

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

Limited Review Report on quarterly and nine months ended unaudited consolidated financial results of Sobha Limited pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Sobha Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Sobha Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the quarter and nine months ended 31 December 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 February 2018. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The unaudited consolidated financial results for the corresponding quarter and nine months ended 31 December 2016 and the audited consolidated financial results for the year ended 31 March 2017 included in the Statement, were reviewed and audited respectively by the predecessor auditor, whose limited review report dated 8 February 2017 and audit report dated 16 May 2017 expressed an unmodified opinion on those unaudited and audited consolidated financial results respectively.

We did not review the financial information of the subsidiaries included in the Statement. These subsidiaries, including step-down subsidiaries, accounted for total assets of Rs 4,966.59 million and revenue from operations of Rs 597.21 million and Rs 1,731.59 million for the quarter and nine months ended 31 December 2017 respectively and, whose financial information have been reviewed by other auditors and whose reports have been furnished to us by the Company's Management. Our conclusion on the Statement, in so far as it relates to such subsidiaries is based solely on reports of other auditors.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards, i.e., Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

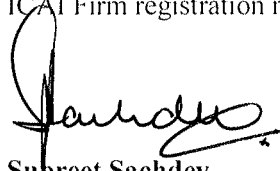
Limited Review Report (continued)

We draw attention to Note 6 of the Statement, which states that the Group is in the process of consulting relevant bodies / committee dealing with clarifying matters relating to Ind AS for presentation of revenues and corresponding costs for Joint Development Agreements. Our conclusion is not modified in respect of this matter.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Supreet Sachdev

Partner

Membership number: 205385

Bangalore

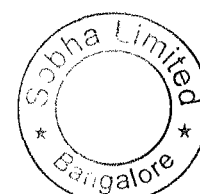
9 February 2018

Statement of unaudited consolidated financial results for the quarter and nine months ended on December 31, 2017

(₹ in million)

	Particulars	3 months ended 31.12.2017 [Unaudited]	Preceding 3 months ended 30.09.2017 [Unaudited]	Corresponding 3 months ended 31.12.2016 [Unaudited]	Year to date figures for current period ended 31.12.2017 [Unaudited]	Year to date figures for previous period ended 31.12.2016 [Unaudited]	Previous year ended 31.03.2017 [Audited]
1	Revenue						
	(a) Revenue from operations	6,919	6,466	5,450	20,174	16,630	22,461
	(b) Other income	4	29	25	47	65	58
	(c) Finance income	81	83	69	252	261	328
	Total income	7,004	6,578	5,544	20,473	16,956	22,847
2	Expenses						
	(a) Land purchase cost	316	131	1,873	455	2,498	7,130
	(b) Cost of raw materials and components consumed	637	596	528	1,866	1,339	1,980
	(c) Purchase of project materials	1,605	1,555	1,343	4,761	3,536	5,462
	(d) (Increase)/ decrease in inventories of building materials, finished goods, stock in trade - flats, land stock and work-in-progress	(63)	118	(2,098)	243	(2,196)	(7,440)
	(e) Excise duty on sale of goods	-	-	50	40	122	171
	(f) Subcontractor and other charges	1,755	1,469	1,536	4,770	4,456	5,888
	(g) Employee benefits expense	473	495	432	1,459	1,347	1,779
	(h) Depreciation and amortization	137	137	157	409	465	638
	(i) Finance cost	498	513	364	1,460	1,100	1,497
	(j) Other expenses	821	854	822	2,747	2,598	3,294
	Total expenses	6,179	5,868	5,007	18,210	15,265	20,399
3	Profit before exceptional items and tax (1-2)	825	710	537	2,263	1,691	2,448
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3+4)	825	710	537	2,263	1,691	2,448
6	Tax expense						
	(a) Current tax	178	122	122	486	584	961
	(b) Deferred tax charge/ (credit)	74	193	89	332	89	9
	(c) MAT credit entitlement	39	(108)	-	(69)	-	-
	Total tax expense	291	207	211	749	673	970
7	Profit for the period (5-6)	534	503	326	1,514	1,018	1,478
8	Share of profit of jointly controlled entity	-	-	68	-	119	129
9	Net profit for the period after share of profit of jointly controlled entity (7+8)	534	503	394	1,514	1,137	1,607
10	Other comprehensive income						
	Items that might not to be reclassified to profit or loss in subsequent periods:						
	Re-measurement gains/ (losses) on defined benefit plan (net of tax expenses)	4	(1)	2	(4)	5	1
	Total other comprehensive income	4	(1)	2	(4)	5	1
11	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)] (9+10)	538	502	396	1,510	1,142	1,608
12	Paid-up equity share capital (Face value per share - ₹ 10)	948	963	963	948	963	963
13	Other equity	26,097	26,165	25,010	26,097	25,010	25,482
14	Earnings Per Share (EPS) - (in ₹)						
	a) Basic and diluted EPS before extraordinary items	5.62	5.22	4.09	15.79	11.71	16.59
	b) Basic and diluted EPS after extraordinary items	5.62	5.22	4.09	15.79	11.71	16.59

dmw



Notes :

- (1) Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz., Real estate and contractual and manufacturing business. Details of consolidated segment-wise revenue, results and capital employed:

		(₹ in million)					
	Particulars	3 months ended 31.12.2017 [Unaudited]	Preceding 3 months ended 30.09.2017 [Unaudited]	Corresponding 3 months ended 31.12.2016 [Unaudited]	Year to date figures for current period ended 31.12.2017 [Unaudited]	Year to date figures for previous period ended 31.12.2016 [Unaudited]	Previous year ended 31.03.2017 [Audited]
I	Segment revenue						
	Real estate	5,007	4,931	3,320	14,993	11,097	14,884
	Contractual and manufacturing	2,278	1,821	2,351	6,197	6,152	8,445
	Total	7,285	6,752	5,671	21,190	17,249	23,329
	Less: Inter segment revenues	(366)	(286)	(221)	(1,016)	(619)	(868)
	Net income from operations	6,919	6,466	5,450	20,174	16,630	22,461
II	Segment results						
	Real estate	1,370	1,358	952	3,950	3,066	4,055
	Contractual and manufacturing	333	195	242	845	761	1,081
	Profit before other adjustments	1,703	1,553	1,194	4,795	3,827	5,136
	Less: Finance cost	(498)	(513)	(364)	(1,460)	(1,100)	(1,497)
	Less: Other unallocable expenditure	(465)	(442)	(387)	(1,371)	(1,362)	(1,577)
	Add: Other income	85	112	94	299	326	386
	Profit before tax	825	710	537	2,263	1,691	2,448
III	Segment assets						
	Real estate	81,411	81,309	81,924	81,411	81,924	79,308
	Contractual and manufacturing	4,661	4,356	3,751	4,661	3,751	4,189
	Unallocated assets	6,812	7,190	4,914	6,812	4,914	5,434
	Total Assets	92,884	92,855	90,589	92,884	90,589	88,931
IV	Segment liabilities						
	Real estate	34,785	32,837	37,047	34,785	37,047	34,429
	Contractual and manufacturing	3,441	3,317	1,547	3,441	1,547	1,670
	Unallocated liabilities	27,612	29,573	26,022	27,612	26,022	26,387
	Total liabilities	65,838	65,727	64,616	65,838	64,616	62,486

- (2) The figures of standalone financial results are as follow:

		(₹ in million)					
	Particulars	3 months ended 31.12.2017 [Unaudited]	Preceding 3 months ended 30.09.2017 [Unaudited]	Corresponding 3 months ended 31.12.2016 [Unaudited]	Year to date figures for current period ended 31.12.2017 [Unaudited]	Year to date figures for previous period ended 31.12.2016 [Unaudited]	Previous year ended 31.03.2017 [Audited]
	Revenue	6,413	6,188	5,416	19,108	16,698	22,273
	Profit before tax	690	668	468	2,024	1,620	2,249
	Profit after tax	447	445	284	1,340	1,004	1,402

- (3) The Board, at its meeting on August 4, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹10 each from the equity shareholders of the Company. The buyback offer comprised a purchase of up to 1,458,823 equity shares representing 1.5% of the paid-up equity share capital of the Company at a price of ₹425 per equity share. The buyback was offered to all equity shareholders of the Company as on the Record Date August 28, 2017 on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on October 12, 2017 and 1,458,823 equity shares were extinguished. The Company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of ₹15 million equal to the nominal value of the shares bought back as an appropriation from general reserve.
- (4) The unaudited consolidated financial results for the quarter and nine months ended December 31, 2017 have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on February 9, 2018.
- (5) The statutory auditors, B S R & Co. LLP have expressed an unqualified review opinion. Amounts for the quarter and nine months ended December 31, 2016 were reviewed by previous auditors and amounts for year ended March 31, 2017 were audited by previous auditors - S. R. Batliboi & Associates LLP. The information presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These unaudited consolidated financial results are prepared in accordance with requirement of the Indian Accounting Standard 110 - Consolidated Financial Statements and presented in the format prescribed in the Regulation 33 and 52 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulations, 2015. The quarterly unaudited consolidated financial results are filed with Stock Exchanges under Regulation 33 and 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and are available on the Stock Exchange websites, www.nseindia.com and www.bseindia.com, and on the Company's website, www.sobha.com.
- (6) As disclosed in Note 2.2(a) of the Annual Report for the year ended March 31, 2017, for projects executed through joint development arrangements, the revenue from the development and transfer of constructed area in exchange of development rights / land is being accounted on gross basis on launch of the project. Revenue is measured at the fair value of the estimated construction service rendered to the land owner.
There is diversity in real estate industry's practice of presenting gross revenues and corresponding gross costs in such transactions. Over the period of the contract, there is no impact on profits arising from the above accounting treatment. Due to the diversity in practice for presentation of the above, the Group is in the process of consulting with the relevant bodies / committee dealing with clarifying matters relating to Ind AS.
- (7) The figures of the previous year/ period have been regrouped/ reclassified, wherever necessary.

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



J. C. Sharma
Vice Chairman and Managing Director

Bengaluru, India
February 9, 2018



B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

Limited Review Report on quarterly and nine months ended unaudited standalone financial results of Sobha Limited pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Sobha Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of Sobha Limited ('the Company') for the quarter and nine months ended 31 December 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 February 2018. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The unaudited standalone financial results for the corresponding quarter and nine months ended 31 December 2016 and the audited standalone financial results for the year ended 31 March 2017 included in the Statement, were reviewed and audited respectively by the predecessor auditor, whose limited review report dated 8 February 2017 and audit report dated 16 May 2017 expressed an unmodified opinion on those unaudited and audited standalone financial results respectively.

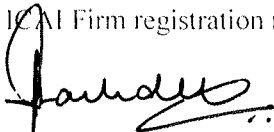
Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards, i.e., Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 7 of the Statement, which states that the Company is in the process of consulting relevant bodies / committee dealing with clarifying matters relating to Ind AS for presentation of revenues and corresponding costs for Joint Development Agreements. Our conclusion is not modified in respect of this matter.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Supreet Sachdev

Partner

Membership number: 205385

Bangalore

9 February 2018

SOBHA LIMITED

Corporate Identity Number (CIN) : L45201KA1995PLC018475

Regd. Office: 'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore - 560 103

Ph: +91-80-49320000 Fax: +91-80-49320444 Email: investors@sobha.com

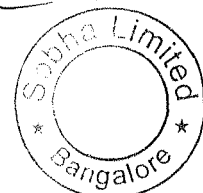
Website: www.sobha.com

Statement of unaudited standalone financial results for the quarter and nine months ended on December 31, 2017

(₹ in million)

	Particulars	3 months ended 31.12.2017 [Unaudited]	Preceding 3 months ended 30.09.2017 [Unaudited]	Corresponding 3 months ended 31.12.2016 [Unaudited]	Year to date figures for current period ended 31.12.2017 [Unaudited]	Year to date figures for previous period ended 31.12.2016 [Unaudited]	Previous year ended 31.03.2017 [Audited]
1	Revenue						
	(a) Revenue from operations	6,329	6,080	5,347	18,816	16,447	21,920
	(b) Other income	3	28	12	44	25	28
	(c) Finance income	81	80	57	248	226	325
	Total income	6,413	6,188	5,416	19,108	16,698	22,273
2	Expenses						
	(a) Land purchase cost	70	64	1,873	142	2,498	7,130
	(b) Cost of raw materials and components consumed	637	596	528	1,866	1,339	1,980
	(c) Purchase of project materials	1,605	1,555	1,343	4,761	3,536	5,462
	(d) (Increase)/ decrease in inventories of building materials, finished goods, stock in trade - flats, land stock and work-in-progress	(201)	(13)	(2,066)	(277)	(2,097)	(7,527)
	(e) Excise duty on sale of goods	-	-	50	40	122	171
	(f) Subcontractor and other charges	1,740	1,462	1,546	4,734	4,457	5,848
	(g) Employee benefits expense	474	495	432	1,460	1,347	1,779
	(h) Depreciation and amortization	127	127	147	379	436	600
	(i) Finance cost	493	511	366	1,450	1,089	1,479
	(j) Other expenses	778	723	729	2,529	2,351	3,102
	Total expenses	5,723	5,520	4,948	17,084	15,078	20,024
3	Profit before exceptional items and tax (1-2)	690	668	468	2,024	1,620	2,249
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3+4)	690	668	468	2,024	1,620	2,249
6	Tax expense						
	(a) Current tax	140	118	128	390	544	866
	(b) Deferred tax charge/ (credit)	65	213	56	364	72	(19)
	(c) MAT credit entitlement	38	(108)	-	(70)	-	-
	Total tax expense	243	223	184	684	616	847
7	Profit for the period (5-6)	447	445	284	1,340	1,004	1,402
8	Other comprehensive income						
	(i) Items that might not to be reclassified to profit or loss in subsequent periods:						
	(a) Re-measurement gains/ (losses) on defined benefit plan (net of tax expenses)	4	(1)	2	(4)	5	1
	Total other comprehensive income	4	(1)	2	(4)	5	1
9	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)] (7+8)	451	444	286	1,336	1,009	1,403
10	Paid-up equity share capital (Face value per share - ₹ 10)	948	963	963	948	963	963
11	Other equity	24,624	24,777	23,784	24,624	23,784	24,183
12	Earnings Per Share (EPS) - (in ₹)						
	a) Basic and diluted EPS before extraordinary items	4.70	4.62	2.95	13.98	10.34	14.47
	b) Basic and diluted EPS after extraordinary items	4.70	4.62	2.95	13.98	10.34	14.47

Signature



Notes :

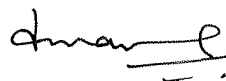
- (1) Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz., Real estate and contractual and manufacturing business. Details of standalone segment-wise revenue, results and capital employed:

(₹ in million)							
	Particulars	3 months ended 31.12.2017 [Unaudited]	Preceding 3 months ended 30.09.2017 [Unaudited]	Corresponding 3 months ended 31.12.2016 [Unaudited]	Year to date figures for current period ended 31.12.2017 [Unaudited]	Year to date figures for previous period ended 31.12.2016 [Unaudited]	Previous year ended 31.03.2017 [Audited]
I	Segment revenue						
	Real estate	4,407	4,468	3,029	13,253	10,361	13,350
	Contractual and manufacturing	2,278	1,836	2,578	6,439	6,733	9,546
	Total	6,685	6,304	5,607	19,692	17,094	22,896
	Less: Inter segment revenues	(367)	(287)	(221)	(1,018)	(568)	(867)
	Less: Other operating income - Share of profits/ (losses) in a subsidiary partnership firm	10	63	(39)	141	(79)	(109)
	Net income from operations	6,328	6,080	5,347	18,815	16,447	21,920
II	Segment results						
	Real estate	1,325	1,261	898	3,670	2,980	3,764
	Contractual and manufacturing	229	195	252	746	804	1,174
	Profit before other adjustments	1,554	1,456	1,150	4,416	3,784	4,938
	Less: Finance cost	(493)	(511)	(366)	(1,450)	(1,089)	(1,479)
	Less: Other unallocable expenditure	(465)	(447)	(346)	(1,374)	(1,247)	(1,454)
	Add: Share of profits/ (losses) in a subsidiary partnership firm	10	62	(39)	140	(79)	(109)
	Add: Other income	84	108	69	292	251	353
	Profit before tax	690	668	468	2,024	1,620	2,249
III	Segment assets						
	Real estate	76,294	75,846	77,749	76,294	77,749	74,573
	Contractual and manufacturing	4,661	4,357	3,783	4,661	3,783	4,214
	Unallocated assets	9,661	11,157	7,812	9,661	7,812	8,601
	Total assets	90,616	91,360	89,344	90,616	89,344	87,388
IV	Segment liabilities						
	Real estate	32,248	31,338	36,005	32,248	36,005	33,485
	Contractual and manufacturing	5,190	4,720	2,862	5,190	2,862	3,155
	Unallocated liabilities	27,606	29,561	25,730	27,606	25,730	25,603
	Total liabilities	65,044	65,619	64,597	65,044	64,597	62,243

- (2) The Board, at its meeting on August 4, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹10 each from the equity shareholders of the Company. The buyback offer comprised a purchase of up to 1,458,823 equity shares representing 1.5% of the paid-up equity share capital of the Company at a price of ₹ 425 per equity share. The buyback was offered to all equity shareholders of the Company as on the Record Date August 28, 2017 on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on October 12, 2017 and 1,458,823 equity shares were extinguished. The Company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of ₹ 15 million equal to the nominal value of the shares bought back as an appropriation from general reserve.
- (3) The unaudited standalone financial results for the quarter and nine months ended December 31, 2017 have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on February 9, 2018. The statutory auditors, B S R & Co. LLP have expressed an unqualified review opinion. Amounts for the quarter and nine months ended December 31, 2016 and amounts for the year ended March 31, 2017 were audited by previous auditors - S. R. Batliboi & Associates LLP. The information presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The above quarterly unaudited standalone financial results are filed with Stock Exchanges under Regulation 33 and 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and are available on the Stock Exchange websites, www.nseindia.com and www.bseindia.com, and on the Company's website, www.sobha.com.
- (4) As disclosed in Note 2.2(a) of the Annual Report for the year ended March 31, 2017, for projects executed through joint development arrangements, the revenue from the development and transfer of constructed area in exchange of development rights/ land is being accounted on gross basis on launch of the project. Revenue is measured at the fair value of the estimated construction service rendered to the land owner. There is diversity in real estate industry's practice of presenting gross revenues and corresponding gross costs in such transactions. Over the period of the contract, there is no impact on profits arising from the above accounting treatment. Due to the diversity in practice for presentation of the above, the Company is in the process of consulting with relevant bodies / committee dealing with clarifying matters relating to Ind AS.
- (5) The figures of the previous year/ period have been regrouped/ reclassified, wherever necessary.

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

J. C. Sharma
Vice Chairman and Managing Director



Bengaluru, India
February 9, 2018

