

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 “**Buyback 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 Buyback i.e. ICICI Securities Limited or the Registrar to the Buyback 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.



SOBHA LIMITED

(Formerly Sobha Developers Limited)

Registered Office and Correspondence Address: ‘SOBHA’, Sarjapur - Marathahalli Outer Ring Road (ORR),

Devarabisanahalli, Bellandur Post, Bangalore, Karnataka, 560103

Tel. No.: 080-49320000; **Fax:** 080-49320444; **E-mail:** investors@sobha.com; **Website:** www.sobha.com;

Corporate Identification Number (CIN): L45201KA1995PLC018475

Contact Person: Kishore Kayarat, Company Secretary and Compliance Officer;

Tel. No.: 080-49320000, **Extn:** 6024; **Fax:** 080-49320444; **E-mail:** kishore.kayarat@sobha.com

Cash offer to buyback up to 22,75,000 (Twenty Two Lakhs Seventy Five Thousand) fully paid-up equity shares of face value Rs.10 (Rupees Ten only) each (“**Equity Share**”), representing up to 2.32% 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 Rs.330 (Rupees Three Hundred Thirty only) per Equity Share (“**Buy-back Price**”), for an aggregate amount of up to Rs.75,07,50,000 (Rupees Seventy Five Crores Seven Lakhs Fifty Thousand only) (the “**Buyback Size**”). As required under the Buyback 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 Buyback is in accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the “**Companies Act**”), the Buyback Regulations, Article 66 of the Articles of Association of the Company and is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/ or regulatory authority and which may be agreed to by the Board and/ or any sub-committee thereof.
2. The Buyback Size is 3.08% 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, 2016 (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 Buyback, held on May 19, 2016) 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 represent 2.32% of the total number of Equity Shares in the paid-up share capital of the Company.
3. This Letter of Offer is sent to the Equity Shareholder(s) on the Record Date i.e June 6, 2016.
4. The procedure for tendering and settlement is set out in Paragraph 20 on page 31 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the “**Tender Form**”) is enclosed together with this Letter of Offer.
5. For mode of payment of consideration to the Eligible Sellers, please refer to Paragraph 20 on page 31 of this Letter of Offer.
6. A copy of the Public Announcement and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India- <http://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 38, respectively, of this Letter of Offer, before tendering their Equity Shares in the Buyback.

BUY BACK OPENS ON: June 29, 2016

BUY BACK CLOSES ON: July 13, 2016

LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra 400078

MANAGER TO THE BUY BACK

REGISTRAR TO THE BUY BACK



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: Prem D’Cunha/ Govind Khetan

SEBI Regn. No.: INM000011179

Validity Period: Permanent

Corporate Identity Number: U67120MH1995PLC086241



Link Intime India Private Limited

Address: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra 400078

Tel.: +91 22 6171 5400 **Fax:** + 91 22 2596 0329

Email: sobha.buyback@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Mhatre

SEBI Regn. No.: INR000004058

Validity Period: Permanent

Corporate Identity Number: U67190MH1999PTC118368

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1. SCHEDULE OF ACTIVITIES

Activity	Date
Date of the Board meeting to approve the proposal for Buyback of Equity Shares	May 19, 2016
Date of publication of Public Announcement for the Buyback	May 23, 2016
Record Date for determining the Buyback Entitlement and the names of Eligible Sellers	June 6, 2016
Buyback opens on / date of opening of Buyback	June 29, 2016
Buyback closes on / date of closing of Buyback	July 13, 2016
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar and Transfer Agent	July 15, 2016
Last date of verification by Registrar	July 20, 2016
Last date of providing Acceptance / Rejection to the Stock Exchange by the Registrar	July 20, 2016
Last date of settlement of bids on the Stock Exchange	July 22, 2016
Last date of dispatch of share certificate(s) by RTA / return of unaccepted demat shares by Stock Exchange to Selling Member	July 22, 2016
Last date of extinguishment of Equity Shares	July 29, 2016

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

2. DEFINITION OF KEY TERMS

Acceptance	Acceptance of fully paid-up Equity Shares tendered by Eligible Sellers in the Buyback Offer.
Additional Equity Shares	Additional Equity Shares tendered by an Eligible Seller over and above the Buyback Entitlement of such Equity Shareholder.
Articles	Articles of Association of the Company.
Board/ Board of Directors	Board of Directors of the Company.
BSE	BSE Limited.
Buyback/ Offer	Offer by the Company to buy back up to 22,75,000 (Twenty Two Lakhs Seventy Five Thousand) fully paid-up Equity Shares at the Buyback Price per Equity Share from the Eligible Sellers, through the Tender Offer route on a proportionate basis.
Buyback Committee	The Buyback Committee comprising Mr. P Ramakrishnan, Deputy Managing Director and Mr. Subhash Mohan Bhat, Chief Financial Officer, constituted and authorized for the purposes of the Buyback by a resolution dated May 19, 2016 of the Board of Directors. Additionally, Mr. Kishore Kayarat, Company Secretary and Compliance Officer is the Secretary to the Buyback Committee.
Buyback Entitlement	The number of Equity Shares that an Eligible Seller is entitled to tender in the Buyback, based on the number of Equity Shares held by that Eligible Seller, on the Record Date and the ratio of Buyback

	applicable in the category, to which such Eligible Seller belongs.
Buyback Price	Price at which Equity Shares will be bought back from the Eligible Sellers i.e. Rs.330 (Rupees Three Hundred and Thirty only) per fully paid up Equity Share, payable in cash.
Buyback Size	Number of Equity Shares proposed to be bought back (i.e. 22,75,000 (Twenty Two Lakhs Seventy Five Thousand) Equity Shares) multiplied by the Buyback Price (i.e. Rs. 330 (Rupees Three Hundred and Thirty only) per Equity Share) aggregating to Rs. 75,07,50,000 (Rupees Seventy Five Crores Seven Lakhs Fifty Thousand only).
CDSL	Central Depository Services Limited.
Companies Act	The Companies Act, 2013, with Rules notified, as amended from time to time.
Depositories	collectively, NSDL and CDSL.
DP	Depository Participant
Draft Letter of Offer/ DLoF	The Draft Letter of Offer dated May 30, 2016 filed with SEBI.
Designated Stock Exchange	BSE Limited
Eligible Seller(s)	Equity Shareholders eligible to participate in the Buyback/ Offer and would mean all Equity Shareholders as on the Record Date.
Equity Shares	Fully paid-up equity shares of face value of Rs. 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” opened with the Escrow Agent.
Escrow Agent	Axis Bank Limited
Escrow Agreement	The escrow agreement dated May 27, 2016 entered into between the Company, Manager to the Buyback and the Escrow Agent.
HUF	Hindu Undivided Family.
IT Act/ Income Tax Act	Indian Income Tax Act, 1961, as amended.
Letter of Offer	The letter of offer dated June 20, 2016 to be filed with SEBI.
Manager to the Buyback	ICICI Securities Limited
Non-Resident	Includes Non-resident Indians (NRI), Foreign Institutional Investors

Shareholder	(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.
Promoters	Promoters as have been disclosed under the filings made by the Company under the listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Public Announcement	Public announcement dated May 20, 2016 regarding the Buyback, published on May 23, 2016 in the Business Standard (English national daily), the Business Standard (Hindi national daily) and Hosa Digantha (Kannada language daily).
RBI	Reserve Bank of India.
Record Date	The date for the purpose of determining the Buyback 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 Buyback offer in accordance with the Buyback Regulations. The Record Date for this Buyback is June 6, 2016.
Registrar to the Buyback	Link Intime India Private Limited
Rules	Rules notified under Companies Act, 2013.
SEBI	The Securities and Exchange Board of India.
Seller Member/ Seller Broker	A stock broker (who is a member of the Designated Stock Exchange) of an Eligible Seller, through whom the Eligible Seller wants to participate in the Buyback.
Small Shareholder	An Eligible Seller, 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 Rs. 2,00,000 (Rupees Two Lakhs only).
Stock Exchanges	BSE Limited 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 Buyback Regulations.
TRS	Transaction Registration Slip.

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 Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback 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 Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

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 Buyback 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 Buyback, has furnished to SEBI a Due Diligence Certificate dated May 30, 2016 in accordance with Buyback Regulations, which reads as follows:

“We have examined various documents and materials relevant to the Buyback as part of the due diligence carried out by us in connection with the finalization of the public announcement dated May 20, 2016 (the “**Public Announcement**”) and the Draft Letter of Offer dated May 30, 2016 (“**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 Buyback;
- (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 Buyback;
- (iv) Funds used for Buyback shall be as per the provisions of the Companies Act”

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 Buyback.

3.4 The Promoters/ Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Sellers 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 Buyback Regulations.

3.5 The Buyback is being made for securities of an Indian company and is subject to the laws of India. 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 Buyback, has been prepared for the purposes of compliance with the Buyback 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 Buyback 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 Buyback in any jurisdiction where action would be required for that purpose. The Letter of Offer shall 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 Buyback 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 Buyback.
- 3.9 The Promoters / Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

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

- 4.1 The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on May 19, 2016. 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 to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the **“Buyback Regulations”**), including any amendments, statutory modifications or re-enactments 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 appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by 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 2,275,000 fully paid-up equity shares of Rs. 10 (Rupees Ten Only) each of the Company (“**Equity Shares**”) representing up to 2.32% of the total paid-up Equity Share capital of the Company at a price of Rs. 330 (Rupees Three Hundred and Thirty only) per Equity Share (“**Buyback Price**”) payable in cash for an aggregate amount of up to Rs. 750,750,000 (Rupees Seventy Five Crores Seven Lakhs and Fifty Thousand) (“**Buyback Size**”), which is 3.08% 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, 2016 on a proportionate basis through the “**tender offer**” route as prescribed under the Buyback Regulations, to all of the shareholders who hold Equity Shares as of a record date to be subsequently determined by the Buyback Committee (as defined below) (“**Buyback**”). The Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

RESOLVED FURTHER THAT all of the shareholders of the Company who hold Equity Shares as of a record date to be subsequently determined by the Buyback Committee (as defined below) will be eligible to participate in the Buyback including promoters and promoter group of the Company (including members thereof) who hold Equity Shares as of a record date to be subsequently determined by the Buyback Committee (as defined below), persons in control (including such persons acting in concert) who hold Equity Shares as of a record date to be subsequently determined by the Buyback Committee (as defined below).

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

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

RESOLVED FURTHER THAT the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“**Listing Regulations**”).

RESOLVED FURTHER THAT the amount required by the Company for the Buyback is intended to be met out of 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 Buyback Regulations, Mr. Kishore Kayarat, Company Secretary and Compliance Officer, be and is hereby appointed as the Compliance Officer for the Buyback and Link Intime India Private Limited, Registrar and Transfer Agent, is appointed as the Investor Service Centre.

RESOLVED FURTHER THAT draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and is hereby approved and Mr. J.C. Sharma, Vice-Chairman and Managing Director, and Mr. P Ramakrishnan, Deputy Managing Director, be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India in accordance with applicable law.

RESOLVED FURTHER THAT 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 that date that, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, 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; 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) the Company shall not issue any Equity Shares or specified securities including by way of bonus till the date of closure of the Buyback;
- b) the Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- c) 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;
- d) 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 Buyback;
- e) 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;
- f) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act
- g) the maximum number of Equity Shares proposed to be purchased under the Buyback 2,275,000 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, 2016;
- h) the Company shall not make any offer of buyback within a period of one year reckoned from the date of closure of the Buyback;
- i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and
- j) 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 Buyback.

RESOLVED FURTHER THAT that a committee (the "**Buyback Committee**") be constituted comprising of Mr. P Ramakrishnan, Deputy Managing Director and Mr. Subhash Mohan Bhat, Chief Financial Officer, be constituted for the purposes of the Buyback 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 Buyback."

Unquote

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

- 5.1 As per Regulation 8(1) of the Buyback Regulations, the Company has published the Public Announcement dated May 20, 2016 for the Buyback of Equity Shares, on May 23, 2016 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 Buyback, on May 19, 2016.

Name of the Newspaper	Language	Editions
Business Standard	English	All
Business Standard	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.

6. DETAILS OF THE BUY BACK

6.1 The Company has announced the Buyback of up to 22,75,000 (Twenty Two Lakhs Seventy Five Thousand) Equity Shares representing up to 2.32% of the total paid-up Equity Share capital of the Company at a price of Rs. 330 (Rupees Three Hundred and Thirty only) per Equity Share payable in cash for an aggregate amount of up to Rs. 75,07,50,000 (Rupees Seventy Five Crores Seven Lakhs Fifty Thousand only), which is 3.08% 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, 2016 (as approved by the Board), on a proportionate basis through the Tender Offer route as prescribed under the Buyback Regulations from all of the shareholders who hold Equity Shares as of the Record Date.

6.2 The Buyback 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, Buyback 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.

6.3 The Company will adopt the Tender Offer route for the purpose of Buyback. The Buyback 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.

6.4 The Buyback Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.

6.5 The aggregate paid-up share capital and free reserves of the Company as on March 31, 2016 was Rs. 2,438.70 crores and under the provisions of the Act, the funds deployed for Buyback 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 Buyback is Rs.243.87 crores. The Company has proposed to utilise an aggregate amount of up to Rs. 75,07,50,000 (Rupees Seventy Five Crores Seven Lakhs Fifty Thousand only) for the Buyback which is within the maximum amount as aforesaid.

6.6 The shareholding of the Promoters of the Company and person in control as on the date of publication of the Public Announcement i.e. May 23, 2016 is as under:

Sr. No.	Name of the Promoter/person in control	No. of Equity Shares	% of total equity shares
1.	P N C Menon	1,24,88,522	12.74
2.	Sobha Menon	4,13,48,421	42.16
3.	P N C Menon (jointly with Sobha Menon)	54,94,407	5.60

Sr. No.	Name of the Promoter/person in control	No. of Equity Shares	% of total equity shares
4.	Ravi PNC Menon	32,950	0.03
5.	P N Haridas	45,000	0.05
6.	Sudha Menon	30	0.00
Total		5,94,09,330	60.58

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. May 23, 2016 is as under:

Sr. No.	Name of the Promoter	No. of Equity Shares Pledged	Name of the pledgee
1.	P N C Menon	1,00,00,000	SBI, Dubai
2.	Sobha Menon	7,00,000	ICICI Bank Limited, UAE

6.8 The Company does not have any Promoters which are companies or corporate entities.

6.9 In terms of the Buyback Regulations, under the Tender Offer route, the Promoters and promoter group of the Company, have the option to participate in the Buyback. In this regard, the Promoters have expressed their intention vide their letters dated May 19, 2016 to participate in the Buyback and offer up to an aggregate maximum number of 4,87,09,300 (Four Crores Eighty Seven Lakhs Nine Thousand and Three Hundred) Equity Shares, with the intent, that subsequent to the Buyback, the combined shareholding of the Promoters remains at least 60% of the post-buyback total paid up equity capital of the Company to the extent possible after complying with the procedure under Buyback Regulations/terms of the Buyback. The extent of their participation in the Buyback has been detailed in Paragraph 9.3 of this LoF.

6.10 The Promoters hold 60.58% of Equity Shares in the total paid up equity share capital of the Company as on the date of Public Announcement and the post Buyback holding of the Promoters in the Company may increase from the current/present 60.58% to 60.77% of Equity Shares in the total paid up equity share capital. For details with respect to Promoters shareholding post Buyback please refer to Paragraph 13.7 of this LoF.

6.11 Post the Buyback the non-Promoter 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

7.1 Pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, and in accordance with the provisions of Article 66 of the Articles of Association of the Company and subject to the provisions of the Buyback 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 May 19, 2016 passed resolutions approving the Buyback.

8. NECESSITY OF THE BUY BACK

8.1 The Buyback is being undertaken by the Company to return surplus funds to the Equity Shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, effective and cost efficient manner. The Buyback is being undertaken for the following reasons:

- (i) The Buyback will help the Company to distribute surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- (ii) The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve a reservation of up to 15% of the Buyback Size for small shareholders. The Company believes that this reservation of up to 15% for small shareholders would benefit a large number of public shareholders, who would get classified as “Small Shareholders” as defined under Section 2(1a) of the Buyback Regulations;
- (iii) The Buyback would help in improving financial ratios like earnings per share and return on equity, by reducing the equity base of the Company; and
- (iv) The Buyback gives an option to the Eligible Sellers to either choose to participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback or choose not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

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

9.1 The Buyback 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 Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers up to their Buyback Entitlement, the funds deployed by the Company towards the Buyback would be Rs. 75,07,50,000 (Rupees Seventy Five Crores Seven Lakhs Fifty Thousand only).

9.2 In terms of the Buyback Regulations, under the Tender Offer route, the Promoters have the option to participate in the Buyback. In this regard, the Promoters have expressed their intention vide their letters dated May 19, 2016, to participate in the Buyback and offer up to an aggregate maximum number of 4,87,09,300 (Four Crores Eighty Seven Lakhs Nine Thousand and Three Hundred) Equity Shares with the intent that subsequent to the Buyback, the combined shareholding of the Promoters remains at least 60% of the post-buyback total paid up equity capital of the Company to the extent possible after complying with the Buyback Regulations/terms of the Buyback.

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

Sr. No.	Name of the Promoters	Maximum Number of Equity Shares intended to be tendered
1.	P N C Menon	2,488,522
2.	Sobha Menon	40,648,421
3.	P N C Menon (jointly with Sobha Menon)	54,94,407
4.	Ravi PNC Menon	32,950
5.	P N Haridas	45,000
Total		4,87,09,300

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) PNC Menon

Date of Transaction	Nature of Transaction	Number of Equity Shares acquired/ (sold)	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	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
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 Transfer	(15,000)	10	10	Cash
June 28, 2006	Bonus	1,09,92,348	10	-	-
February 08, 2010	Market Sale	(40,00,000)	10	250 (Average Price)	Cash
Total		1,24,88,522*			

* Out of the total number of 1,24,88,522 Equity Shares, Mr. PNC Menon has pledged 10,000,000 Equity Shares.

(ii) Sobha Menon

Date of Transaction	Nature of Transaction	Number of Equity Shares acquired/(sold)	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	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	10	Cash
Total		4,13,48,421*			

* Out of the total number of 4,13,48,421 Equity Shares, Ms. Sobha Menon has pledged 7,00,000 Equity Shares

(iii) P N C Menon jointly with Sobha Menon

Date of Transaction	Nature of Transaction	Number of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	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	-	-
Total		54,94,407			

(iv) Ravi PNC Menon

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

(v) P N Haridas

Date of Transaction	Nature of Transaction	Number of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	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 Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers up to their Buyback Entitlement, the aggregate shareholding of the Promoters post the Buyback may increase from the current/present 60.58% to 60.77%. Please refer to Paragraph 13.7 for further details.
- 9.6 Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers up to their Buyback Entitlement, the aggregate shareholding of the public and others post Buyback may following the Buyback decrease from the current/present 39.42% to 39.23%. Please refer to Paragraph 13.7 for further details.
- 9.7 The Buyback 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 Buyback 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.
- 9.9 The debt-equity ratio post Buyback shall be compliant with the permissible limit of 2:1 prescribed under Companies Act even if the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers up to their Buyback Entitlement.

- 9.10 The Buyback 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 Offer.
- 9.12 The Company shall not raise further capital for a period of one year from the closure of the Buyback 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 till the date of closure of the Buyback offer.
- 9.14 Salient financial parameters consequent to the Buyback based on the standalone audited balance sheet as on March 31, 2016 are as under:

Parameters (based upon audited results for the year ended on March 31, 2016)	Pre Buyback	Post Buyback ⁷
Net Worth (Rs. in lakhs) ¹	2,45,915	2,38,407
Return on Net Worth (%) ²	5.57	5.74
Earnings Per Share (in Rs.) ³	13.96	14.29
Book Value per Equity Share (in Rs.) ⁴	250.77	248.89
P/E as per latest audited financial results ⁵	21.30	20.80
Total Debt/Equity Ratio ⁶	0.88	0.91

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, 2016
4. Book Value per Share = Net Worth (excluding revaluation reserves, if any) / Number of Shares as at March 31, 2016
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 May 23, 2016, being date of the Public Announcement, Rs 297.35 (BSE)
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 buyback numbers are calculated (assuming full acceptance) by reducing a) the Net Worth by the proposed buyback amount; b) Proposed number of shares to be bought back from Number of Shares as at March 31, 2016, without factoring in any impact on the Profit & Loss Account.

10. BASIS OF CALCULATING THE BUYBACK PRICE

- 10.1 The Equity Shares are proposed to be bought back at a price of Rs. 330 (Rupees Three

Hundred and Thirty only) per Equity Share.

- 10.2 The Buyback Price of Rs. 330 (Rupees Three Hundred and Thirty 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 Buyback on the key financial ratios of the Company.
- 10.3 The Buyback Price represents a premium of 21.62% over the volume weighted average market price of the Equity Shares on the National Stock Exchange of India Limited(NSE)for the 3 months preceding May 16, 2016, which is the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback (“**Intimation Date**”) and 10.98 % over the volume weighted average market price of the Equity Shares on the NSE for the 2 weeks preceding the Intimation Date. The closing market price of the Equity Shares as on the Intimation Date was Rs. 303.25 (Rupees Three Hundred Three and Twenty Five paisa) on the BSE and Rs. 302 (Rupees Three Hundred Two) on NSE, respectively.
- 10.4 The Buyback Price is higher by 31.59% of the book value per Equity Share of the Company, which as of March 31,2016 was Rs. 250.77 (Rupees Two Hundred Fifty and Seventy Seven paisa) per Equity Share.
- 10.5 The earnings per Equity Share of the Company prior to the Buyback, as on March 31, 2016 was Rs. 13.96 (Rupees Thirteen and Ninety Six paisa) per Equity Share. Assuming full acceptance under the Buyback the earnings per Equity Share of the Company will be Rs. 14.29 (Rupees Fourteen and Twenty Nine Paisa) per Equity Share post the Buyback.
- 10.6 The return on net worth of the Company was 5.57% as on March 31, 2016 which will increase to 5.74% post Buyback assuming full acceptance of the Buyback.

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 Buyback would be Rs. 75,07,50,000 (Rupees Seventy Five Crores Seven Lakhs and Fifty Thousand only).
- 11.2 The funds for the Buyback will be sourced from current balances of cash and cash equivalents and/ or internal accruals of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback.
- 11.3 The Buyback 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

- 12.1 In accordance with the with Regulation 10 of the Buyback Regulations, the Company has appointed Axis Bank limited as the Escrow Agent for the aforementioned Buyback, and the Company, the Manager to the Offer and the Escrow Agent have entered into an Escrow Agreement dated May 27, 2016 pursuant to which the Escrow Account in the name and style “Sobha-Buy-Back of Equity Shares–Escrow A/C” bearing account number 916020029216552 has been opened with the Escrow Agent. The Manager has been empowered to operate the Escrow Account in accordance with the Buyback Regulations. In accordance with Regulation 10 of the Buyback Regulations, the Company proposes to deposit in cash 25% of the Buyback Size, amounting to Rs. 18,76,87,500 (Rupees Eighteen Crores Seventy Six Lakhs Eighty Seven Thousand Five Hundred) in the Escrow Account on or before the opening the Buyback Offer.

- 12.2 The Company has adequate and firm financial resources to fulfil its obligations under the Buyback and the same has been certified by Mr.M.Padmanabha Bhat, Chartered Accountant, having his office at No.26, Aradhana, 8th Cross, Kaggadapura, C.V.Raman Nagar,Bangalore 560 093, India (Telephone: +91 080 4170 6986; Fax:+91 080 4170 6986; Membership No:025305), vide a certificate dated May 21, 2016.
- 12.3 Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

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

(Rs. in Lakhs)

Sr. No.	Particulars	Pre Buyback
1.	Authorized Share Capital:	
	15,00,00,000 Equity Shares of Rs. 10 each	15,000
	50,00,000 7% redeemable preference shares of Rs. 100 each	5,000
	Total	20,000
2.	Issued, Subscribed and Paid-up Capital:	
	9,80,63,868 Equity Shares of Rs. 10 each	9,806.38
	Total	9,806.38

- 13.2 Assuming full acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows:

(Rs. in Lakhs)

Sr. No.	Particulars	Post Buyback
1.	Authorized Share Capital:	
	15,00,00,000 Equity Shares of Rs. 10 each	15,000
	50,00,000 7% redeemable preference shares of Rs. 100 each	5,000
	Total	20,000
2.	Issued, Subscribed and Paid-up Capital:	
	9,57,88,868 Equity Shares of Rs. 10 each	9,578.88
	Total	9,578.88

- 13.3 The Company has not implemented any Buyback programme in the last three years.
- 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 Buyback as on date of the publication of the Public Announcement i.e. May 23, 2016 and the post Buyback shareholding pattern assuming full acceptance, is as follows:

Category of Shareholder	Pre Buyback		Post Buyback*	
	Number of Shares	% to the existing Equity Share capital	Number of Shares	% to post Buyback Equity Share capital
Promoters and persons acting in concert	59,409,330	60.58	58,210,042	60.77
Foreign Investors (Including Non-Resident Indians, FIIs, FPIs, Foreign Mutual Funds, Foreign Nationals)	29,311,361	29.89	37,578,826	39.23
Financial Institutions/Banks, Mutual Funds promoted by Banks/ Institutions	5,004,332	5.10		
Others (Public, Bodies Corporate, etc.)	4,338,845	4.42		
Total	98,063,868	100.00	95,788,868	100

*Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers of the Equity Shares up to their Buyback Entitlement.

13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.

13.9 No Equity Shares were either purchased or sold by the Promoters and person who is in control of the Company during a period of six months preceding the date of the Board meeting i.e. May 19, 2016 at which the Board approved the proposal for Buyback and twelve months preceding the date of the Public Announcement i.e. May 20, 2016.

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

(i) For the financial years ended March 31, 2016, 2015 and 2014, the Company recorded total income of Rs. 1,818.50 crores, Rs. 2,401.65 crores and Rs.2128.77 crores, respectively, and profit after tax of Rs.136.92 crores, Rs.199.09 crores, and Rs. 206.54 crores, 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 (Rs.)	Issue Price (Rs.)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative paid-up share capital (Rs.)
August 7, 1995	30	10	10	Cash	30	300
February 11, 1998	11,74,729	10	10	Cash	11,74,759	1,17,47,590
October 16, 1998	19,34,823	10	10	Cash	31,09,582	3,10,95,820
December 22, 1998	8,55,000	10	10	Cash	39,64,582	3,96,45,820
March 25, 1999	30,00,000	10	10	Cash	69,64,582	6,96,45,820
July 11, 2002	1,41,75,898	10	10	Cash	2,11,40,480	21,14,04,800
June 28, 2006	4,22,80,960	10	10	-	6,34,21,440	63,42,14,400
October 28, 2006*	97,245	10	617	Cash	6,35,18,685	63,51,86,850
October 28, 2006**	4,86,223	10	617	Cash	640,04,908	64,00,49,080
December 12, 2006***	88,96,825	10	640	Cash	7,29,01,733	72,90,17,330
July 03, 2009****	2,51,62,135	10	209.40	Cash	9,80,63,868	98,06,38,680

* Pursuant to a Shareholders' Agreement dated October 25, 2006, 97,245 Equity Shares were issued and allotted, at a price of Rs. 617 per Equity Share including a share premium of Rs. 607 per Equity Share, aggregating Rs.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 Rs. 617 per Equity Share including a share premium of Rs. 607 per Equity Share, aggregating Rs. 29.99 crores.

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

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

14.4 The Details of the Board of Directors of the Company as on date of publication of Public Announcement i.e. May 23, 2016 are as follows:

Name and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships in India
Ravi PNC Menon Age: 34	Chairman	B.Sc in Civil Engineering	Date of First Appointment: June 08, 2004 Date of Re-appointment: June 30, 2012	Sobha Space Private Limited Sobha Glazing and Metal Works Private Limited Sobha Innercity Technopolis

Name and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships in India
				Private Limited Sobha Electro Mechanical Private Limited Sobha Technocity Private Limited Oman Builders Private Limited Sobha Hitechcity Developers Private Limited PNC Lighting Solutions Private Limited PNC Technologies Private Limited Sobha Assets Private Limited Sobha Highrise Ventures Private Limited Sobha Academy Private Limited PNC Switchgears Private Limited
Jagdish Chandra Sharma Age: 57	Vice Chairman and Managing Director	B.Com (Honours), ACA, ACS	Date of First Appointment: April 01, 2003 Date of Re-appointment: July 11, 2014	Sobha Glazing and Metal Works Private Limited Sobha Electro-Mechanical Private Limited Oman Builders Private Limited Hill and Menon Securities Private Limited Royal Interiors Private Limited Sobha Highrise

Name and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships in India
				Ventures Private Limited Sobha Innercity Technopolis Private Limited Sobha Technocity Private Limited Sobha Projects and Trade Private Limited HBR Consultants Private Limited PNC Technologies Private Limited Sobha Assets Private Limited Sobha Academy Private Limited Sobha Developers (Pune) Limited DivyaKaushal Properties LLP (Designated Partner)
Mr. Ramakrishnan Prabhakaran Age: 53	Deputy Managing Director	B.Tech, MBA	Date of First Appointment: January 29, 2010 Date of Re-appointment: July 11, 2014	Sobha Tambaram Developers Limited Sobha Nandambakkam Developers Limited
Mr. Meleveetil Damodaran Age: 69	Independent Director	Degree in Economics and Law	Date of First Appointment: January 29, 2010 Date of Re-appointment: July 11, 2014	Hero MotoCorp Limited Tech Mahindra Limited Glocal Healthcare Systems Private Limited Excellence Enablers Private

Name and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships in India
				Limited Larsen & Toubro Limited CRISIL Limited Experian Credit Information Company of India Private Limited Parampara Family Business Institute Bicon Limited Non-Executive Directors in Conversation Trust (Trustee)
Dr. Saibal Kanti Gupta Age: 77	Independent Director	Ph.D Tech and D.Sc Tech	Date of First Appointment: June 28, 2006 Date of Re-appointment: July 11, 2014	Jindal Saw Limited
Mr. Ramachandra Venkatasubba Rao Age: 72	Independent Director	B.Com, LLB	Date of First Appointment: June 28, 2006 Date of Re-appointment: July 11, 2014	Royal Orchid Hotels Limited Icon Hospitality Private Limited Puravankara Projects Limited Compassites Software Solutions Private Limited Sobha Developers (Pune) Limited Provident Housing Limited
Mr. Anup Sanmukh Shah Age: 58	Independent Director	B.Com, Degree in Law	Date of First Appointment: June 28, 2006 Date of Re-	Bhoruka Power Corporation Limited Non-Executive

Name and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships in India
			appointment: July 11, 2014	Directors in Conversation Trust (Trustee) Anup S Shah Law Firm (Partner) Sobha Developers (Pune) Limited
Dr. Punita Kumar-Sinha Age: 54	Independent Director	Ph.D and Masters in Finance, MBA, CFA, B.Sc in Chemical Engineering	Date of First Appointment: October 06, 2014 Date of Appointment in AGM: July 15, 2015	JSW Steel Limited SREI Infrastructure Finance Limited Rallis India Limited Fino Pay Tech Limited Mahindra Intertrade Limited SKS Microfinance Limited Mahindra Two Wheelers Limited Metahelix Life Sciences Limited 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
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, 2013
	Appointment	July 15, 2015	Approval of

Name of the Director	Appointment/ Resignation	Effective Date	Reasons
			appointment of Dr. Punita Kumar-Sinha as an Independent Director for a period of 5 (five) years commencing from October 06, 2014 in the Annual General Meeting held on July 15, 2015.
Mr. Meleveetil Damodaran	Appointment	July 11, 2014	Appointment of Mr. Meleveetil Damodaran as an independent director for a term of 5 (five) years in compliance of the provisions of the terms of Companies Act, 2013 in the Annual General Meeting held on July 11, 2014.
Dr. Saibal Kanti Gupta	Appointment	July 11, 2014	Appointment of Dr. Saibal Kanti Gupta as an independent director for a term of 5 (five) years in compliance of the provisions of the terms of Companies Act, 2013 in the Annual General Meeting held on July 11, 2014.
Mr. Ramachandra Venkatasubba Rao	Appointment	July 11, 2014	Appointment of Mr. Ramachandra Venkatasubba Rao as an independent director for a term of 5 (five) years in compliance of the provisions of the terms of Companies Act, 2013 in the Annual General Meeting held on July 11, 2014.
Mr. Anup Sanmukh Shah	Appointment	July 11, 2014	Appointment of Mr. Anup Sanmukh Shah as an independent director

Name of the Director	Appointment/ Resignation	Effective Date	Reasons
			for a term of 5 (five) years in compliance of the provisions of the terms of Companies Act, 2013 in the Annual General Meeting held on July 11, 2014.
Mr. Jagdish Chandra Sharma	Re-appointment	July 11, 2014	Re-appointment of Mr. Jagdish Chandra Sharma as Vice Chairman and Managing Director for a further period of 5 (five) years in the Annual General Meeting held on July 11, 2014.
Mr. Ramakrishnan Prabhakaran	Re-appointment	July 11, 2014	Re-appointment of Mr. Ramakrishnan Prabhakaran as Deputy Managing Director for a further period of 5 (five) years in the Annual General Meeting held on July 11, 2014.

- 14.6 The Buyback 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 Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buyback.

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, 2016, March 31, 2015 and March 31, 2014 as under:

(Rs. in lakhs unless stated otherwise)

Particulars	Year Ended		
	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited)
Total Income	181,850	2,40,165	2,12,877
Total Expenses	1,56,699	2,10,227	1,81,510
Interest	13,537	13,945	12,601
Depreciation	5,858	6,886	6,558
Profit before tax	25,151	29,938	31,366
Provision for tax (including	11,459	10,030	10,712

Deferred Tax)			
Profit/ (Loss) after tax	13,692	19,909	20,654
Equity Share Capital	9,806	9,806	9,806
Reserves & Surplus*	2,36,108	2,24,777	2,14,492
Networth*	2,45,915	2,34,583	2,24,298
Total debt (excluding working capital loans)	2,13,641	1,63,988	106,953

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

15.2 Key Financial Ratios

Particulars	Year Ended		
	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited)
Key Ratios			
Earnings per Share – Basic (Rs.)	13.96	20.30	21.06
Earnings per Share – Diluted (Rs.)	13.96	20.30	21.06
Book Value Per Share (Rs.)	250.77	239.21	228.73
Return on Net worth (%)	5.57	8.49	9.21
Debt-Equity Ratio	0.88	0.79	0.51
Total Debt/ Net worth	0.88	0.79	0.51

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 has complied 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 (Rs)	Date of High Price	Number of shares	Low Price	Date of Low	Number of shares	Average Price	Total Volume Traded in the
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			traded on that date	(Rs)	Price	traded on that date	(Rs)	period (No. of shares)
PRECEDING 3 YEARS								
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
FY 2014	425.00	17-May-13	1,20,788	213.00	04-Sep-13	4,11,799	324.25	3,81,67,865
PRECEDING 6 MONTHS								
April, 2016	326.60	18-Apr-16	5,30,478	265.65	08-Apr-16	75,615	286.37	20,99,857
March,2016	279.40	23-Mar-16	74,400	237.00	01-Mar-16	27,924	258.11	23,18,022
February,2016	300.45	02-Feb-16	31,589	230.00	25-Feb-16 and 26-Feb-16	42,285 and 25,338	256.43	12,06,028
January,2016	320.75	04-Jan-16	59,105	280.00	20-Jan-16	31,508	315.65	10,99,461
December,2015	328.00	08-Dec-15 and 21-Dec-15	1,91,073 and 95,023	299.00	04-Dec-15	57,125	311.22	16,59,629
November,2015	348.75	11-Nov-15	17,190	292.50	24-Nov-15	1,13,749	318.93	23,36,896

Source: NSE

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 (Rs)	Date of High Price	Number of shares traded on that date	Low Price (Rs)	Date of Low Price	Number of shares traded on that date	Average Price (Rs)	Total Volume Traded in the period (No. of shares)
PRECEDING 3 YEARS								
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
FY 2014	425.00	17-May-13	16,174	214.10	04-Sep-13	38,035	324.06	4,944,415
PRECEDING 6 MONTHS								
April, 2016	325.90	20-Apr-16	28,770	266.00	08-Apr-16	5,855	286.74	2,53,087
March,2016	280.50	23-Mar-16	5,586	237.00	01-Mar-16	5,558	257.99	7,04,829
February,2016	300.00	02-Feb-16	3,581	230.05	25-Feb-16	3,044	256.44	95,872
January,2016	321.70	04-Jan-16	11,943	280.90	20-Jan-16	6,700	297.46	94,866

December,2015	328.00	08-Dec-15	15,607	299.00	04-Dec-15	5,973	311.32	1,72,941
November,2015	348.75	04-Nov-15	11,130	293.10	20-Nov-15	14,021	318.38	2,55,042

Source: BSE

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 May 18, 2016, being the working day prior to the day the Board approved the proposal for Buyback, was Rs. 306.75 (Rupees Three Hundred Six and Seventy Five paisa) and Rs. 306.95 (Rupees Three Hundred Six and Ninety Five paisa) respectively.
- 16.5 The closing market price of the Equity Shares on the BSE and the NSE as on May 20, 2016, being the working day after to the day of resolution of the Board approving the proposal for Buyback, was Rs. 298.45 (Rupees Two Hundred Ninety Eight and Forty Five paisa) and Rs. 299.90 (Rupees Two Hundred Ninety Nine and Ninety Paisa) respectively.

17. DETAILS OF THE STATUTORY APPROVALS

- 17.1 The Buyback is subject to approvals, if any, required under the provisions of the Companies Act, the Buyback Regulations, SEBI, and applicable rules and regulations as specified by RBI under FEMA (Foreign Exchange Management Act, 1999, as amended) and/ or such other applicable rules and regulations for the time being in force. As on date, there are no other statutory or regulatory approval required to implement the Buyback other than those indicated above.
- 17.2 Buyback 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 Buyback (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 buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Sellers in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Sellers in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- 17.3 If any statutory or regulatory approvals become applicable subsequently, the Buyback 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 Buyback, 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-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai, Maharashtra, 400078
Tel: +91 22 6171 5400
Fax: + 91 22 2596 0329

Email: sobha.buyback@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Ganesh Mhatre
SEBI Regn. No.: INR000004058
Corporate Identity Number: U67190MH1999PTC118368

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

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to Buyback up to 22,75,000 (Twenty Two Lakhs Seventy Five Thousand) fully paid-up Equity Shares representing up to 2.32 % of the total paid-up Equity Share capital of the Company at the Buyback Price per Equity Share payable in cash for the Buyback Size, on a proportionate basis through the “Tender Offer” route as prescribed under the Buyback Regulations from all Eligible Sellers. The Buyback is in accordance with the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act and in accordance with the provisions of Article 66 of the Articles of Association of the Company and the Buyback Regulations and subject to such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and/ or regulatory authorities, including but not limited to SEBI, and the RBI. The Buyback Size is 3.08 % 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, 2016 (as approved by the Board and being the last standalone audited balance sheet available as on the date of the Board meeting approving the Buyback).
- 19.2 The aggregate shareholding of the Promoters and person in control of the Company. as at the date of the Public Announcement (i.e May 20, 2016) is 5,94,09,330 Equity Shares which represents 60.58% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters have the option to participate in the Buyback. In this regard, the Promoters have expressed their intention vide their letters dated May 19, 2016 to participate in the Buyback and offer up to an aggregate maximum number of 4,87,09,300 (Four Crores Eighty Seven Lakhs Nine Thousand and Three Hundred) Equity Shares with the intent that subsequent to the Buyback, the combined shareholding of the Promoters remains at least 60% of the post-buyback total paid up equity capital of the Company to the extent possible after complying with the Buyback Regulations/terms of the Buyback.
- 19.3 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers up to their Buyback Entitlement, the aggregate shareholding of the Promoter post the Buyback may increase to 60.77% from the present/current 60.58% prior to the Buyback.
- 19.4 **Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**
- (i) The Buyback Committee, pursuant to the powers granted to it by the Board, at its meeting held on May 25, 2016 determined June 6, 2016 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buyback.
 - (ii) The Equity Shares to be bought back as a part of this Buyback are divided into two categories:
 - (a) Reserved category for Small Shareholders (“**Reserved Category**”); and

- (b) General Category for other Eligible Sellers (“**General Category**”).
- (iii) As defined in the Buyback Regulations, a “Small Shareholder” is a 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 a record date which will be subsequently determined by the Company), of not more than Rs. 2,00,000 (Rupees Two Lakhs only). As on the Record Date, the closing price on NSE (recorded highest trading volume in respect of Equity Shares as on the record date) was Rs. 302.55. Accordingly all Equity Shareholders holding not more than 661 Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
- (iv) Based on the above definition, there are 54,836 Small Shareholders in the Company with aggregate shareholding of 2,271,385 Equity Shares as on the Record Date, which constitutes 2.32 % of the outstanding number of Equity Shares of the Company and 99.84% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buyback.
- (v) In compliance with Regulation 6 of the Buyback 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 Buyback i.e. 15% of 22,75,000 (Twenty Two Lakhs Seventy Five Thousand) Equity Shares which works out to 3,41,250 (Three Lakhs Forty One Thousand Two Hundred Fifty) Equity Shares; or
- (b) The number of Equity Shares entitled as per their shareholding as on Record Date [i.e.(2,271,385 / 98,063,868) x 2,275,000] which works out to be 52,694 Equity Shares.
- (vi) All the outstanding fully paid-up Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoters also intend to offer Equity Shares held by them in the Buyback.
- (vii) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 3,41,250 fully paid-up Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Equity Shareholders shall consist of 1,933,750 Equity Shares.
- (viii) Based on the above Buyback Entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	38 Equity Shares out of every 253 fully paid-up Equity Shares held on the Record Date.
General category for all other Equity Shareholders	6,517 Equity Shares out of every 3,22,832 fully paid-up Equity Shares held on the Record Date.

19.5 Fractional Entitlements:

- (i) If the Buyback Entitlement under Buyback, 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 Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Sellers.

- (ii) On account of ignoring the fractional entitlement, those Small Shareholders who hold 6 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 Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

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

- (i) Subject to the provisions contained in the LoF, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:
 - (a) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
 - (b) Post the acceptance as described in Paragraph 19.6(i)(a) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, 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 Buyback, shall be given preference and one share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
 - (c) Post the acceptance as described in Paragraph 19.6(i)(a) and 19.6(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 Buyback 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 Buyback Regulations, i.e. valid Acceptances 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 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 19.6(i)(b) above, shall be reduced by one.
- (ii) Adjustment for fractional results in case of proportionate Acceptance, as described in Paragraph 19.6(i)(c) above:
 - (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 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.

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

- (i) Subject to the provisions contained in the LoF, the Company will accept the Equity Shares tendered in the Buyback by all other Eligible Sellers in the General Category in the following order of priority:
 - (a) Acceptance of 100% Equity Shares from other Eligible Sellers in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback 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 in the General Category, the Additional Equity Shares tendered by the other Eligible Sellers over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Sellers 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 19.7(i)(a) and 19.7(i)(b) above:
 - (A) For any Eligible Seller, 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 Eligible Seller 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 Equity Shares between 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 Seller shall be equal to the additional outstanding Equity Shares validly tendered by a Eligible Seller 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 for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Equity Share has been accepted in accordance with Paragraph 19.7(i)(b) shall be reduced by one.
- (iii) Adjustment for fraction results in case of proportionate acceptance, as set out in Paragraphs 19.8(i) and 19.8(ii) above:

- (a) For any 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 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.

19.9 For avoidance of doubt, it is clarified that:

- (i) the Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with the Paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Seller;
- (ii) the Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with the Paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Seller as on the Record Date; and
- (iii) the Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller on the Record Date shall not be considered for the purpose of Acceptance in accordance with the Paragraphs above.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Eligible Sellers.
- 20.2 The Company proposes to effect the Buyback through a **Tender Offer** method, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Sellers.
- 20.3 The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such shares.
- 20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- 20.5 Eligible Sellers will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Sellers are required to tender the applications separately from each demat account.
- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Sellers, on the basis of their Buyback Entitlement as on the Record Date.
- 20.7 As elaborated in Paragraph 19.4 above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Sellers, and the Buyback Entitlement of a Eligible Seller in each category shall be calculated accordingly.
- 20.8 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback

Entitlement, by Eligible Sellers in that category, and thereafter, from Eligible Sellers who have tendered over and above their Buyback Entitlement, in other category.

- 20.9 The Buyback 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 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.10 For implementation of the Buyback, the Company has appointed ICICI Securities Limited , as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:



ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020

Tel : + 91 22 6637 7261/7506/7221/7137

Fax : + 91 22 6637 7211

Contact Person : Rahul Ghatage/ Shirish Vyas/ Margaret Sequeira/Moncy Mathai

Email: equity.settlements@icicisecurities.com

Website: www.icicisecurities.com

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

Corporate Identity Number: U67120MH1995PLC086241

- 20.11 The Company will request the BSE to provide the separate Acquisition Window to facilitate placing of sell orders by Eligible Sellers who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time.
- 20.12 All Eligible Sellers may place orders in the Acquisition Window, through their respective stock brokers (“**Seller Member(s)**”).
- 20.13 During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Sellers through their respective Seller Members during normal trading hours of the secondary market.
- 20.14 Seller Members can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
- 20.15 Modification/ cancellation of orders and multiple bids from an Eligible Seller will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Seller for selling the Equity Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.
- 20.16 The cumulative quantity tendered shall be made available on the BSE’s website. www.bseindia.com, throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.17 All documents sent by the Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.

20.18 Procedure to be followed by Eligible Sellers holding Equity Shares in the dematerialised form:

- (i) Eligible Sellers who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
- (ii) The Eligible Seller/ Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the clearing corporation for the transfer of the Equity Shares to the special account of clearing corporation before placing the bids/ orders and the same shall be validated at the time of order entry.
- (iii) The details of the special account of clearing corporation shall be informed in issue opening circular that will be issued by the BSE/ clearing corporation.
- (iv) For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- (v) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- (vi) Eligible Sellers who have tendered their Equity Shares in the Buyback can 'hand deliver' Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in same order in which they hold the Equity Shares, along with (i) the TRS generated by the exchange bidding system at the head-office (mentioned in section 18 of this Letter of Offer) of Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Eligible Sellers who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buyback Offer, may send the same by registered post/ speed post, at their own risk, superscribing the envelope as "Sobha Buyback 2016", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this LoF, so that the same are received not later than 2 (two) days from the Closing Date i.e. July 15 , 2016 (by 5 PM).
- (vii) All the Eligible Sellers shall also provide all relevant documents, which are necessary to ensure transferability of the 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 Seller has signed the Tender Form;
 - (b) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Seller has expired; and
 - (c) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

- (viii) In case 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 exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
- (ix) The Eligible Sellers 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 due to prorated buyback decided by the Company.

20.19 Procedure to be followed by Registered Eligible Sellers holding Equity Shares in physical form:

- (i) Eligible Sellers who are holding physical Equity Shares and intend to participate in the Buyback are required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:
 - (a) The Tender Form duly signed (by all Eligible Sellers in case Equity Shares are in joint names) the same order in which they hold the Equity Shares;
 - (b) Original share certificates;
 - (c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Eligible Sellers in 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 Seller'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 Seller 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 Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Seller 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) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- (iii) After placement of bid, as mentioned in Paragraph 20.19(ii) above, the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in Paragraph 20.19(i) above) either

by registered post or courier or hand delivery to the Registrar and Transfer Agent (“RTA”) (at the address mentioned on the cover page and mentioned in Paragraph 18.1 above) not later than 2 (two) days from the Closing Date i.e. July 15, 2016 (by 5 PM). The envelope should be superscribed as “Sobha Buyback 2016”. One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member.

- (iv) Eligible Sellers 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 Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the Designated Stock Exchange shall display such bids as ‘unconfirmed physical bids’. Once, RTA confirms the bids it will be treated as ‘Confirmed Bids’.
- (v) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company’s equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
- (vi) In case any person has submitted Equity Shares in physical form for dematerialization, such Eligible Sellers should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before Closing Date.
- (vii) All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

20.20 For Equity Shares held by Eligible Sellers, being Non-Resident Shareholders of Equity Shares (Read with Paragraph 17 “DETAILS OF THE STATUTORY APPROVALS”):

- (i) Eligible Sellers, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- (ii) In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Seller shall obtain and enclose a letter from its authorized dealer/ bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the non-resident Eligible Seller from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Eligible Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non repatriation basis and in that case the Non-Resident Eligible Seller 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 under the Buyback.
- (iii) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be

rejected.

20.21 In case of non-receipt of the Letter of Offer:

- (i) In case the Equity Shares are in dematerialised form: An Eligible Seller may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.sobha.com or by providing their application in writing on plain paper, signed by all Eligible Sellers, stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- (ii) In case the Equity Shares are in physical form: An Eligible Seller may participate in the Offer by providing their application in writing on plain paper signed by all Eligible Sellers stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Sellers' PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website: www.sobha.com. Eligible Sellers must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in Paragraph 20.19(i) above), reach the collection centres not later than 2 (two) days from the Closing Date i.e. July 15, 2016 (by 5 PM). If the signature(s) of the Eligible Sellers provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.
- (iii) Please note that Eligible Seller(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by the Designated Stock Exchange before the Closing Date.
- (iv) The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Seller(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback offer, before participating in the Buyback.

20.22 Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Seller, shall not invalidate the Buyback offer in any way.

20.23 The acceptance of the Buyback offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Seller to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Sellers are advised to adequately safeguard their interest in this regard.

20.24 Method of Settlement

Upon finalization of the basis of acceptance as per the Buyback Regulations:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of

trades in the secondary market.

- (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member/ Custodian Participant will receive funds payout in their settlement bank account. The Seller Members/ Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- (iii) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company (the “**Company Demat Account**”) provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
- (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to the respective Seller Members by clearing corporation as part of the exchange payout process, not later than July 15, 2016 . 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. The Seller Members/ Custodian Participants would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
- (v) Equity Shares in physical form, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA. The Company will issue a new single share certificate for all the unaccepted physical Equity Shares and return the same to the sole/ first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted/ rejected Equity Shares and other documents, if any, will be sent by Registered Post/ Speed Post at the Eligible Sellers' sole risk to the sole/ first Shareholder (in case of joint Equity Shareholders), at the address recorded with the Company, not later than July 15, 2016.
- (vi) Every Seller Member, who puts in a valid bid on behalf of an Eligible Seller, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (vii) Eligible Sellers who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Eligible Sellers for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Eligible Sellers from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, applicable taxes, charges and expenses (including brokerage) incurred solely by the selling Shareholders
- (viii) The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

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 buyback 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, 1922 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 (Please refer to Para 21.10 for rate of surcharge and cess).
- (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 (Please refer to Para 21.10 for rate of surcharge and cess).

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.

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 Buyback i.e. May 19, 2016. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolutions dated May 19, 2016, the Buyback 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 Buyback Committee, in terms of the resolution passed at the meeting of the Buyback Committee held on June 20, 2016.

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

Sd/-	Sd/-
J. C. Sharma (Vice-Chairman and Managing Director) (Director Identification Number (DIN): 01191608)	P. Ramakrishnan Deputy Managing Director (Director Identification Number (DIN): 02851981)

23. AUDITORS CERTIFICATE

23.1 The text of the report dated May 19, 2016 received from S.R. Batliboi & Associates LLP, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below.

Quote

May 19, 2016

The Board of Directors,
Sobha Limited,
Sarjapur – Marathahalli Outer Ring Road (ORR),
Devarabisanahalli, Bellandur Post,
Bangalore - 560 103

Dear Sirs,

Subject: Statutory Auditors' report in respect of the proposed buyback of equity shares by Sobha Limited in terms of Clause (xi) of Part A of Schedule II of the SEBI (Buy-back of Securities) Regulations, 1998 (as amended)

1. In connection with the proposal of Sobha Limited ('the Company'), and as approved by its Board of Directors at its meeting held on May 19, 2016 to buy-back its equity shares and in pursuance to the provisions of Section 68, Section 69 and Section 70 of the Companies Act, 2013 ('the Act') and SEBI (Buy-back of Securities) Regulations, 1998 (as amended) ("the Regulations"), and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report as follows:

- (i) We have inquired into the Company's State of Affairs in relation to its audited standalone financial statements as at March 31, 2016, as approved by the Board of the Company on May 19, 2016.
- (ii) The Board of Directors have proposed to buy-back the Company's equity shares of 2,275,000 shares of Rs. 10 each at a premium of Rs.320 aggregating to Rs.750.75 million. The amount of permissible capital payments towards buy-back of equity shares as determined below is in accordance with Section 68(2) of the Act:

Particulars	Amount (Rs. in million)
Total paid up equity share capital as at March 31, 2016 98,063,868 equity shares of Rs.10 each, fully paid up	980.64
Free reserves as per audited standalone financial statements as at March 31, 2016*:	
Net surplus in the statement of profit and loss	10,461.77
General Reserves	2,447.36
Securities premium account	10,497.27
Total of paid up equity capital and free reserves as at March 31, 2016	24,387.04
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	2,438.70
Amount approved by the Board of Directors for buy-back in the meeting held on May 19, 2016	750.75

*Excludes Debenture Redemption Reserve balance of Rs.117.14 million and Capital Redemption Reserve balance of Rs.87.29 million, as the management is of the view that it is not a component of free reserves.

- (iii) The Board of Directors in their meeting held on May 19, 2016 have formed their opinion as specified in Clause (x) of 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 that date 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.
2. Compliance with the provisions of the Act and the Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on the procedures we performed.
3. We performed our procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants

of India (“ICAI”). These procedures include examining evidence supporting the particulars above on a test basis.

4. This report has been prepared in reference to proposed buy-back of Equity Shares in pursuance of the provisions of the Act and the Regulations and may be used by the Company for the purpose of the buy-back and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose, save where expressly agreed by our prior consent in writing.
5. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

per Adarsh Ranka
Partner
Membership No.: 209567

Place: Bangalore, India
Date: May 19, 2016

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 (Monday to Friday) during the 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, 2015, 2014 and 2013;
 - (iv) Audited balance sheet for the year ending March 31, 2016;
 - (v) Copy of resolution passed by the Board of Directors at their meeting held on May 19, 2016 approving the proposal of the Buyback;
 - (vi) Certificate dated May 19, 2016 received from S.R.Batliboi & Associates LLP, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
 - (vii) Copy of Public Announcement dated May 20, 2016 published in the newspapers on May 23, 2016 regarding Buyback;
 - (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 May 21, 2016 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Buyback Regulations.
- (x) SEBI comments vide letter dated June 15, 2016 issued in terms of the Buyback Regulations;
- (xi) Copy of Escrow Agreement dated May 27, 2016 between the Company, the Escrow Agent and the Manager; and
- (xii) Confirmation letter by the Escrow Agent dated May 27, 2016 that the Escrow Account has been opened

25. DETAILS OF THE COMPLIANCE OFFICER

Kishore Kayarat,
 Company Secretary and Compliance Officer,
 Sobha Limited
 (Formerly Sobha Developers 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; kishore.kayarat@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 Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the investor can approach the Compliance Officer of the Manager to the Buyback and/ or Registrar to the Buyback 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 INVESTOR SERVICE CENTRE

- 27.1 In case of any query, the Equity Shareholders may contact the Registrar & Transfer Agent of the Company or the Investor Relations team of the Company, on any day except Saturday, Sunday and Public holidays between 10:00 a.m. to 3:00 p.m. at the following address:

Link Intime India Private Limited

Address: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra, 400078

Tel: +91 22 6171 5400

Fax: + 91 22 2596 0329

Contact Person: Mr. Ganesh Mhatre

Email: sobha.buyback@linkintime.co.in

Website: www.linkintime.co.in

SEBI Regn. No.: INR000004058

Corporate Identity Number: U67190MH1999PTC118368

27.2 Company Investor Relations:**Sobha Limited,**

(Formerly Sobha Developers Limited)

Address: 'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore, Karnataka, 560103

Tel. No.: +91 80-49320000

Fax: +91 080-49320444

Contact person: Mr. Kishore Kayarat

Email: investors@sobha.com

Website: www.sobha.com

28. DETAILS OF THE MANAGER TO THE BUY BACK

28.1 The Company has appointed the following as Manager to the Buyback.

**ICICI Securities Limited**

ICICI Centre, H.T. Parekh Marg,

Chrchgate, Mumbai 400 020,

Maharashtra, India

Tel: +91 022 2288 2460

Fax: +91 022 2282 6580

Contact Person: Mr. Govind Khetan/ Mr. Prem D'Cunha

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.

29.1 As per Regulation 19(1)(a) of the Buyback Regulations, the Directors of the Company accept full responsibility for the information contained in this Letter of Offer. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on May 19, 2016.

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

Sd/-	Sd/-	Sd/-
Mr. J. C. Sharma (<i>Vice-chairman and Managing Director</i>) (Director Identification Number (DIN): 01191608)	Mr. P Ramakrishnan (<i>Deputy Managing Director</i>) (Director Identification Number (DIN): 02851981)	Mr. Kishore Kayarat (Company Secretary and Compliance Officer) (Membership Number: A19537)

Place : Bangalore, Karnataka

Date : June 20, 2016

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR ELIGIBLE SELLERS HOLDING EQUITY SHARES IN DEMATERIALISED FORM)**

Bid Number:

BUYBACK OPENS ON: June 29, 2016

Date:

BUYBACK CLOSES ON: July 13, 2016

For Registrar/Collection Centre use

Inward No.	Date	Stamp

Status: Please tick appropriate box

- Individual Foreign Institutional Investors / Foreign Portfolio Investors
 Insurance Company Foreign Company Non Resident Indian / OCB
 Foreign National Body Corporate Bank / Financial Institution
 VCF Partnership/LLP Pension/PF
 Others(specify)

India Tax Residency Status: Please tick appropriate box

- Resident in India
 Non-Resident in India.
 Resident of(Shareholder to fill the country of residence)

To,
The Board of Directors
Sobha Limited
Sarjapur - Marathahalli Outer Ring Road (ORR),
Devarabisanahalli, Bellandur Post,
Bangalore,
Karnataka, 560103
Tel. No.: 080-49320000;
Fax: 080-49320444

Dear Sirs,

Sub: Letter of Offer dated June 20, 2016 to Buyback up to 22,75,000 Equity Shares of Sobha Limited (the "Company") at a price of Rs. 330/- (Rupees Three Hundred Thirty only) per Equity Share ("Buyback Offer Price"), payable in cash

- I /We (having read and understood the Letter of Offer dated June 20, 2016) hereby tender / offer my /our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the consideration for the accepted Shares will be paid to the Seller Member as per secondary market mechanism
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered would be returned to the Selling Member by Clearing Corporation in payout.
- I / We undertake to return to the Company any Buyback Offer consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback Offer in accordance with the Companies Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buy Back (Buy Back Entitlement)		
Number of Equity Shares offered for Buy Back		
- Number of Equity Shares held for a period more than 12 months		
- Number of Equity Shares held for a period less than or equal to 12 months		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraphs 19.6, 19.7, 19.8, and 19.9 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not considered for the purpose of Acceptance.

----- ✂ ----- TEAR HERE ----- ✂ -----

Acknowledgement Slip: SOBHA BUY BACK OFFER 2016
(to be filled by the Equity Shareholder) (subject to verification)

Folio No./DP ID.:

Client ID

Received from Mr./Ms./M/s.

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures).....(In Words).....

Please quote Client ID No. & DP No. for all future correspondence

STAMP OF BROKER

11. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
Name of the Depository Participant		
DP ID No.		
Client ID No. with the DP		

12. Eligible Sellers Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

*Corporate must affix rubber stamp

13. Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such buy-back and taxable in accordance with the prevailing income tax laws in India - within 7th day of the succeeding month in which the shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/ us.

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

- The Buy-back will open on June 29, 2016 and close on July 13, 2016.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- The Equity Shares tendered in the Buy-back shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the shareholder.
- The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in ca se of return of Equity Shares due to rejection or due to the Buy-back being on a proportionate basis in terms of the Ratio of Buy-back.
- Eligible Sellers to whom the Buy-back offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
- For the procedure to be followed by Eligible Sellers for tendering in the Buyback, please refer to Paragraph 20 of the Letter of Offer.

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



TEAR HERE



ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK OFFER AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, SOBHA BUY BACK OFFER 2016

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra, 400078

Tel: +91 40 6171 5400 Fax: + 91 22 2596 0329

Email: sobha.buyback@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Mhatre

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM)**

Bid Number:

BUYBACK OPENS ON: June 29, 2016

Date:

BUYBACK CLOSES ON: July 13, 2016

For Registrar/Collection Centre use

Inward No.	Date	Stamp

Status: Please tick appropriate box

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Foreign Institutional Investors / Foreign Portfolio Investors |
| <input type="checkbox"/> Insurance Company | <input type="checkbox"/> Foreign Company |
| <input type="checkbox"/> Foreign National | <input type="checkbox"/> Body Corporate |
| <input type="checkbox"/> VCF | <input type="checkbox"/> Partnership/LLP |
| <input type="checkbox"/> Others(specify) | <input type="checkbox"/> Non Resident Indian / OCB |
| | <input type="checkbox"/> Bank / Financial Institution |
| | <input type="checkbox"/> Pension/PF |

India Tax Residency Status: Please tick appropriate box

- | |
|--|
| <input type="checkbox"/> Resident in India |
| <input type="checkbox"/> Non-Resident in India. |
| <input type="checkbox"/> Resident of(Shareholder to fill the country of residence) |

To,
The Board of Directors
Sobha Limited
Sarjapur - Marathahalli Outer Ring Road (ORR),
Devarabisanahalli, Bellandur Post,
Bangalore,
Karnataka, 560103
Tel. No.: 080-49320000;
Fax: 080-49320444

Dear Sirs,

Sub: Letter of Offer dated June 20, 2016 to Buyback up to 22,75,000 Equity Shares of Sobha Limited (the "Company") at a price of Rs. 330/- (Rupees Three Hundred Thirty only) per Equity Share ("Buyback Offer Price"), payable in cash

- I / We (having read and understood the Letter of Offer dated June 20, 2016) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
- I / We agree that the consideration for the accepted Shares will be paid to the Seller Member as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Eligible Seller.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buy Back (Buy Back Entitlement)		
Number of Equity Shares offered for Buy Back		
- Number of Equity Shares held for a period more than 12 months		
- Number of Equity Shares held for a period less than or equal to 12 months		

Note: An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Seller up to the Buyback Entitlement of such Eligible Seller shall be accepted to the full extent. The Shares tendered by any Eligible Seller over and above the Buyback Entitlement of such Eligible Seller shall be accepted in accordance with Paragraphs 19.6, 19.7, 19.8 and 19.9 of the Letter of Offer. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance.

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Acknowledgement Slip: SOBHA BUY BACK OFFER 2016

(to be filled by the Eligible Seller) (subject to verification)

Ledger Folio No.:

Received from Mr./Ms./M/s.

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures)..... (In Words).....

STAMP OF BROKER

Please quote Ledger Folio No. for all future correspondence

12. Details of Share Certificate(s) enclosed: Total No. of Share Certificates Submitted:

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
Total					

In case the number of folios and share certificates enclosed exceed 4 nos., Please attach a separate sheet giving details in the same format as above

13. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	Account Number (indicate type of account)

14. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

Power of Attorney Corporate authorisation
 Succession Certificate Permanent Account Number (PAN Card)
 Death Certificate TRS
 Permanent Account Number (PAN Card)
 Others (please specify): _____

15. Eligible Sellers Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

*Corporate must affix rubber stamp

0;-Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such buy-back and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/ us.

This Tender / Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

- The Buy-back will open on June 29, 2016 and close on July 13, 2016.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Sellers who wish to tender their Equity Shares in response to this Buy-back should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before July 15, 2016 by 5 PM (i) The relevant Tender Form duly signed by all Eligible Sellers in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Transfer deed (Form SH 4) duly signed (by all Eligible Sellers in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
- Eligible Sellers should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Seller has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Seller is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- Eligible Sellers to whom the Buy-back offer is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
- All documents sent by the seller member/ custodian will be at their own risk and the seller member/ custodian is advised to adequately safeguard their interests in this regard.
- For the procedure to be followed by the Eligible Seller for tendering in the Buyback Offer, please refer to Paragraph 20 of the Letter of Offer.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
- All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

----- ✂ ----- TEAR HERE ----- ✂ -----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK OFFER AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, SOBHA BUY BACK OFFER 2016

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra, 400078

Tel: +91 40 6171 5400 Fax: + 91 22 2596 0329

Email: sobha.buyback@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Mhatre