SOBHA

PASSION AT WORK

April 05, 2013

To

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| The Deputy Manager<br>Department of Corporate Services,<br>The Bombay Stock Exchange Limited<br>Floor 25, P.J Towers,<br>Dalal Street, Mumbai – 400 001<br>**Scrip Code: 532784** | The Manager<br>National Stock Exchange of India Limited<br>Exchange Plaza, Plot No. C/1, G Block,<br>Bandra Kurla Complex, Bandra East,<br>Mumbai – 400 051<br>**Scrip Code: SOBHA** |

Dear Sir / Madam,

**Sub: Update on Pledge of Shares by the Promoters of the Company**

**Background:**

Mrs. Sobha Menon, one of the promoters of the Company, had in the year 2007 availed certain facilities from Bank Sarasin & Co. Ltd for business purposes outside India. As a security for the aforesaid financial assistance, Mrs. Sobha Menon had created a pledge on 10,000,000 (Ten Million) equity shares held by her in the Company after obtaining the necessary statutory approvals. The fact of encumbrance had been intimated to the Stock Exchanges under the SEBI (SAST) Regulations and is also being disclosed in the Shareholding Pattern of the Company which is filed with the stock exchanges on a quarterly basis in terms of Clause 35 of the Listing Agreement.

**Updates:**

The Promoters have now informed the Company that they have negotiated with Deutsche Bank AG for replacing the facilities availed earlier from Bank Sarasin & Co. Ltd against pledge of 10,000,000 (Ten Million) equity shares held in the Company by Mrs. Sobha Menon in accordance with A.P. (DIR series) Circular No. 57 on Pledge of Shares for Business Purpose dated May 02, 2011 and Master Circular No. 15/2012-13 on Foreign Investment in India dated July 02, 2012 issued by the Reserve Bank of India.

The pledge created earlier by Mrs. Sobha Menon on 10,000,000 (Ten Million) equity shares will be released by Bank Sarasin & Co. Ltd upon repayment of the facilities availed earlier.

The Promoters have further informed that:

1. The net effect of the transaction is that there will not be any changes in the status of encumbrance of equity shares of the Company held by the Promoters as the total number of encumbered equity shares of the Company will continue to be 10,700,000 (Ten Million and Seven Hundred Thousand) amounting to 10.91 % of the paid-up capital of the Company.

2. The aforementioned creation and release of pledge will be disclosed to the stock exchanges in the manner and within the time prescribed under SEBI (Substantial Acquisition and Takeovers) Regulations, 2011.

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

Thanking you.

Yours sincerely,

**FOR SOBHA DEVELOPERS LIMITED**

Sobha Developers Ltd. Bangalore

**KISHORE KAYARAT**
**COMPANY SECRETARY AND COMPLIANCE OFFICER**