SOBHA

PASSION AT WORK

July 01, 2011

To The Bombay Stock Exchange Limited PJ Towers Dalal Street, Mumbai **Scrip Code: 532784**	To The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai **Scrip Code: SOBHA**

Dear Sir / Madam

Sub: Acquisition of Shares of Sobha Developers (Pune) Limited from Pan Atlantic Investments Limited

The Company had earlier entered into a joint venture agreement with Pan Atlantic Investments Limited, a Limited Liability Company registered in Dubai for the purpose of construction and development of residential townships in India. Sobha Developers (Pune) Private Limited, a company incorporated under the Companies Act, 1956, was identified as a Special Purpose Vehicle (SPV) for the aforesaid purpose. The SPV Company is presently executing a residential project, **"Sobha Forest View"**, situated at Hosahalli Village, Uttarahalli Hobli, Bangalore South Taluk, Bangalore.

Pan Atlantic Investments Limited holding 81% of the equity interest in the SPV had expressed its desire to exit the investment. After negotiations, the Company has agreed to buy the investment in accordance with the Foreign Direct Investment (FDI) Guidelines, Consolidated FDI Policy, FEMA (Transfer or issue of security by a person resident outside India) Regulations, 2000, and other applicable rules and guidelines. Accordingly the Company has purchased an equity interest equivalent to 40.5% in the SPV today.

Consequent to the said purchase of equity shares and the Company holding 59.5% of the total equity shareholding, Sobha Developers (Pune) Private Limited shall become a subsidiary of the Company within the meaning of Section 4 of the Companies Act, 1956.

We request you to kindly take the aforesaid information on record for the purpose of dissemination through your website.

FOR SOBHA DEVELOPERS LIMITED

KISHORE KAYARAT
COMPANY SECRETARY & COMPLIANCE OFFICER