure that their bid is entered in the Acquisition Window prior to the closure of the Offer. Please note that the Company shall accept Equity Shares from the Eligible Shareholders on the basis of their holding and Buy-back Entitlement. Eligible Shareholder(s) who intend to participate in the Buy-back using the ‘plain paper’ option as mentioned in this paragraph are advised to confirm their Buy-back Entitlement from the Registrar to the Buy-back, before participating in the Buy-back.

20.23 All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.24 **Procedure to be followed by Eligible Shareholder holding Equity Shares in the dematerialised form:**

- (i) Eligible Shareholders holding demat Equity Shares who desire to tender their Equity Shares under the Buy-back would have to do so through their respective Shareholder Broker by indicating to their concerned Shareholder Broker the details of Equity Shares they intend to tender under the Buy-back.
- (ii) The Shareholder Broker would be required to place an order/bid on behalf of the Eligible Shareholder who wish to tender demat Equity Shares in the Buy-back using the Acquisition Window of the BSE. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered demat Equity Shares to the special account of the Indian Clearing Corporation Limited (“**Clearing Corporation**”) by using the early pay in mechanism prescribed by the BSE or the Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated by the Shareholder Broker at the of order/bid entry. The details of the settlement number for the Buy-back will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation. Modification/cancellation of orders will be allowed during the tendering period of the Buy-back. The details of the special account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the BSE and/or the Clearing Corporation.
- (iii) For custodian participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period (Buy-back Closing Date). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian’s confirmation and the revised order shall be sent to the custodian again for confirmation.
- (iv) Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (‘TRS’) generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the order/bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- (v) Eligible Shareholders who have tendered their Equity Shares in the Buy-back may deliver the Tender Form duly signed (by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares, along with

the TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buy-back offer at the address mentioned on the cover page of this Letter of Offer, so that the same are received not later than two days of Buy-back Closing Date (Thursday, October 5, 2017) by 5:00 p.m. The envelope should be super scribed as “**Sobha Limited Buyback Offer 2017**”. In the event of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the stock exchange bidding system, the Buy-back shall be deemed to have been accepted for such shareholders holding demat Equity Shares

- (vi) The Eligible Shareholders who have tendered their demat Equity Shares in the Buy-back will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial Acceptance.
- (vii) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective custodian depository pool account.
- (viii) Eligible Shareholders who have tendered their demat Equity Shares in the Buy-back shall also provide all relevant documents, which are necessary to ensure transferability of the demat Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
 - (a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - (b) Duly notarized death certificate and succession certificate/legal heirship certificate, in case any Eligible Shareholder has deceased ; and
 - (c) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

20.25 Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:

- (i) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buy-back will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include:
 - (a) The Tender Form duly signed (by all shareholders in case Equity Shares are held in joint names) the same order in which they hold the Equity Shares;
 - (b) Original share certificates;
 - (c) Valid Form SH.4 share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders who are transferring the physical Equity Shares in the same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place

- authorizing the transfer in favor of the Company;
- (d) Self-attested copy of the Eligible Shareholder's PAN Card;
- (e) Any other relevant documents such as (but not limited to):
- Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed the relevant Tender Form;
 - Notarized copy of death certificate/succession certificate or probated will, if the original Equity Shareholder has deceased;
 - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies;
- (f) In addition to the above, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- (ii) Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Eligible Shareholders holding physical Equity Shares and who wish to tender Equity Shares in the Buy-back, using the Acquisition Window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the stock exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- (iii) Any Eligible Shareholder/ Shareholder Broker who places a bid for physical Equity Shares, is required to deliver Tender Form, original share certificate(s), and other documents (as mentioned in "*Procedure to be followed by Eligible Shareholders holding physical Equity Shares*" of this Letter of Offer) along with the TRS generated by the stock exchange bidding system upon placing of a bid) either by registered post or courier or hand delivery to the Registrar (at the address mentioned on the cover page and mentioned in Paragraph 18.1 above) not later than 2 (two) days of bidding by the Shareholder Broker. The envelope should be superscribed as "**Sobha Limited Buyback Offer 2017**". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Shareholder Broker.
- (iv) Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buy-back by the Company shall be subject to verification as per the SEBI Buy-back Regulations and any further directions issued in this regard. Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once, Registrar confirms the bids they will be treated as 'Confirmed Bids'.

20.26 For Equity Shares held by Eligible Shareholder, being Non-Resident Shareholders of Equity Shares (Read with Paragraph 17 "DETAILS OF THE STATUTORY APPROVALS"):

- (i) While tendering their Equity Shares under the Buy-back, all Eligible Shareholders being Non-Resident Shareholders should provide relevant confirmations/declarations

in the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations/declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms. .

- (ii) Equity Shareholders who are FIIs/FPIs should also enclose a copy of their SEBI registration certificate.
- (iii) In case the Equity Shares are held on a repatriation basis, the Non-Resident Eligible Shareholders should enclose documents in support of the same. Such documents include:
 - a copy of the permission received by them from RBI at the time of the original acquisition of Equity Shares;
 - a letter from the Eligible Shareholder's authorised dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-Resident shareholder from the appropriate account as specified by RBI in its approval; and
 - any other document which evidences repatriability of sale proceeds in respect of the tendered Equity Shares.
- (iv) In case the Non-Resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares Accepted in the Buy-back.
- (iv) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buy-back are liable to be rejected.

20.27 In case any Eligible Shareholder has submitted physical Equity Shares for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buy-back before the Buy-back Closing Date.

20.28 The participation of the Eligible Shareholders in the Buy-back is entirely at the discretion of the Equity Shareholders. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buy-back.

20.29 The Company will not be responsible in any manner for any loss of certificate(s) physical Equity Shares and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

20.30 The instructions and authorisations contained in the Tender Form constitute an integral part of the terms of this Buy-back.

B. ACCEPTANCE

The Registrar to the Buy-back shall provide details of order Acceptance to the Clearing Corporation within specified timelines.

C. METHOD OF SETTLEMENT

- (i) Upon finalization of the basis of Acceptance as per the SEBI Buy-back Regulations:
- (ii) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- (iii) The Company will transfer the funds pertaining to the Buy-back to the Clearing Corporation's bank account as per the prescribed schedule.
- (iv) The demat Equity Shares accepted in the Buy-back would be transferred directly to the demat escrow account of the Company (the "**Company Demat Account**") provided it is indicated by the Company Broker or it will be transferred by the Company Broker to the Company Demat Account on receipt of the Equity Shares from the Clearing Corporation of BSE.
- (v) The Eligible Shareholders holding demat Equity Shares will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of demat Equity Shares, due to rejection or due to non-acceptance in the Buy-back.
- (vi) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholder would be returned to them by the Clearing Corporation as a part of the exchange payout process. In case of Custodian Participant orders, excess demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective custodian participant depository pool account.
- (vii) Any excess Equity Shares in physical form, pursuant to proportionate Acceptance/rejection will be returned back to the Equity Shareholders directly by Registrar. The Company is authorized to split the share certificate an issue new consolidated share certificate for the unaccepted physical Equity Shares, in case the physical Equity Shares accepted by the Company are less than the physical Equity Shares tendered in the Buy-back.
- (viii) The settlements of fund obligation for demat Equity Shares and physical Equity Shares shall be effected as per the SEBI Circulars and as prescribed by BSE and the Clearing Corporation from time to time. For demat Equity Shares accepted under the Buy-back, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation and in case of physical Equity Shares, the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If such Eligible Shareholder's bank account details are not available or if the funds transfer instruction is rejected by the RBI/bank(s), due to any reason, then the amount payable to the concerned Eligible Shareholders will be transferred to the Shareholder Broker for onward transfer to such Eligible Shareholders.
- (ix) In case of certain shareholders, viz., NRIs, non-residents, etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account.
- (x) In case of bids confirmed by custodian, settlement will be released to custodian's settlement account.

- (xi) The Clearing Corporation would settle the trades by making direct funds pay-out to Equity Shareholders and the Shareholder Broker would issue a contract note to the Eligible Shareholders tendering Equity Shares in the Buy-back. The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.
- (xii) Eligible Shareholders who intend to participate in the Buy-back should consult their respective Shareholder Brokers for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buy-back (secondary market transaction). The Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- (xiii) The Equity Shares lying to the credit of the Company Demat Account and the physical Equity Shares bought back and accepted will be extinguished in the manner and following the procedure prescribed in the SEBI Buy-back Regulations.

D. SPECIAL ACCOUNT OPENED WITH THE CLEARING CORPORATION

The details of transfer of the demat Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the BSE or the Clearing Corporation.

E. REJECTION CRITERIA

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

- (i) For Eligible Shareholders holding demat Equity Shares:
 - the Equity Shareholder is not an Eligible Shareholder (Equity Shareholder as on the Record Date); or,
 - if there is a name mismatch in the demat account of the Eligible Shareholder.
- (ii) For Eligible Shareholders holding physical Equity Shares:
 - The documents mentioned in the Tender Form for Eligible Shareholders holding physical Equity Shares are not received by the Registrar to the Buy-back on or before the close of business hours of October 5, 2017 (Thursday) by 05:00 p.m.;
 - If the certificates of physical Equity Shares is not enclosed with the Tender Form;
 - If the transfer/transmission of physical Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
 - If the Eligible Shareholders bid the Equity Shares but if the Registrar to the Buy-back does not receives the certificate for physical Equity Shares tendered in the Buy-back; or
 - In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or the Registrar to the Buy-back.

21. NOTE ON TAXATION

21.1 THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.

21.2 IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

21.3 THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY BACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

21.4 GENERAL

- (i) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 to March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income-tax Act, 1961 (“**Income Tax Act**”).
- (ii) A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person’s India sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the “situs” of such shares. As per judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since Sobha Limited is incorporated in India, the shares of Sobha Limited would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act. Further, the non-resident can avail the beneficial provisions of the Double Taxation Avoidance Agreement (‘**DTAA**’) between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- (iii) The Income Tax Act also provides for different tax regimes/ rates applicable to the gains arising on buy-back of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buyback of listed equity shares on the stock exchange is set out below. All references to equity shares in this note refer to listed equity shares unless stated otherwise.

21.5 CLASSIFICATION OF SHAREHOLDERS

- (i) **Shareholders can be classified under the following categories:**
 - (a) **Resident Shareholders being:**
 - (A) Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
 - (B) Others
 - (b) **Non Resident Shareholders being:**
 - (A) Non Resident Indians (NRIs)
 - (B) Foreign Institutional Investors (FIIs)
 - (C) Others:
 - Company
 - Other than Company

21.6 CLASSIFICATION OF INCOME

- (i) Shares can be classified under the following two categories:
 - (a) Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
 - (b) Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)
- (ii) Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of income arising from sale of shares has been a subject matter of litigation with the tax authorities. There have been various judicial pronouncements on whether gains from transactions in securities should be taxed as “business profits” or as “capital gains”. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Recently, the apex body of Income-tax has issued Circular No. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months, if the taxpayer desires to treat the income arising from the transfer thereof as “capital gains”, the same shall not be put to dispute by the Tax Officer.
- (iii) Further, investment made by FII in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset under the provisions of the Income Tax Act.

21.7 SHARES HELD AS INVESTMENT

- (i) As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act. The provisions of buy back tax under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.
- (ii) **Period of holding**
 - (a) Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long term capital gain’:
 - (A) In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a ‘short-term capital asset’, and the gains arising therefrom shall be taxable as ‘short term capital gains’ (“STCG”).
 - (B) Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a ‘long-term capital asset’, and the gains arising therefrom shall be taxable as ‘long-term capital gains’ (“LTCG”).
- (iii) **Buyback of shares through a recognized stock exchange**
 - (a) Where transaction for transfer of such equity shares (i.e. buyback) is transacted through a recognized stock exchange then the taxability will be as under (for all categories of shareholders):
 - (A) LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
 - (B) STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.
 - (b) Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable.
 - (c) Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement (‘DTAA’) entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/maintaining necessary documents prescribed under the Income Tax Act.
 - (d) As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT

rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

21.8 SHARES HELD AS STOCK-IN-TRADE

- (i) If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains from Business or Profession. In such a case, the provisions of section 46A of the Income Tax Act will not apply.
- (ii) **Resident Shareholders**
 - (a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - (b) For persons other than stated in (a) above, profits would be taxable @ 30%.
 - (c) No benefit of indexation by virtue of period of holding would be available in any case.
- (iii) **Non Resident Shareholders**
 - (a) Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement (‘DTAA’) entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.
 - (b) Where DTAA provisions are not applicable:
 - (A) For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - (B) For foreign companies, profits would be taxed in India @ 40%
 - (C) For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.
- (iv) In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable.

21.9 TAX DEDUCTION AT SOURCE

- (i) **In case of Resident Shareholders**
 - (a) In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.
- (ii) **In case of Non-resident Shareholders**
 - (a) Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident

shareholder. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians/ authorized dealers/ tax advisors appropriately.

21.10 RATE OF SURCHARGE AND CESS

- (i) In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

(a) **Surcharge**

- (A) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds 10 crores and @ 7% where the total income exceeds 1 crore.
- (B) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds 10 crores and @ 2% where the total income exceeds 1 crore.
- (C) In case of other assessee (i.e. other than companies): In case where the total income exceeds 1 crore:
- For assessee being an individual, HUF, AOP, BOI - Surcharge @15%;
 - For others – Surcharge @ 12%

(b) **Cess**

- (A) Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- (B) The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.

22. DECLARATION BY THE BOARD OF DIRECTORS

- 22.1 Declaration as required under Clause (ix) and clause (x) of Part A of Schedule II to the Buy Back Regulations:

- (i) The Board of Directors made the aforementioned declaration as on the date of passing the board resolution approving the Buy-back i.e. August 4, 2017. Subsequently, pursuant to the authority granted to the Buy-back Committee by the Board of Directors of the Company, in terms of resolutions dated August 4, 2017 the Buy-back Committee has confirmed on behalf of Board of Directors that:

- (a) there are no defaults subsisting in repayment of deposits, redemption of

debentures or preference shares or repayment of term loans to any financial institutions or banks.

(b) based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Companies Act formed an opinion that:

- immediately following the date of the Letter of Offer, there will be no grounds on which the Company could be found unable to pay its debts;
- as regards the Company's prospects for the year immediately following the date of Letter of Offer, that, having regard to their intention with respect to the management of Company's business during the said year and to the amount and character of the financial resources, which will be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

(ii) This declaration is made and issued, under the authority of the Board, by the Buy-back Committee, in terms of the resolution passed at the meeting of the Buy-back Committee held on September 6, 2017.

For and on behalf of the Board of Directors of Sobha Limited,

Sd/-	Sd/-
Mr. Ravi P.N.C. Menon Chairman Director Identification Number: 02070036	Mr. J. C. Sharma Vice Chairman and Managing Director Director Identification Number: 01191608

23. AUDITORS CERTIFICATE

23.1 The text of the report dated August 04, 2017 received from M/s. S R Batliboi & Associates LLP, the statutory auditors of the Company, for the relevant financial period, addressed to the Board of Directors of the Company is reproduced below.

Quote

Independent Auditor's Report on buy back of shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) (Amendment) Regulations, 1998, as amended

To
The Board of Directors
Sobha Limited
'Sobha', Sarjapur – Marathahalli Outer Ring Road
Devarabisanahalli, Bellandur Post
Bangalore – 560103

1. This Report is issued in accordance with the terms of our service scope letter dated February 15, 2016 and master engagement agreement dated July 17, 2015 with Sobha Limited.

2. In connection with the proposal of Sobha Limited (“the Company”), and as approved by its Board of Directors at its meeting held on August 4, 2017 (“Board Meeting”), to buy-back its equity shares and in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 (“the Act”) as amended, we have been engaged by the Company to perform a reasonable assurance engagement on the reporting criteria, specified in paragraph 5 of this report.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement of determination of permissible capital payment towards buy-back of equity shares (“the Statement”), as set out in Annexure A hereto, initialed by us for identification purpose only is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting.

Auditor’s Responsibility

5. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following “Reporting Criteria”:
 - (i) Whether the amount of capital payment for the Buy-back is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;
 - (ii) Whether the Board of Directors has formed their opinion, as specified in Clause (x) of Part A of Schedule II of the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the Board Meeting;
 - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The standalone financial statements for the year ended March 31, 2017 had been audited by us on which we had issued an unmodified audit opinion vide our report dated May 16, 2017. Our audits of these standalone financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143 (10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - i) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements for the year ended March 31, 2017.
 - ii) Examined authorization for buy-back from the Articles of Association of the Company;
 - iii) Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
 - iv) Examined that the ratio of debt owned by the Company is not more than twice the paid up equity share capital and its free reserve after such buy-back;
 - v) Examined that all equity shares for buy-back are fully paid-up;
 - vi) Examined resolutions passed in the meetings of the Board of Directors;
 - vii) Examined Director's declarations for the purpose of buy-back and solvency of the Company;
 - viii) Obtained necessary representations from the management of the Company.

Opinion

10. Based on our examination and procedures performed by us as mentioned above and the information and explanations given to us, in our opinion,
 - (i) We have inquired into the Company's state of affairs in relation to its audited standalone financial statements as at March 31, 2017, as approved by the Board of the Company on May 16, 2017;
 - (ii) The permissible capital payment towards buy-back of equity shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and,
 - (iii) The Board of Directors, in their meeting held on August 4, 2017, have formed their opinion, as specified in Clause (x) Part A of Schedule II of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board Meeting and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

11. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely for the purpose of the buy-back and to enable them to include it (a) in the public announcement to be made to the Shareholders of the Company, (b) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities

Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership No.: 209567

Place: Bengaluru
Date: August 4, 2017

Annexure A

Statement of determination of the permissible capital payment towards Buy-back of Equity Shares (“the Statement”) in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013

Particulars	Amount (₹ in million)
Total paid up equity share capital as at March 31, 2017 96,304,676 equity shares of ₹10 each, fully paid up	963.05
Free reserves as per audited standalone financial statements as at March 31, 2017 *: Net surplus in the statement of profit and loss	11,127.17
General Reserves	2,587.57
Securities premium account	9,934.33
Total of paid up equity capital and free reserves as at March 31, 2017	24,612.12
Maximum amount permissible for the buy-back i.e. 10% of total paid-up capital and free reserves pursuant to Section 68(2)(b) of the Act requiring Board resolution	2,461.21
Amount approved by the Board of Directors for buy-back in the meeting held on August 4, 2017	620

*Excludes Debenture Redemption Reserve balance of ₹428.68 million and Capital Redemption Reserve balance of ₹104.88 million, as the management is of the view that it is not a component of free reserves.

For Sobha Limited
Sd/-
Subhash Bhat
Chief Financial Officer

Place: Bengaluru
Date: August 4, 2017

Unquote

24. DOCUMENTS FOR INSPECTION

24.1 Copies of the following documents will be available for inspection at the Registered Office of the Company at 'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore, Karnataka, 560103, India between 10.00 a.m. and 3.00 p.m. on all working days except Saturday, Sunday and public holidays during the Buy-back offer period:

- (i) Certificate of Incorporation of the Company;
- (ii) Memorandum and Articles of Association of the Company;
- (iii) Annual reports of the Company for the last three financial years viz. March 31, 2017, 2016 and 2015;
- (iv) Audited balance sheet for the year ending March 31, 2017;
- (v) Copy of extracts of resolution passed by the Board of Directors at their meeting held on August 4, 2017 approving the proposal of the Buy-back;
- (vi) Certificate dated August 4, 2017 received from M/s. S R Batliboi & Associates LLP, the statutory auditors of the Company, for the relevant financial period, in terms of clause (xi) of Part A to Schedule II of the SEBI Buy-back Regulations;
- (vii) Copy of Public Announcement dated August 7, 2017 published in the newspapers on August 8, 2017 regarding Buy-back;
- (viii) Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH.9 of the Companies (Share Capital and Debentures) Rules, 2014; and,
- (ix) Certificate from Mr. M. Padmanabha Bhat, Chartered Accountant, dated August 11, 2017 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buy-back, in accordance with the SEBI Buy-back Regulations.
- (x) Observations from SEBI on the Draft Letter of Offer issued bearing reference number CFD/DCR2/OW/P/2017/21086/1 dated September 05, 2017.

25. DETAILS OF THE COMPLIANCE OFFICER

Vighneshwar G. Bhat,
Company Secretary and Compliance Officer,
Sobha Limited,
Address: 'SOBHA',
Sarjapur - Marathahalli Outer Ring Road (ORR),
Devarabisanahalli, Bellandur Post, Bangalore, Karnataka, 560103
Tel. No.: +91 80-49320000, **Extn:** 6024;
Fax: +91 080-49320444;
E-mail: investors@sobha.com; vighneshwar.bhat@sobha.com

Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 3.00 p.m. on all working days except Saturday, Sunday and public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS

26.1 In case of any grievances relating to the Buy-back (e.g. non-receipt of the Buy-back

consideration, share certificate, demat credit, etc.), the investor can approach the Compliance Officer of the Manager to the Buy-back and/or Registrar to the Buy-back and/or Compliance Officer of the Company for redressal.

- 26.2 If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.
- 26.3 The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies, Bangalore

'E' Wing, 2nd Floor,
Kendriya Sadan,
Koramangala, Bangalore,
560034, India.

27. DETAILS OF REGISTRAR TO THE BUY-BACK

In case of any query, the Equity Shareholders may contact the Registrar to the Buy-back, during office hours, i.e. 10:00 a.m. to 3:00 p.m., on any day except Saturday, Sunday and Public holidays between at the following address:

Link Intime India Private Limited

C-101, 247 Park
L.B.S. Marg, Vikhroli (W)
Mumbai, Maharashtra, 400083
Tel: +91 22 49186200
Fax: +91 22 49186195
Contact Person: Mr. Sumeet Deshpande
Email: sobha.buyback2017@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058
Corporate Identity Number: U67190MH1999PTC118368

28. DETAILS OF THE MANAGER TO THE BUY-BACK

The Company has appointed the following as Manger to the Buy-back.



ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India
Tel: +91 022 2288 2460
Fax: +91 022 2282 6580
Contact Person: Arjun A Mehrotra/Anurag Byas
Email: sobha.buyback@icicisecurities.com
Website: www.icicisecurities.com
SEBI Registration Number: INM00001179
Corporate Identity Number: U67120MH1995PLC086241

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER

As per Regulation 19 (1) (a) of the Buy-back Regulations, the Directors of the Company accept full and final responsibility for the information contained in this Letter of Offer and confirms that this Letter of Offer contains true, factual and material information and does not contain any misleading information. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on August 4, 2017.

For and on behalf of the Board of Directors of Sobha Limited

Sd/-	Sd/-	Sd/-
Mr. Ravi P.N.C. Menon Chairman	Mr. J. C. Sharma Vice Chairman and Managing Director	Mr. Vighneshwar G. Bhat Company Secretary and Compliance Officer
Director Identification Number: 02070036	Director Identification Number: 01191608	Membership Number: A16651

Place : Bangalore, Karnataka

Date : September 6, 2017