

**Limited Review Report**

Review Report to the Board of Directors  
Sobha Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Sobha Limited [formerly known as Sobha Developers Limited] ('the Company') and its subsidiaries (together, 'the Group'), for the quarter and nine months ended December 31, 2015 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review assets of Rs. 4,358 million as at December 31, 2015 and revenues of Rs. 237 million and Rs. 1,288 for the quarter and nine months ended December 31, 2015, respectively included in the accompanying unaudited consolidated financial results after adjustment on consolidation, relating to eleven subsidiaries, whose financial information have been audited by the other auditors and whose reports have been furnished to us. Our conclusion on the unaudited consolidated financial results, in so far as it relates to such subsidiaries is based solely on the reports of the other auditors.
4. Without qualifying our conclusion, we draw attention to Note 2 to the accompanying statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2015 relating to the notice of termination issued to a buyer by the Company and invoking of the arbitration clause and other legal remedies by the Company under the agreement with such buyer to enforce its rights under the agreement. The management of the Company is confident that it would be able to enforce its rights under the aforesaid agreements and accordingly no adjustments are considered necessary in these unaudited consolidated financial results.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

5. Based on our review conducted as above and on consideration of reports of other auditors on the audited separate quarterly financial results and on the other financial information of the components, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W  
Chartered Accountants



Adarsh Ranka  
Partner

Membership No.: 209567



Bengaluru, India  
February 05, 2016

**SOBHA LIMITED (FORMERLY KNOWN AS SOBHA DEVELOPERS 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 consolidated financial results for the quarter and nine months ended on December 31, 2015**

(₹ in million)

|    | Particulars                                                                                                                            | 3 months ended<br>31.12.2015<br>[Unaudited] | Preceding 3 months ended<br>30.09.2015<br>[Unaudited] | Corresponding 3 months ended<br>31.12.2014<br>[Unaudited] | Year to date figures for the current period ended<br>31.12.2015<br>[Unaudited] | Year to date figures for the previous period ended<br>31.12.2014<br>[Unaudited] | Previous year ended<br>31.03.2015<br>[Audited] |
|----|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------|
| 1  | <b>Income from operations</b>                                                                                                          |                                             |                                                       |                                                           |                                                                                |                                                                                 |                                                |
|    | (a) Net sales/ income from operations (net of excise duty)                                                                             | 3,929                                       | 4,504                                                 | 6,826                                                     | 13,037                                                                         | 19,280                                                                          | 24,328                                         |
|    | (b) Other operating income                                                                                                             | 61                                          | 15                                                    | 18                                                        | 87                                                                             | 63                                                                              | 78                                             |
|    | <b>Total operating income</b>                                                                                                          | <b>3,990</b>                                | <b>4,519</b>                                          | <b>6,844</b>                                              | <b>13,124</b>                                                                  | <b>19,343</b>                                                                   | <b>24,406</b>                                  |
| 2  | <b>Expenditure</b>                                                                                                                     |                                             |                                                       |                                                           |                                                                                |                                                                                 |                                                |
|    | (a) (Increase)/ decrease in inventories of building materials, finished goods, stock in trade - flats, land stock and work-in-progress | (459)                                       | (1,110)                                               | 71                                                        | (2,934)                                                                        | (2,470)                                                                         | (3,000)                                        |
|    | (b) Land cost                                                                                                                          | 34                                          | 176                                                   | 251                                                       | 818                                                                            | 1,560                                                                           | 1,561                                          |
|    | (c) Cost of materials consumed                                                                                                         | 392                                         | 399                                                   | 437                                                       | 1,194                                                                          | 1,400                                                                           | 1,882                                          |
|    | (d) Purchase of project materials                                                                                                      | 840                                         | 985                                                   | 1,514                                                     | 3,049                                                                          | 5,030                                                                           | 6,327                                          |
|    | (e) Subcontractor and other charges                                                                                                    | 958                                         | 1,480                                                 | 1,783                                                     | 3,735                                                                          | 5,235                                                                           | 6,658                                          |
|    | (f) License fees and plan approval charges                                                                                             | 55                                          | 375                                                   | 64                                                        | 456                                                                            | 189                                                                             | 233                                            |
|    | (g) Employee benefits expense                                                                                                          | 437                                         | 449                                                   | 522                                                       | 1,331                                                                          | 1,497                                                                           | 1,977                                          |
|    | (h) Depreciation and amortization expense                                                                                              | 155                                         | 136                                                   | 186                                                       | 436                                                                            | 545                                                                             | 723                                            |
|    | (i) Other expenditure                                                                                                                  | 634                                         | 597                                                   | 661                                                       | 1,914                                                                          | 2,148                                                                           | 2,594                                          |
|    | <b>Total expenses</b>                                                                                                                  | <b>3,046</b>                                | <b>3,487</b>                                          | <b>5,489</b>                                              | <b>9,999</b>                                                                   | <b>15,134</b>                                                                   | <b>18,955</b>                                  |
| 3  | Profit from operations before other income, finance costs and exceptional items (1-2)                                                  | 944                                         | 1,032                                                 | 1,355                                                     | 3,125                                                                          | 4,209                                                                           | 5,451                                          |
| 4  | Other income                                                                                                                           | 19                                          | 42                                                    | 24                                                        | 75                                                                             | 119                                                                             | 149                                            |
| 5  | Profit from operations before finance costs and exceptional items (3+4)                                                                | 963                                         | 1,074                                                 | 1,379                                                     | 3,200                                                                          | 4,328                                                                           | 5,600                                          |
| 6  | Finance costs                                                                                                                          | 446                                         | 454                                                   | 468                                                       | 1,341                                                                          | 1,565                                                                           | 1,883                                          |
| 7  | Profit after finance costs but before exceptional items (5-6)                                                                          | 517                                         | 620                                                   | 911                                                       | 1,859                                                                          | 2,763                                                                           | 3,717                                          |
| 8  | Exceptional items                                                                                                                      | -                                           | -                                                     | -                                                         | -                                                                              | -                                                                               | -                                              |
| 9  | Profit from ordinary activities before tax (7+8)                                                                                       | 517                                         | 620                                                   | 911                                                       | 1,859                                                                          | 2,763                                                                           | 3,717                                          |
| 10 | Tax expense                                                                                                                            | 203                                         | 232                                                   | 257                                                       | 719                                                                            | 943                                                                             | 1,277                                          |
| 11 | <b>Net profit from ordinary activities after tax (9-10)</b>                                                                            | <b>314</b>                                  | <b>388</b>                                            | <b>654</b>                                                | <b>1,140</b>                                                                   | <b>1,820</b>                                                                    | <b>2,440</b>                                   |
| 12 | Extraordinary items (net of tax expenses)                                                                                              | -                                           | -                                                     | -                                                         | -                                                                              | -                                                                               | -                                              |
| 13 | (Add)/ Less: Minority interest                                                                                                         | (7)                                         | (13)                                                  | 53                                                        | (32)                                                                           | 54                                                                              | 59                                             |
| 14 | Net profit for the period (11-12-13)                                                                                                   | 321                                         | 401                                                   | 601                                                       | 1,172                                                                          | 1,766                                                                           | 2,381                                          |
| 15 | Paid-up equity share capital<br>(Face value per share - ₹ 10)                                                                          | 981                                         | 981                                                   | 981                                                       | 981                                                                            | 981                                                                             | 981                                            |
| 16 | Reserves excluding revaluation reserves as per balance sheet                                                                           |                                             | 24,188                                                |                                                           |                                                                                |                                                                                 | 23,337                                         |
| 17 | Earnings Per Share (EPS) - (in ₹)                                                                                                      |                                             |                                                       |                                                           |                                                                                |                                                                                 |                                                |
|    | a) Basic and diluted EPS before extraordinary items                                                                                    | 3.27                                        | 4.09                                                  | 6.13                                                      | 11.95                                                                          | 18.01                                                                           | 24.28                                          |
|    | b) Basic and diluted EPS after extraordinary items                                                                                     | 3.27                                        | 4.09                                                  | 6.13                                                      | 11.95                                                                          | 18.01                                                                           | 24.28                                          |



**Notes :**

- (1) As the business activity of the Company and its subsidiaries, primarily falls within a single business and geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'.
- (2) With regard to balance amount receivable from a buyer pertaining to two agreements for sale of land in earlier years, the Company had issued a notice of termination and invoked the arbitration clause under the aforesaid agreements to enforce its rights, as the buyer has not made the balance payment and also has not completed the transaction as per agreed terms. The management of the Company has also initiated other legal remedies and is confident that it would be able to enforce its rights under the aforesaid agreements.
- (3) The Group has revised its project cost estimates in the current period, as a result of which the profit before tax for the nine months and quarter ended December 31, 2015 is lower by Rs. 432 million and Rs. 212 million respectively.
- (4) The figures of standalone financial results are as follow:

| Particulars            | 3 months ended<br>31.12.2015<br>[Unaudited] | Preceding 3 months ended<br>30.09.2015<br>[Unaudited] | Corresponding 3 months ended<br>31.12.2014<br>[Unaudited] | Year to date figures for the current period ended<br>31.12.2015<br>[Unaudited] | Year to date figures for the previous period ended<br>31.12.2014<br>[Unaudited] | Previous year ended<br>31.03.2015<br>[Audited] |
|------------------------|---------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------|
| Income from operations | 3,903                                       | 4,412                                                 | 6,586                                                     | 12,815                                                                         | 18,994                                                                          | 23,824                                         |
| Profit before tax      | 479                                         | 496                                                   | 475                                                       | 1,707                                                                          | 2,173                                                                           | 2,994                                          |
| Profit after tax       | 297                                         | 324                                                   | 328                                                       | 1,085                                                                          | 1,451                                                                           | 1,991                                          |

The standalone unaudited financial results for the quarter ended December 31, 2015 can be viewed on the Company website [www.sobha.com](http://www.sobha.com) and can also be viewed on the website of NSE and BSE.

- (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 5, 2016



## Limited Review Report

Review Report to the Board of Directors  
Sobha Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Sobha Limited [formerly known as Sobha Developers Limited] ('the Company') for the quarter and nine months ended December 31, 2015 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 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. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In respect of unaudited standalone financial results, we did not review the financial information as regards Company's share in profits of partnership firm (post tax) amounting to Rs. 4 million and Rs. 75 million for the quarter and nine months ended December 31, 2015 respectively. The financial information has been audited by other auditors whose reports have been furnished to us, and the Company's share in profits of partnership firm investments has been included in the unaudited standalone financial results solely based on the report of other auditors.
4. Without qualifying our conclusion, we draw attention to Note 2 to the accompanying statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2015 relating to the notice of termination issued to a buyer by the Company and invoking of the arbitration clause and other legal remedies by the Company under the agreement with such buyer to enforce its rights under the agreement. The management of the Company is confident that it would be able to enforce its rights under the aforesaid agreements and accordingly no adjustments are considered necessary in these financial results.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W  
Chartered Accountants

  
per Adarsh Ranka

Partner

Membership No.: 209567



Bengaluru, India  
February 05, 2016

**SOBHA LIMITED (FORMERLY KNOWN AS SOBHA DEVELOPERS LIMITED)**

**Corporate Identity Number (CIN) : L45201KA1995PLC018475**

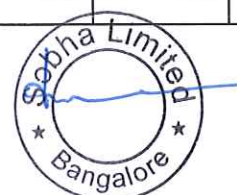
Regd. Office: 'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore - 560 103

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, 2015**

| (₹ in million) |                                                                                                                                        |                                             |                                                       |                                                           |                                                                                |                                                                                 |                                                |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------|
|                | Particulars                                                                                                                            | 3 months ended<br>31.12.2015<br>[Unaudited] | Preceding 3 months ended<br>30.09.2015<br>[Unaudited] | Corresponding 3 months ended<br>31.12.2014<br>[Unaudited] | Year to date figures for the current period ended<br>31.12.2015<br>[Unaudited] | Year to date figures for the previous period ended<br>31.12.2014<br>[Unaudited] | Previous year ended<br>31.03.2015<br>[Audited] |
| 1              | <b>Income from operations</b>                                                                                                          |                                             |                                                       |                                                           |                                                                                |                                                                                 |                                                |
|                | (a) Net sales/ income from operations (net of excise duty)                                                                             | 3,843                                       | 4,356                                                 | 6,468                                                     | 12,658                                                                         | 18,761                                                                          | 23,599                                         |
|                | (b) Share of profits/ (losses) in a subsidiary partnership firm                                                                        | 4                                           | 41                                                    | 101                                                       | 75                                                                             | 171                                                                             | 147                                            |
|                | (c) Other operating income                                                                                                             | 56                                          | 15                                                    | 17                                                        | 82                                                                             | 62                                                                              | 78                                             |
|                | <b>Total operating income</b>                                                                                                          | <b>3,903</b>                                | <b>4,412</b>                                          | <b>6,586</b>                                              | <b>12,815</b>                                                                  | <b>18,994</b>                                                                   | <b>23,824</b>                                  |
| 2              | <b>Expenditure</b>                                                                                                                     |                                             |                                                       |                                                           |                                                                                |                                                                                 |                                                |
|                | (a) (Increase)/ decrease in inventories of building materials, finished goods, stock in trade - flats, land stock and work-in-progress | (731)                                       | (952)                                                 | 373                                                       | (3,075)                                                                        | (1,860)                                                                         | (2,386)                                        |
|                | (b) Land cost                                                                                                                          | 34                                          | 176                                                   | 251                                                       | 818                                                                            | 1,560                                                                           | 1,561                                          |
|                | (c) Cost of materials consumed                                                                                                         | 392                                         | 399                                                   | 437                                                       | 1,194                                                                          | 1,400                                                                           | 1,882                                          |
|                | (d) Purchase of project materials                                                                                                      | 840                                         | 985                                                   | 1,514                                                     | 3,049                                                                          | 5,030                                                                           | 6,327                                          |
|                | (e) Subcontractor and other charges                                                                                                    | 1,263                                       | 1,406                                                 | 1,760                                                     | 3,969                                                                          | 5,194                                                                           | 6,615                                          |
|                | (f) License fees and plan approval charges                                                                                             | 55                                          | 375                                                   | 64                                                        | 456                                                                            | 189                                                                             | 233                                            |
|                | (g) Employee benefits expense                                                                                                          | 437                                         | 449                                                   | 522                                                       | 1,331                                                                          | 1,497                                                                           | 1,977                                          |
|                | (h) Depreciation and amortization expense                                                                                              | 144                                         | 127                                                   | 176                                                       | 407                                                                            | 519                                                                             | 689                                            |
|                | (i) Other expenditure                                                                                                                  | 620                                         | 607                                                   | 669                                                       | 1,899                                                                          | 2,154                                                                           | 2,602                                          |
|                | <b>Total expenses</b>                                                                                                                  | <b>3,054</b>                                | <b>3,572</b>                                          | <b>5,766</b>                                              | <b>10,048</b>                                                                  | <b>15,683</b>                                                                   | <b>19,500</b>                                  |
| 3              | Profit from operations before other income, finance costs and exceptional items (1-2)                                                  | 849                                         | 840                                                   | 820                                                       | 2,767                                                                          | 3,311                                                                           | 4,324                                          |
| 4              | Other income                                                                                                                           | 32                                          | 53                                                    | 35                                                        | 110                                                                            | 153                                                                             | 193                                            |
| 5              | Profit from operations before finance costs and exceptional items (3+4)                                                                | 881                                         | 893                                                   | 855                                                       | 2,877                                                                          | 3,464                                                                           | 4,517                                          |
| 6              | Finance costs                                                                                                                          | 402                                         | 397                                                   | 380                                                       | 1,170                                                                          | 1,291                                                                           | 1,523                                          |
| 7              | Profit after finance costs but before exceptional items (5-6)                                                                          | 479                                         | 496                                                   | 475                                                       | 1,707                                                                          | 2,173                                                                           | 2,994                                          |
| 8              | Exceptional items                                                                                                                      | -                                           | -                                                     | -                                                         | -                                                                              | -                                                                               | -                                              |
| 9              | Profit from ordinary activities before tax (7+8)                                                                                       | 479                                         | 496                                                   | 475                                                       | 1,707                                                                          | 2,173                                                                           | 2,994                                          |
| 10             | Tax expense                                                                                                                            | 182                                         | 172                                                   | 147                                                       | 622                                                                            | 722                                                                             | 1,003                                          |
| 11             | <b>Net profit from ordinary activities after tax (9-10)</b>                                                                            | <b>297</b>                                  | <b>324</b>                                            | <b>328</b>                                                | <b>1,085</b>                                                                   | <b>1,451</b>                                                                    | <b>1,991</b>                                   |
| 12             | Extraordinary items (net of tax expenses)                                                                                              | -                                           | -                                                     | -                                                         | -                                                                              | -                                                                               | -                                              |
| 13             | Net profit for the period (11-12)                                                                                                      | 297                                         | 324                                                   | 328                                                       | 1,085                                                                          | 1,451                                                                           | 1,991                                          |
| 14             | Paid-up equity share capital<br>(Face value per share - ₹ 10)                                                                          | 981                                         | 981                                                   | 981                                                       | 981                                                                            | 981                                                                             | 981                                            |
| 15             | Reserves excluding revaluation reserves as per balance sheet                                                                           |                                             | 23,266                                                |                                                           |                                                                                |                                                                                 | 22,478                                         |
| 16             | Earnings Per Share (EPS) - (in ₹)                                                                                                      |                                             |                                                       |                                                           |                                                                                |                                                                                 |                                                |
|                | a) Basic and diluted EPS before extraordinary items                                                                                    | 3.03                                        | 3.30                                                  | 3.34                                                      | 11.06                                                                          | 14.80                                                                           | 20.30                                          |
|                | b) Basic and diluted EPS after extraordinary items                                                                                     | 3.03                                        | 3.30                                                  | 3.34                                                      | 11.06                                                                          | 14.80                                                                           | 20.30                                          |



**Notes :**

- (1) As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'.
- (2) With regard to balance amount receivable from a buyer pertaining to two agreements for sale of land in earlier years, the Company had issued a notice of termination and invoked the arbitration clause under the aforesaid agreements to enforce its rights, as the buyer has not made the balance payment and also has not completed the transaction as per agreed terms. The management of the Company has also initiated other legal remedies and is confident that it would be able to enforce its rights under the aforesaid agreements.
- (3) The Company has revised its project cost estimates in the current period, as a result of which the profit before tax for the nine months and quarter ended December 31, 2015 is lower by Rs. 432 million and Rs. 212 million respectively.
- (4) The figures of the previous year/ period have been regrouped/ reclassified, wherever necessary.

Bengaluru, India  
February 5, 2016

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



J. C. Sharma  
Vice Chairman and Managing Director

