



February 03, 2017

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051
Scrip Code: SOBHA

Dear Sir / Madam,

Sub: Clarification in respect of the Announcement made by the Company on January 31, 2017.

This has reference to your email dated 1st February, 2017 seeking clarification on various matter in connection with the announcement made by the Company regarding acquisition of Equity Shares of 'Sobha Highrise Ventures Private Limited' on January 31, 2017. It may be noted that the Target Company is a private limited company and not a material subsidiary in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The clarification provided to the queries raised by you are as follows:

1. Name of the Target Entity, details in brief such as size, turnover etc.,:

The name of the Target Entity is 'Sobha Highrise Ventures Private Limited'. This Company was a 50:50 joint venture between Sobha Limited and M/s. Winona SA Investments LLC. As per the latest audited Balance Sheet of Sobha Highrise Ventures Private Limited, the turnover of the Company was ₹ 49 Crores.

2. Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length":

The target entity 'Sobha Highrise Ventures Private Limited' was managed by both the joint venture partners. Now the balance 50% shares were acquired from the joint venture partner. The joint venture partner is not a Related Party. With this Acquisition, the target entity has become a wholly – owned subsidiary.

SOBHA LIMITED

3. Industry to which the entity being acquired belongs.

The target entity 'Sobha Highrise Ventures Private Limited' is into the business of Construction and Development of buildings. The Target company is under "Real Estate" category.

4. Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);

The target company was a joint venture. The Company and Target company, both are in the same line business. To consolidate the business in a robust manner, the balance shares were acquired from the joint venture partner.

5. Brief details of any governmental or regulatory approvals required for the acquisition;

Since the investment made by the joint venture partner was a Foreign Direct Investment, prior approval of government/regulatory is not required for transfer of equity shares. However, we are in the process of filing necessary documents/forms with the regulatory authorities and this will be completed within the stipulated time frame.

6. Indicative time period for completion of the acquisition.

As mentioned in our announcement, the shares were already acquired.

7. Cost of acquisition or the price at which the shares are acquired.

The details of the acquisition and the price is given below:

Class of Shares	No. of Sale Shares	Consideration per Share in INR	Consideration in INR
Class A Equity Shares	99,999	10	999,990
Class B Equity Share	1	10	10
Class C Equity Shares	10,200,000	33.90	345,780,000
Total Consideration in INR			346,780,000

Arshad



8. Nature of consideration - whether cash consideration or share swap and details of the same

Consideration is in Cash

9. Percentage of shareholding / control acquired and / or number of shares acquired

The Company has acquired 50% stake held by Winona SA Investments LLC. The number of shares were provided in the announcement dated 31st January, 2017 and also in paragraph 7 above.

10. Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)

The target entity was incorporated on May 28, 2012 and it has presence in Bangalore, India. Main objects of the target entity is as follows:

To Acquire, promote, develop, improve land and to erect and build thereon flats, houses, shops, and other buildings and to hold, occupy, operate, maintain, exchange, lease, sublease, mortgage, sell or otherwise deal with the same and deal in real estates of all kinds.

The turnover of the Target Company in the previous 3 years were as follows:

Year	Turnover
2013-14	Nil
2014-15	861,278,885
2015-16	494,759,659

Trust this clarifies the matter.

We request you to take the aforesaid information on record and treat the matter as closed.

Yours sincerely,

FOR SOBHA LIMITED

VIGNESHWAR G BHAT

COMPANY SECRETARY AND COMPLIANCE OFFICER

