



Press Release

For immediate publication

SOBHA's reaction on the Union Budget 2018-19

Bengaluru, February 1, 2018: The Union Budget 2018-19 is positively focused on the rural sector development, agriculture, middle-class, Micro, Small & Medium Enterprises (MSME), senior citizens and weaker sections of the society. At SOBHA, we believe that the initiatives outlined in the budget will help usher well-balanced growth of the economy.

Government's proposal to create a dedicated affordable housing fund in the National Housing Bank (NHB) through various funding measure will give the right impetus to the segment. This is in addition to benefits such as reduced Goods and Services Tax rate of 8 percent for the segment and revised consideration of carpet area of 30 and 60 sq. metres instead of built-up area of 30 and 60 sq. metres announced last year. These measures clearly indicate Government's focus on boosting the housing sector and meeting the requirements of the middle class.

Additionally, to minimise the hardship in real estate transaction, the Finance Minister's proposal to provide that no adjustment shall be made in a case where the circle rate value does not exceed 5 percent of the consideration is a welcome step.

In case of equity-oriented mutual fund, a dividend distribution tax of 10 percent will be applicable now to bring at par with Long Term Capital Gain (LTCG) of 10 percent. We believe that this will encourage consumers to purchase home as an investment, especially if they do not already own any property.

Furthermore, as promised earlier, the Government has also reduced the rate of taxation from the earlier 30 percent to 25 percent for corporates with a turn of 250 crore. This will help small and medium real estate players.

The realty sector has benefitted immensely over the last couple of years with several progressive initiatives such as infrastructure status for affordable housing, Real Estate (Regulation and Development) Act, 2016 (RERA), Credit Linked Subsidy Scheme (CLSS) under PMAY; extension of income tax benefits up to 60 square metre-sized apartments, amendments in Real Estate Investment Trusts (REITs) and Goods and Services Tax (GST). While these steps have already paved the way for overall growth of the sector, the long-standing demands for industry status and single-window clearance would have benefitted the sector the most.



About SOBHA Limited:

Founded in 1995, SOBHA Limited is one of the fastest growing and foremost backward integrated real estate players in the country. It means that the company has all the key competencies and in-house resources to deliver a project from its conceptualization to completion. SOBHA is primarily focused on residential and contractual projects. The Company's residential projects include presidential apartments, villas, row houses, super luxury & luxury apartments, plotted developments and aspirational homes. In all its residential projects, the company lays strong emphasis on environmental management, water harvesting and highest safety standards. On the contractual projects side, the Company has constructed a variety of structures for corporates including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres, and club houses. For more information on SOBHA Limited, please visit: www.sobha.com

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