# Directors' Report

Dear Member(s),

We have pleasure in presenting the Twenty First Annual Report on the business and operations of the Company together with the audited results for the financial year ended March 31, 2016.

(₹ in million)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| **Particulars** | **2015-16** | **2014-15** | **2015-16** | **2014-15** |
| **Total Revenue** | **18,184.97** | **24,016.47** | **18,784.38** | **24,554.78** |
| Operating Expenditure | 13,554.80 | 18,811.19 | 13,616.90 | 18,232.56 |
| Earnings before Interest, Depreciation and Amortisation | 4,630.17 | 5,205.28 | 5,167.48 | 6,322.22 |
| Depreciation and Amortisation | 585.84 | 688.60 | 634.01 | 722.68 |
| Finance Cost | 1,529.22 | 1,522.86 | 1,724.87 | 1,883.42 |
| **Profit Before Tax** | **2,515.11** | **2,993.82** | **2,808.60** | **3,716.12** |
| Tax Expenses | | | | |
| • Current Tax | 255.03 | 624.28 | 359.59 | 843.46 |
| • Deferred tax charge / (credit) | 890.89 | 571.89 | 907.61 | 626.45 |
| • MAT Credit Entitlement | - | (193.20) | - | (193.20) |
| **Profit after Tax** | **1,369.19** | **1,990.85** | **1,541.40** | **2,439.41** |

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this report.

## BUSINESS AND OPERATIONS

### A. Business Overview

Sobha Limited is a public limited company with its equity shares listed on National Stock Exchange of India Limited and BSE Limited. The authorized share capital of the Company is ₹ 2,000,000,000 divided into 150,000,000 equity shares of ₹ 10 each and 5,000,000 preference shares of ₹ 100 each. The issued, subscribed and paid-up capital of the Company is ₹ 980,638,680 divided into 98,063,868 equity shares of ₹ 10 each. During the year under review, there was no change in the capital structure of the Company.

The operations of the Company can be categorised into two main verticals:

- Construction and development of residential and commercial projects
- Contractual projects

A summary of completed and ongoing projects as on March 31, 2016 has been detailed in the Management Discussion and Analysis Report titled as Management Report forming part of the Annual Report.

### B. Financial Overview

#### Standalone

During the financial year 2015-16, the Company has on a standalone basis, registered total revenues of ₹ 18,184.97 million as compared to ₹ 24,016.47 million in the previous year, a decrease of 24.28 % y-o-y. The Profit before Tax and Profit after Tax have declined by 15.99 % and 31.23 % respectively.

### Consolidated

The consolidated revenues of the Company during the financial year 2015-16 was ₹ 18,784.38 million, a decrease of 23.50 % from the previous year. The Profit before Tax was lower by 24.42% and Profit after Tax (after considering minority interest) by 35.60% as compared to the financial year 2014-15.

### Transfer to Reserves

An amount of ₹ 136.92 million is proposed to be transferred out of the current profits to the General Reserve.

### Dividend

The Board of Directors has, subject to the approval of the shareholders in the ensuing Annual General Meeting, recommended a dividend of ₹ 2 per equity share of ₹ 10 each.

### C. Operational Overview

### Completed Projects

During the year under review, the Company has executed and handed over 9 real estate projects covering an area of 5.59 Million Square Feet of developable area and 16 contractual projects covering an area of 5.51 Million Square Feet resulting in an aggregate development of 11.10 million square feet.

The Company has completed 111 real estate projects and 278 contractual projects covering about 81.64 million square feet of area since inception.

### Ongoing Projects

The Company currently has 40 ongoing residential projects aggregating to 41.20 million square feet of developable area. It has 27 ongoing contractual projects aggregating to 8.07 million square feet under various stages of construction.

The Company has a geographic presence in 25 cities and 13 states across India.

### BUYBACK OF EQUITY SHARES

The Board of Directors at their meeting held on May 19, 2016, have approved a buyback proposal for purchase by the Company of up to 2,275,000 shares of ₹ 10 each (representing 2.32% of total equity capital) from shareholders of the Company on a proportionate basis by way of a tender offer route at a price of ₹ 330 per equity share for an aggregate amount not exceeding ₹ 750.75 million in accordance with the provision of the Companies Act, 2013 and SEBI (Buy Back of Securities) Regulations, 1998.

### CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there were no changes in the directors and key managerial personnel of the Company.

### CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

During the year under review, there were no changes in subsidiaries, joint ventures and associates of the Company.

### SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## BOARD OF DIRECTORS AND ITS COMMITTEES

### A. Composition of the Board of Directors

As on date, the Board of Directors of the Company comprises of eight Directors of which five are Non-Executive Independent Directors. The composition of the Board of Directors is in compliance with Clause 49 of the Listing Agreement / Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement / Regulation 16 of Listing Regulations.

### B. Meetings:

During the year under review, the Board of Directors met 4 times on the following dates

- May 12, 2015
- August 07, 2015
- November 13, 2015
- February 05, 2016

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on May 11, 2015.

### C. Appointment of Director

The term of office of Mr. Ravi PNC Menon, Chairman (DIN: 02070036) will cease at the close of the financial year 2016-17 and he is eligible for re-appointment. The Board of Directors based on the recommendation of Nomination, Remuneration and Governance Committee, have approved the reappointment of Mr. Ravi PNC Menon as Chairman of the Company for a further period of five years subject to the approval of the members in the ensuing Annual General Meeting.

### D. Re-appointment of Director Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. J C Sharma, Vice Chairman and Managing Director (DIN: 01191608) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors based on the recommendation of Nomination, Remuneration and Governance Committee, have recommended the re-appointment of Mr. J C Sharma, Vice Chairman and Managing Director, retiring by rotation.

The Notice convening the Annual General Meeting includes the proposals for appointment / re-appointment of the Directors. Brief resumes of the Directors proposed to be appointed / re-appointed have been provided as an Annexure to the Notice convening the Annual General Meeting. Specific information about the nature of their expertise in specific functional areas and the names of the companies in which they hold directorship and membership / chairmanship of the Board Committees have also been included.

### E. Committees of the Board

During the year under review, there were no changes in the composition of the Committees of the Board. A detailed note on the Committees of the Board of Directors is given in the Corporate Governance Report forming part of the Annual Report.

### F. Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p) read with Articles VII and VIII of Schedule IV of the Companies Act, 2013, the Board undertook an evaluation of itself and its committees. The Board, excluding the independent director being evaluated, also assessed the performance and the potential of each of the independent directors with a view to maximising their contribution to the Board. As contemplated by the Act, the independent directors at a meeting conducted a review of the performance of the Chairman after taking into account the views of the non-executive members of the Board. At the same meeting, the review of the executive directors was also carried out.

The process put in place by the Board, in accordance with the Companies Act, 2013 and the relevant provisions of the Listing Agreement / Listing Regulations, is aimed at improving the performance of the Board, its committees and its members.

### G. Directors' Responsibility Statement

In terms of the requirements of Section 134(5) of the Companies Act, 2013, we, on behalf of the Board of Directors, hereby confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the annual accounts has been prepared on a going concern basis; and

e) internal financial controls to be followed by the company has been laid down and such internal financial controls are adequate and were operating effectively.

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# AUDIT RELATED MATTERS

## A. Audit Committee

The powers, role and terms of reference of the Audit Committee are in consonance with the requirements mandated under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement / Regulation 18 of Listing Regulations. The Audit Committee comprises of the following members:

1. Mr. R V S Rao (Independent Director) - Chairman
2. Mr. M Damodaran (Independent Director) - Member
3. Dr. S K Gupta (Independent Director) - Member
4. Mr. Anup Shah (Independent Director) - Member
5. Mr. J C Sharma (Vice Chairman and Managing Director) - Member

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

## B. Statutory Auditors

At the Annual General Meeting of the Company held on July 11, 2014, S.R. Batliboi & Associates LLP (Firm Registration Number 101049W/E300004) were re-appointed as the Statutory Auditors of the Company for a period of 3 years which is subject to annual ratification by the members of the Company in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. The members may ratify the appointment of S.R. Batliboi & Associates LLP as the Statutory Auditors of the Company for the financial year 2016-17.

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors. The Statutory Auditors have expressed an unmodified opinion in the audit reports in respect of the audited financial statements for the financial year ended March 31, 2016.

## C. Secretarial Audit

The Secretarial Audit Report for the year ended March 31, 2016 issued by Mr. Nagendra D Rao, Practicing Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013 is provided separately in the Annual Report. There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from the Board of Directors.

## D. Cost Audit

The Cost Audit Report for the financial year 2014-15 was filed with the Ministry of Corporate Affairs, New Delhi within the due date prescribed under The Companies (Cost Records and Audit) Rules, 2014. There are no qualifications or adverse remarks in the Cost Audit Report which require any explanation from the Board of Directors.

Based on the recommendations of the Audit Committee, the Board of Directors have re-appointed M/s. Srinivas and Co, Cost Accountants (Firm Registration No: 000278) as the Cost Auditors of the Company for the financial year 2015-16. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for the financial year 2015-16 is subject to ratification by the shareholders of the Company. The Notice convening the Annual General Meeting contains the proposal for ratification of the remuneration payable to the Cost Auditors.

### E. Internal Financial Controls

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, these controls were tested and no significant weakness was identified either in the design or operation of the controls.

## POLICY MATTERS

### A. Nomination and Remuneration Policy

The Nomination, Remuneration and Governance Committee of the Board of Directors has formulated a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration for the directors, key managerial personnel and senior management personnel of the Company. The Nomination and Remuneration Policy is available on the website of the Company at http://www.sobha.com/investor-relations-downloads-pol.php and relevant extracts from the Policy are reproduced in **Annexure A** to this report.

### B. Risk Management Framework

The Company has developed and implemented a risk management framework detailing the various risks faced by the Company and methods and procedures for identification, monitoring and mitigation of such risks. The Board of Directors of the Company have constituted a Risk Management Committee which is entrusted with the task of monitoring and reviewing the risk management plan and procedures of the Company. The risk management function is complimentary to the internal control mechanism of the Company and supplements the audit function.

### C. Corporate Social Responsibility Policy

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the website of the Company at http://www.sobha.com/investor-relations-downloads-pol.php.

In terms of Section 134 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on Corporate Social Responsibility activities of the Company is given in **Annexure B** to this report.

### D. Vigil Mechanism

The Company has established a vigil mechanism to promote ethical behaviour in all its business activities and has in place a mechanism for employees to report any genuine grievances, illegal, unethical behaviour, suspected fraud or violation of laws, rules and regulation or conduct to the Chief Vigilance Officer and the Audit Committee of the Board of Directors. The Policy also provides for adequate protection to the whistle blower against victimisation or discriminatory practices. The Policy is available on the website of the Company at http://www.sobha.com/investor-relations-downloads-pol.php.

## OTHER MATTERS

### A. Debentures

During the year under review, the Company has issued various Secured Redeemable Non-Convertible Debentures aggregating to ₹ 3,250,000,000 (Rupees Three Hundred and Twenty Five Crores) on private placement basis in multiple tranches.

### B. Deposits

The Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and there are no outstanding deposits as on date.

### C. Transfer to Investor Education and Protection Fund

In compliance of Section 205C of the Companies Act, 1956, the dividends pertaining to the financial year 2007-08 which were lying unclaimed with the Company was transferred to the Investor Education and Protection Fund during the financial year 2015-16. The details of unclaimed dividend transferred to the Investor Education and Protection Fund has been detailed in the Corporate Governance Report forming part of the Annual Report.

## D. Human Resources

Employee relations continue to be cordial and harmonious at all levels and in all divisions of the Company. The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and steadfast dedication.

As a part of the policy for Prevention of Sexual Harassment in the organisation, the Company has in place an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at work place in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and relevant rules thereunder. No complaints were received by the Committee during the period under review.

As on March 31, 2016, the Company has an organisational strength of 2,724 employees.

A separate section on the Employees is provided in the Annual Report.

## E. Awards and Recognition

During the financial year 2015-16, the Company was bestowed with various awards and recognitions, the details of which are given in a separate section of the Annual Report.

## F. Corporate Governance

A certificate from Mr. Nagendra D Rao, Practicing Company Secretary affirming compliance with the various conditions of Corporate Governance in terms of the Listing Regulations is given in **Annexure C** to this report.

A detailed report on Corporate Governance forms part of the Annual Report.

## G. Code of Conduct

As prescribed under Clause 49 of the Listing Agreement / Regulation 17 of the Listing Regulations, a declaration signed by the Vice Chairman and Managing Director affirming compliance with the Code of Conduct by the Directors and senior management personnel of the Company for the financial year 2015-16 forms part of the Corporate Governance Report.

## H. Management Discussion and Analysis Report

In accordance with the requirements of the Listing Agreement / Listing Regulations, the Management Discussion and Analysis Report titled as Management Report is presented in a separate section of the Annual Report.

## I. Extract of Annual Return

In terms of Section 134 of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2015-16 is provided in **Annexure D** to this report.

## J. Particulars of Loans, Guarantees and Investments

In terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees and investments given by the Company under Section 186 of the Companies Act, 2013 is detailed in Notes to Accounts of the Financial Statements.

## K. Related Party Transactions

During the year, the Company has not entered into any contract / arrangement / transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. The related party transactions undertaken during the financial year 2015 – 16 are detailed in Notes to Accounts of the Financial Statements.

## L. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

In terms of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars of conservation of energy, technology absorption, and foreign exchange earnings and outgo are set out in **Annexure E** to this report.

### M. Remuneration Details of Directors, Key Managerial Personnel and Employees

The details of remuneration of directors, key managerial personnel and the statement of employees in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in **Annexure F** to this report.

### N. Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

In terms of Section 134 of the Act and Rule 8(1) of the Companies (Accounts) Rules, 2014, the financial position and performance of subsidiaries are given as an Annexure to the Consolidated Financial Statements.

### O. Additional Information to Shareholders

All important and pertinent investor information such as financial results, investor presentations, press releases, new launches and project updates are made available on the Company's website (www.sobha.com) on a regular basis.

## ACKNOWLEDGEMENTS

The Directors would like to place on record their sincere appreciation to the Company's customers, vendors, and bankers for their continued support to the Company during the year. The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organisation. We thank the Government of India, the State Governments and other government agencies for their assistance and cooperation and look forward to their continued support in future. Finally, the Board would like to express its gratitude to the members for their continued trust, co-operation and support.

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

| | | |
|---|---|---|
| **Place: Bangalore** | **Ravi PNC Menon** | **J C Sharma** |
| **Date: May 19, 2016** | **Chairman** | **Vice Chairman & Managing Director** |

# Annexure A

## EXTRACT FROM NOMINATION AND REMUNERATION POLICY

### Policy on Appointment and Removal of Directors, Key Managerial Personnel and Senior Management

### A. Eligibility or Criteria for Appointment

**Educational Qualification:** No person shall be eligible for appointment as a Director, Key Managerial Personnel and / or Senior Management Personnel unless he / she possesses at least a bachelors' degree in a recognized and relevant field. Educational qualification over and above the bachelors' degree, though not mandatory, shall be preferable. However, the requirement of minimum educational qualification can be waived if the candidate showcases exceptional knowledge, talent, creativity and / or aptitude for the position.

**Experience:** A person shall be eligible for appointment as a Director, Key Managerial Personnel and / or Senior Management Personnel if he / she possess adequate experience in the respective field(s). Between two candidates possessing same / similar educational qualification, the person with more experience will ordinarily be preferred. Experience in diverse fields will be given due weightage.

**Integrity**: The person considered for appointment shall be a person of integrity and good standing. No person convicted of any offence involving moral turpitude shall be considered for appointment to post of a Director, Key Managerial Personnel and/or Senior Management.

**Age:** A person shall not be considered for appointment to the post of a Whole-time Director of the Company if he / she has attained the age of seventy years.

**Independence:** No person shall be appointed as an Independent Director of the Company unless he / she meets the criteria of independence as specified in the Companies Act, 2013 and Listing Agreement.

**Limits on Directorship:** No person shall be appointed as a Whole-time Director / Independent Director of the Company unless such directorship is within the limits prescribed by law in this behalf.

**Limits on Committee Membership:** The number of Chairmanship or membership of committees held by a person shall be within the limits prescribed by law in this behalf in order to be considered for appointment as a Whole-time Director / Independent Director of the Company.

### B. Term of Office

#### Whole-time Director

i. The Whole-time Director(s) of the Company shall be appointed for a term not exceeding five years at a time.

ii. The Whole-time Director(s) shall be eligible for re-appointment for further terms not exceeding five years at a time subject to the approval of members of the Company.

iii. No such re-appointment shall be made earlier than one year before the expiry of the current term.

#### Independent Director(s)

i. An Independent Director shall hold office for a term up to five consecutive years on the Board of Directors of the Company.

ii. An Independent Director shall be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution in this regard by the members of the Company.

iii. No Independent Director shall hold office for more than two consecutive terms. An Independent Director shall be eligible for re-appointment after the expiry of three years of ceasing to be an Independent Director where he/she has served for two consecutive terms.

#### Key Managerial Personnel and Senior Management

i. The term of office of Key Managerial Personnel and Senior Management of the Company shall be in accordance with the prevailing Human Resource policy of the Company.

### C. Removal of Director, Key Managerial Personnel and Senior Management of the Company

The Committee shall recommend to the Board of Directors, the removal from office of, any Director, Key Managerial Personnel and / or Senior Management Personnel of the Company

i. Whenever a Director, Key Managerial Personnel and / or Senior Management Personnel of the Company incurs any disqualification specified under any applicable law which renders their position untenable.

ii. Whenever a Director, Key Managerial Personnel and / or Senior Management Personnel of the Company is found guilty of violating the Code of Conduct, the Code of Conduct for Prevention of Insider Trading of the Company and / or such other policy as may be decided by the Committee

iii. Whenever a Director, Key Managerial Personnel and / or Senior Management of the Company acts in a manner which is manifestly against the interests of the Company. In case of any proceedings under this sub-clause, the concerned Director, Key Managerial Personnel and / or Senior Management of the Company shall be given an opportunity of being heard by the Committee.

### Performance Evaluation

i. The performance evaluation of each director will be carried out by the Committee in the first instance. It shall place its recommendations before the Board of Directors.

ii. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated). It shall take into consideration the views of the Committee.

iii. The Independent Directors shall review the performance of non-independent directors and the Board as a whole. The Independent Directors shall take into consideration the views of the Committee.

iv. The Independent Directors shall review the performance of the Chairperson of the company, taking into account the views of the Committee, the executive directors and non-executive directors.

The Independent Directors of the Company are experts in their respective fields. They bring with them specialized skills, vast repertoire of knowledge and a wide diversity of experience and perspectives. In view of their significant expertise, the Independent Directors may recommend the mechanism for evaluating the performance of the Board as a whole as well as individual directors.

In lieu of such recommendation, the criteria for Performance Evaluation laid down below may be considered. However, the below mentioned criteria is only suggestive and the Board / Directors may consider such other criteria as they may deem necessary for effective evaluation of performance.

### Board of Directors

i. Establishment of distinct performance objectives and comparison of performance against such objectives.

ii. Contribution of the Board to the development of strategy.

iii. Contribution of the Board in developing and ensuring robust and effective risk management system.

iv. Response of the Board to problems or crises that have emerged.

v. Suitability of matters being reserved for the Board under the Listing Agreement.

vi. Relationship between the board and its main committees and between the committees themselves.

vii. Communication of the Board with the management team, key managerial personnel and other employees.

viii. Knowledge of latest developments in the regulatory environment and the market.

ix. Appropriateness, quality and timeliness of flow of information to the Board.

x. Adequacy and quality of feedback by the Board to management on its requirements.

xi. Adequacy of frequency and length of board and committee meetings.

xii. Appropriate mix of knowledge and skills in the composition of the board and its committees.

### Committees of the Board of Directors

i. Suitability of matters being reserved for the Committee(s).

ii. Communication of the Committee(s) with the management team, key managerial personnel and other employees.

iii. Appropriateness, quality and timeliness of flow of information to the Committee(s).

iv. Adequacy and quality of feedback by the Committee(s) to management on its requirements.

v. Adequacy of frequency and length of the committee meetings.

vi. Appropriate mix of knowledge and skills in the composition of the committees.

### Independent Directors

i. Level of preparedness for the meetings of the Board and Committees.

ii. Willingness to devote time and effort to understand the Company and its business.

iii. Quality and value of their contributions at Board and Committees meetings.

iv. Contribution of their knowledge and experience to the development of strategy of the Company.

v. Effectiveness and pro-activeness in recording and following up their areas of concern.

vi. Relationship with fellow board members, key managerial personnel and senior management.

vii. Knowledge and understanding of current industry and market conditions.

viii. Attendance at the meetings of the Board and Committees of which the Independent Director is a member.

### Whole-time Director(s)

i. Contribution of the Whole-time Director in achieving the Business Plan of the Company

ii. Contribution of Whole-time Director in the development of new business ideas or verticals

iii. Contribution of Whole-time Director towards the topline and/or bottom line of the Company where such contribution is capable of measurement.

iv. Contribution of Whole-time Director in implementing the strategy set by the Board of Directors of the Company.

v. Knowledge and understanding of current industry and market conditions.

vi. Contribution of Whole-time Director in identifying, understanding and mitigating the risks faced by the Company.

vii. Contribution of Whole-time Director in identifying and exploiting new business opportunities for the Company.

viii. Level of preparedness for the meetings of the Board and Committees.

ix. Attendance at the meetings of the Board and Committees of which such Whole-time Director is a member.

## Policy relating to the Remuneration of Directors, Key Managerial Personnel and Senior Management

### A. Remuneration Criteria

The guiding principle while determining the level and composition of remuneration is the competitiveness required to attract, retain and motivate competent personnel. While deciding the remuneration of Directors, Key Managerial Personnel and Senior Management, the following factors shall be taken into consideration

a. availability of talented, skilled and experienced professionals

b. industry standards

c. profitability of the Company and growth prospects

## B. Payment of Remuneration

i. The Committee shall recommend the payment of remuneration (including any revision thereof) to the Directors of the Company including the Independent Directors which shall be subject to the approval of the Board of Directors. It shall also be approved by the shareholders of the Company and / or Central Government, wherever required.

ii. The remuneration of Key Managerial Personnel and Senior Management Personnel shall be determined by the Company in accordance with the prevailing HR Policy of the Company.

## C. Remuneration of Whole-time Directors, Key Managerial Personnel and Senior Management

### Basic Salary

Each Whole-time Director, Key Managerial Personnel and Senior Management personnel shall be paid a monthly remuneration. The monthly remuneration of Whole-time Director as recommended by the Committee shall be approved by the Board of Directors and also by the shareholders of the Company if required.

### Accommodation or House Rent Allowance

Each Whole-time Director shall be provided with rent-free furnished accommodation or up to a specified % of the basic salary as House Rent Allowance in lieu of accommodation. Key Managerial Personnel and Senior Management personnel shall be provided with a specified % of the basic salary as House Rent Allowance.

### Performance Incentives

Each Whole-time Director shall be eligible for performance incentives which shall not exceed a specified % of profits of the Company.

Key Managerial Personnel and Senior Management personnel shall be eligible for performance incentives as per the prevailing Human Resource policy of the Company in this regard. The incentive is linked to the performance of the Company in general and their individual performance is measured against specific Key Result Areas, which are aligned with the Company's objectives.

### Perquisites and Other Allowances

Each Whole-time Director, Key Managerial Personnel and Senior Management personnel shall be entitled to such perquisites, allowances, benefits, facilities and amenities as per the Human Resource policy of the Company in force or as may be approved by the Board from time to time.

## D. Remuneration of Independent Directors

**Commission:** Each Independent Director shall be paid remuneration by way of Commission as recommended by the Committee which shall be approved by the Board of Directors. Such Commission shall be within the overall limits approved by the shareholders of the Company.

**Sitting Fees:** The Independent Director may receive remuneration by way of fees for attending the meetings of Board or Committee thereof as may be decided by the Board of Directors from time to time.

## E. Limits on Remuneration

i. The overall remuneration paid by the Company to the Directors including Independent Directors shall not exceed 11% of the net profits of the Company for that financial year.

ii. The remuneration paid by the Company to all its whole-time directors shall not exceed 10% of the net profits of the Company for that financial year.

iii. The remuneration paid by the Company to its Independent Directors (excluding sitting fess) shall not exceed 1% of the net profits of the Company for that financial year.

iv. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013. If the remuneration payable exceeds the limits laid down in Schedule V, then the Company shall obtain the previous approval of the Central Government.

v. Revision of existing remuneration may be recommended by the Committee to the Board which should be within the limits approved by the shareholders.

# Annexure B

## Annual Report on Corporate Social Responsibility (CSR) Activities

### 1. Brief Outline of CSR Policy

The Board of Directors upon the recommendation of the Corporate Social Responsibility Committee have identified the following areas listed in Schedule VII of the Companies Act, 2013 for carrying out its CSR activities:

i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts:

vi. measures for the benefit of armed forces veterans, war widows and their dependents;

vii. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government

x. rural development projects

xi. Slum Area Development

xii. Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time

The Projects / Programmes may be undertaken by an Implementation Agency or the Company directly provided that such projects / programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.

The detailed Corporate Social Responsibility Policy is available on the website of the Company at http://www.sobha.com/investor-relations-downloads-pol.php.

### 2. Composition of CSR Committee

The Corporate Social Responsibility (CSR) Committee comprises of the following members:

1. Mr. Anup Shah (Independent Director) - Chairman
2. Mr. J C Sharma (Vice Chairman and Managing Director) – Member
3. Mr. P Ramakrishnan (Deputy Managing Director) - Member

### 3. Average Net Profits

The average net profits, i.e. profits before tax of the Company during the three immediately preceding financial years was ₹ 3,002.41 Million

### 4. Prescribed CSR Expenditure

The prescribed CSR expenditure was ₹ 60.05 Million, i.e. 2% of the average net profits mentioned in Point 3 above.

## 5. Details of CSR Spend

(a) Total amount to be spent for the financial year 2015-16: ₹ 155.00 Million

(b) Amount unspent, if any: None. The Company has spent the prescribed CSR expenditure as required under Section 135 of the Companies Act, 2013

(c) Manner in which the amount was spent during the financial year is detailed below:

| Sl No. | CSR project or activity identified | Sector in which the Project is covered | Projects or Programs (1) Local Area or Other (2) Specify the State and District where Projects/Programme undertaken | Amount Outlay (Budget) project / programs wise | Amount spent on the projects or programs | Cumulative Expenditure upto the reporting period | Amount Spent: Direct or through implementing agency* |
|---|---|---|---|---|---|---|---|
| 1 | Rural Development | i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation<br><br>ii. Promoting education, and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects<br><br>iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups | 1. Local<br><br>2. Kerala - Vadakkenchery and Kizhakkenchery Panchayats in the district of Palakkad, Kerala | ₹ 155.00 million | ₹ 150.10 million | ₹ 150.10 million | Implementation Agency* |

*Sri Kurumba Educational and Charitable Trust is a public charitable trust and has an established track record as prescribed under the Companies Act, 2013 in undertaking similar projects and programs.

## 6. Responsibility Statement

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**For Sobha Limited**

**Place: Bangalore**
**Date: May 19, 2016**

**Anup Shah**
**Chairman, CSR Committee**

**J C Sharma**
**Vice Chairman & Managing Director**

# Annexure C

## Corporate Governance Compliance Certificate

I have examined the compliance of regulations of Corporate Governance by M/s Sobha Limited for the year ended March 31, 2016, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Bengaluru
Date : May 19, 2016.

CS. Nagendra D. Rao
Practising Company Secretary
Membership No.: FCS - 5553
Certificate of Practice: 7731

# Annexure D

## Form No. MGT-9

## Extract of Annual Return as on the financial year ended on March 31, 2016

*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rules 12(1) of the Companies (Management and Administration) Rules, 2014]*

### I. Registration and other Details

| | |
|---|---|
| **CIN** | L45201KA1995PLC018475 |
| **Registration Date** | August 07, 1995 |
| **Name of the Company** | Sobha Limited<br>(formerly Sobha Developers Limited) |
| **Category of the Company** | Company limited by shares |
| **Sub-Category of the Company** | Indian Non-Government Company |
| **Address of the Registered office and contact details** | 'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore – 560 103<br>Tel: 080 4932 0000<br>Email: investors@sobha.com |
| **Whether listed company** | Yes. Listed on National Stock Exchange of India Limited and BSE Limited |
| **Name, Address and Contact Details of Registrar and Transfer Agent, if any** | Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound,<br>LBS Marg, Bhandup (West)<br>Mumbai - 400 078<br>Tel: +91 22 2596 3838<br>Fax: +91 22 2594 6969<br>Email: rnt.helpdesk@linkintime.co.in |

### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company

| Sl No. | Name and Description of Main Products/Services | NIC Code of Product / Service | % to Total Turnover of the Company |
|---|---|---|---|
| 1. | Development and construction of properties | 410 - Construction of buildings | 100 |

## III. Particulars of Holding, Subsidiary and Associate Companies

| Sl No. | Name and Address of the Company | CIN / GLN | Holding / Subsidiary/ Associate | % Share Held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Sobha Developers (Pune) Limited<br><br>'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore - 560 103 | U45202KA2007PLC041761 | Subsidiary | 100 | Section 2(87) |
| 2 | Sobha Assets Private Limited<br><br>'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore - 560 103 | U70100KA2012PTC063003 | Subsidiary | 100 | Section 2(87) |
| 3 | Sobha Tambaram Developers Limited<br><br>Kothari Buildings, 1st Floor, 115, Nungambakkam High Road, Nungambakkam, Chennai - 600 034 | U45300TN1999PLC042927 | Subsidiary | 100 | Section 2(87) |
| 4 | Sobha Nandambakkam Developers Limited<br><br>Kothari Buildings, 1st Floor, 115, Nungambakkam High Road, Nungambakkam, Chennai - 600 034 | U45201TN2007PLC063187 | Subsidiary | 100 | Section 2(87) |
| 5 | Sobha Highrise Ventures Private Limited<br><br>'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore - 560 103 | U70100KA2012PTC064148 | Subsidiary* | 50 | - |

*Sobha Highrise Ventures Private Limited (CIN: U70100KA2012PTC064148) is a subsidiary of the Company in terms of Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and not under the provisions of the Companies Act, 2013.

## IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

### i. Category-Wise Shareholding

| Category of ShareholdersDemat | | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A 1** | **Indian Promoters** | | | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | - | - | - | - | - | - | - | - | - |
| (b) | Central Government/ State Government(s) | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Banks / Financial Institutions | - | - | - | - | - | - | - | - | - |
| (e) | Any Others(Specify) | | | | | | | | | |
| (e) (i) | Relative of Promoter | 45,000 | - | 45,000 | 0.04 | 45,000 | - | 45,000 | 0.04 | 0.00 |
| **Sub Total(A)(1)** | | **45,000** | **-** | **45,000** | **0.04** | **45,000** | **-** | **45,000** | **0.04** | **0.00** |
| **A 2** | **Foreign Promoters** | | | | | | | | | |
| (a) | NRIs – Individuals | - | - | - | - | - | - | - | - | - |
| (b) | Other - Individuals | 59,364,300 | - | 59,364,300 | 60.54 | 59,364,300 | - | 59,364,300 | 60.54 | 0.00 |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Banks/ Financial Institutions | - | - | - | - | - | - | - | - | - |
| (e) | Any Others(Specify) | | | | | | | | | |
| **Sub Total(A)(2)** | | **59,364,300** | **-** | **59,364,300** | **60.54** | **59,364,300** | **-** | **59,364,300** | **60.54** | **0.00** |
| **Total Shareholding of Promoter (A)= (A)(1)+(A)(2)** | | **59,409,300** | **-** | **59,409,300** | **60.58** | **59,409,300** | **-** | **59,409,300** | **60.58** | **0.00** |
| **(B)** | **Public shareholding** | | | | | | | | | |
| **1** | **Institutions** | | | | | | | | | |
| (a) | Mutual Funds | 3,436,032 | - | 3,436,032 | 3.50 | 4,502,235 | - | 4,502,235 | 4.59 | 1.09 |
| (b) | Banks/ Financial Institutions | 546,772 | - | 546,772 | 0.56 | 549,671 | - | 549,671 | 0.56 | 0.00 |
| (c) | Central Government | - | - | - | - | - | - | - | - | - |
| (d) | State Government(s) | - | - | - | - | - | - | - | - | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Companies | 53,272 | - | 53,272 | 0.05 | 53,272 | - | 53,272 | 0.05 | 0.00 |

| | Category of ShareholdersDemat | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (g) | Foreign Institutional Investors | 21,381,673 | - | 21,381,673 | 21.80 | 7,964,236 | - | 7,964,236 | 8.12 | (13.68) |
| (h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (i) | Any Other (specify) | | | | | | | | | |
| (i) (i) | Foreign Portfolio Investors (Corporate) | 9,707,666 | - | 9,707,666 | 9.90 | 20,840,702 | - | 20,840,702 | 21.25 | 11.35 |
| **Sub-Total (B)(1)** | | **35,125,415** | **-** | **35,125,415** | **35.82** | **33,910,116** | **-** | **33,910,116** | **34.57** | **(1.24)** |
| **2** | **Non-institutions** | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i. | Indian | 850,518 | 20 | 850,538 | 0.87 | 789,840 | 20 | 789,860 | 0.81 | (0.06) |
| ii. | Overseas | 11 | - | 11 | 0.00 | 11 | - | 11 | 0.00 | 0.00 |
| (b) | Individuals | | | | | | | | | |
| i | Individual shareholders holding nominal share capital up to Rs 1 lakh | 1,922,450 | 103 | 1,922,553 | 1.96 | 2,450,257 | 113 | 2,450,370 | 2.50 | 0.54 |
| ii | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 166,856 | - | 166,856 | 0.17 | 310,444 | - | 310,444 | 0.32 | 0.15 |
| (c) | Any Other (specify) | | | | | | | | | |
| i | Independent Directors | 20,635 | - | 20,635 | 0.02 | 20,635 | - | 20,635 | 0.02 | 0.00 |
| ii | Clearing Member | 109,132 | - | 109,132 | 0.11 | 680,637 | - | 680,637 | 0.69 | 0.58 |
| iii | Trusts | 1,699 | - | 1,699 | 0.00 | 1,699 | - | 1,699 | 0.00 | 0.00 |
| iv | Non Resident Indians (Repatriable) | 309,801 | - | 309,801 | 0.32 | 255,881 | - | 255,881 | 0.26 | (0.06) |
| v | Non Resident Indians (Non-Repatriable) | 29,810 | - | 29,810 | 0.03 | 43,458 | - | 43,458 | 0.04 | 0.01 |
| vi | Office Bearers | 118,073 | 45 | 118,118 | 0.12 | 117,467 | 45 | 117,512 | 0.12 | 0.00 |
| Vii | Hindu Undivided Family (HUF) | - | - | - | - | 73,945 | - | 73,945 | 0.08 | 0.08 |
| **Sub-Total (B)(2)** | | **3,528,985** | **168** | **3,529,153** | **3.60** | **4,744,274** | **178** | **4,744,452** | **4.84** | **1.24** |
| **(B)** | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **38,654,400** | **168** | **38,654,568** | **39.42** | **38,654,390** | **178** | **38,654,568** | **39.42** | **0.00** |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | - | - | - | - | - | - | - | - | - |
| **GRAND TOTAL (A)+(B)+(C)** | | **98,063,700** | **168** | **98,063,868** | **100** | **98,063,690** | **178** | **98,063,868** | **100** | **-** |

## ii. Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the Beginning of the year | | | Shareholding at the End of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of Total Shares of Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of Total Shares of Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Mrs. Sobha Menon | 41,348,421 | 42.16 | 10.91 | 41,348,421 | 42.16 | 0.71 | - |
| 2 | Mr. P N C Menon | 12,488,522 | 12.74 | 0.00 | 12,488,522 | 12.74 | 10.20 | - |
| 3 | Mr. P N C Menon jointly with Mrs. Sobha Menon | 5,494,407 | 5.60 | 0.00 | 5,494,407 | 5.60 | 0.00 | - |
| 4 | Mr. P N Haridas* | 45,000 | 0.05 | 0.00 | 45,000 | 0.05 | 0.00 | - |
| 5 | Mr. Ravi PNC Menon* | 32,950 | 0.03 | 0.00 | 32,950 | 0.03 | 0.00 | - |
| **Total** | | **59,409,300** | **60.58** | **10.91** | **59,409,300** | **60.58** | **10.91** | **-** |

*Members of 'Promoter Group' as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations , 2009 as amended from time to time.

## iii. Change in Promoters Shareholding

There was no change in the Promoters shareholding during the financial year 2015-16.

## iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRS and ADRS)

| | | Shareholding at the beginning and end of the year | | | | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| Sl No | For each of the Top 10 Shareholder | Number of Shares | % of Total No. of Shares | Date | Change in shareholding | Reason | Number of Shares | % of Total No. of Shares |
| 1. | Platinum Asia Fund | 6,198,567 | 6.32 | 1-Apr-2015 | | | | |
| | | | | 10-Apr-2015 | 426,649 | Market Purchase | 6,625,216 | 6.76 |
| | | | | 01-May-2015 | 113,132 | -do- | 6,738,348 | 6.87 |
| | | | | 08-May-2015 | 36,204 | -do- | 6,774,552 | 6.91 |
| | | 6,774552 | 6.91 | 31-Mar-2016 | | | | |
| 2. | Nordea 1 Sicav - Emerging Stars Equity Fund | 3,244,702 | 3.31 | 1-Apr-2015 | | | | |
| | | | | 1-May-2015 | (137,900) | Market Sale | 3,106,802 | 3.17 |
| | | | | 08-May-2015 | (401,667) | -do- | 2,705,135 | 2.76 |
| | | | | 22-May-2015 | 36,640 | Market Purchase | 2,741,775 | 2.80 |
| | | | | 29-May-2015 | 148,000 | -do- | 2,889,775 | 2.95 |
| | | | | 24-Jul-2015 | 88,292 | -do- | 2,978,067 | 3.04 |
| | | | | 14-Aug-2015 | 333,429 | -do- | 3,311,496 | 3.38 |
| | | | | 18-Sep-2015 | 339,925 | -do- | 3,644,421 | 3.72 |
| | | | | 16-Oct-2015 | 273,856 | -do- | 3,918,277 | 4.00 |
| | | | | 06-Nov-2015 | 130,151 | -do- | 4,048,428 | 4.13 |
| | | | | 20-Nov-2015 | 165,157 | -do- | 4,213,585 | 4.30 |
| | | | | 11-Dec-2015 | 110,663 | -do- | 4,324,248 | 4.41 |
| | | | | 29-Jan-2016 | 195,879 | -do- | 4,520,127 | 4.61 |
| | | | | 05-Feb-2016 | 240,300 | -do- | 4,760,427 | 4.85 |
| | | | | 12-Feb-2016 | 9,700 | -do- | 4,770,127 | 4.86 |
| | | | | 18-Mar-2016 | 137,265 | -do- | 4,907,392 | 5.00 |
| | | | | 25-Mar-2016 | 150,956 | -do- | 5,058,348 | 5.16 |
| | | 5,111,191 | 5.21 | 31-Mar-2016 | | | | |
| 3. | Franklin Templeton Mutual Fund A/C Franklin India Prima Fund | 912,437 | 0.93 | 1-Apr-2015 | | | | |
| | | | | 17-Apr-2015 | (12,528) | Market sale | 899,909 | 0.92 |
| | | | | 19-Jun-2015 | 50,000 | Market Purchase | 949,909 | 0.97 |
| | | | | 26-Jun-2015 | 200,000 | -do- | 1,149,909 | 1.17 |
| | | | | 30-Jun-2015 | 50,000 | -do- | 1,199,909 | 1.22 |
| | | | | 10-Jul-2015 | 200,000 | -do- | 1,399,909 | 1.43 |
| | | | | 17-Jul-2015 | 50,000 | -do- | 1,449,909 | 1.48 |
| | | | | 7-Aug-2015 | 25,000 | -do- | 1,474,909 | 1.50 |
| | | 1,474,909 | 1.50 | 31-Mar-2016 | | | | |
| | Franklin India Smaller Companies Fund | 570,583 | 0.58 | 1-Apr-2015 | | | | |
| | | | | 1-May-2015 | 20,000 | Market Purchase | 590,583 | 0.60 |
| | | | | 19-Jun-2015 | 20,000 | -do- | 610,583 | 0.62 |
| | | | | 26-Jun-2015 | 200,000 | -do- | 810,583 | 0.83 |
| | | | | 30-Jun-2015 | 50,000 | -do- | 860,583 | 0.88 |
| | | | | 3-Jul-2015 | 39,992 | -do- | 900,575 | 0.92 |
| | | | | 10-Jul-2015 | 10,008 | -do- | 910,583 | 0.93 |
| | | | | 17-Jul-2015 | 88,172 | -do- | 998,755 | 1.02 |
| | | | | 31-Jul-2015 | 74,026 | -do- | 1,072,781 | 1.09 |
| | | | | 7-Aug-2015 | 50,689 | -do- | 1,123,470 | 1.15 |
| | | | | 31-Dec-2015 | 1,00,000 | -do- | 1,223,470 | 1.25 |
| | | 1,223,470 | 1.25 | 31-Mar-2016 | | | | |
| | Franklin Templeton Mutual Fund A/C Franklin India Opportunities Fund | - | - | 1-Apr-2015 | | | | |
| | | | | 26-Jun-2015 | 100,000 | Market Purchase | 100,000 | 0.10 |
| | | | | 30-Jun-2015 | 50,000 | -do- | 150,000 | 0.15 |
| | | | | 10-Jul-2015 | 50,000 | -do- | 200,000 | 0.20 |
| | | | | 17-Jul-2015 | 20,000 | -do- | 220,000 | 0.22 |
| | | | | 31-Jul-2015 | 19,611 | -do- | 239,611 | 0.24 |
| | | | | 7-Aug-2015 | 5,344 | -do- | 244,955 | 0.25 |
| | | 244,955 | 0.25 | 31-Mar-2016 | | | | |

| Sl No | For each of the Top 10 Shareholder | Shareholding at the beginning and end of the year | | Date | Change in shareholding | Reason | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | Number of Shares | % of Total No. of Shares | | | | Number of Shares | % of Total No. of Shares |
| 4. | Ntasian Discovery Master Fund | 2,473,684 | 2.52 | 1-Apr-2015 | | | | |
| | | | | 18-Sep-2015 | 970,000 | Market Purchase | 3,443,684 | 3.51 |
| | | | | 18-Mar-2016 | (92,000) | Market Sale | 3,351,684 | 3.42 |
| | | | | 25-Mar-2016 | (117,589) | -do- | 3,234,095 | 3.30 |
| | | 2,756,095 | 2.81 | 31-Mar-2016 | (478,000) | -do- | 2,756,095 | 2.81 |
| 5. | College Retirement Equities Fund – Stock Account | 595,645 | 0.61 | 1-Apr-2015 | | | | |
| | | | | 5-Jun-2015 | (8,099) | Market Sale | 587,546 | 0.60 |
| | | | | 16-Oct-2015 | 87,446 | Market Purchase | 674,992 | 0.69 |
| | | | | 23-Oct-2015 | 260,261 | -do- | 935,253 | 0.95 |
| | | | | 30-Oct-2015 | 183,021 | -do- | 1,118,274 | 1.14 |
| | | | | 06-Nov-2015 | 50,104 | -do- | 1,168,378 | 1.19 |
| | | | | 13-Nov-2015 | 11,901 | -do- | 1,180,279 | 1.20 |
| | | | | 20-Nov-2015 | 111,820 | -do- | 1,292,099 | 1.32 |
| | | | | 12-Feb-2016 | 6,290 | -do- | 1,298,389 | 1.32 |
| | | | | 18-Mar-2016 | (13,287) | Market Sale | 1,285,102 | 1.31 |
| | | | | 25-Mar-2016 | 53,199 | Market Purchase | 1,338,301 | 1.36 |
| | | 1,361,074 | 1.39 | 31-Mar-2016 | 22,773 | -do- | 1,361,074 | 1.39 |
| | College Retirement Equities Fund – Global Equities Account | - | - | 1-Apr-2015 | | | | |
| | | | | 16-Oct-2015 | 42,453 | Market Purchase | 42,453 | 0.04 |
| | | | | 23-Oct-2015 | 118,250 | -do- | 160,703 | 0.16 |
| | | | | 30-Oct-2015 | 83,154 | -do- | 243,857 | 0.25 |
| | | | | 6-Nov-2015 | 22,764 | -do- | 266,621 | 0.27 |
| | | | | 13-Nov-2015 | 5,407 | -do- | 272,028 | 0.28 |
| | | | | 20-Nov-2015 | 50,804 | -do- | 322,832 | 0.33 |
| | | 322,832 | 0.33 | 31-Mar-2016 | | | | |
| 6. | Schroder International Selection Fund Emerging Asia | 1,672,398 | 1.70 | 1-Apr-2015 | - | - | 1,672,398 | 1.71 |
| | | 1,672,398 | 1.70 | 31-Mar-2016 | | | | |
| 7. | ICICI Prudential Balanced Advantage Fund | - | - | 1-Apr-2015 | | | | |
| | | | | 7-Aug-2015 | 144,862 | Market Purchase | 144,862 | 0.15 |
| | | | | 21-Aug-2015 | 400,000 | -do- | 544,862 | 0.56 |
| | | | | 28-Aug-2015 | 25,090 | -do- | 569,952 | 0.58 |
| | | | | 30-Sep-2015 | 114,761 | -do- | 684,713 | 0.70 |
| | | | | 09-Oct-2015 | 48,017 | -do- | 732,730 | 0.75 |
| | | | | 30-Oct-2015 | 104,750 | -do- | 837,480 | 0.85 |
| | | | | 6-Nov-2015 | 480,908 | -do- | 1,318,388 | 1.34 |
| | | | | 4-Dec-2015 | 14,340 | -do- | 1,332,728 | 1.36 |
| | | | | 11-Dec-2015 | 77,934 | -do- | 1,410,662 | 1.44 |
| | | | | 18-Dec-2015 | 47,683 | -do- | 1,458,345 | 1.49 |
| | | | | 25-Dec-2015 | 10 | -do- | 1,458,355 | 1.49 |
| | | 1,458,355 | 1.49 | 31-Mar-2016 | | | | |

| Sl No | For each of the Top 10 Shareholder | Shareholding at the beginning and end of the year | | Date | Change in shareholding | Reason | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | Number of Shares | % of Total No. of Shares | | | | Number of Shares | % of Total No. of Shares |
| 8. | Dimensional Emerging Markets Value Fund | 778,064 | 0.79 | 1-Apr-2015 | | | | |
| | | | | 10-Apr-2015 | 4,264 | Market Purchase | 782,328 | 0.80 |
| | | | | 17-Apr-2015 | 3,306 | -do- | 785,634 | 0.80 |
| | | | | 15-May-2015 | 4,714 | -do- | 790,348 | 0.81 |
| | | | | 22-May-2015 | 5,958 | -do- | 796,306 | 0.81 |
| | | | | 29-May-2015 | 2,354 | -do- | 798,660 | 0.81 |
| | | | | 19-Jun-2015 | 2,858 | -do- | 801,518 | 0.82 |
| | | | | 30-Jun-2015 | 5,477 | -do- | 806,995 | 0.82 |
| | | | | 3-Jul-2015 | 6,955 | -do- | 813,950 | 0.83 |
| | | | | 10-Jul-2015 | 7,343 | -do- | 821,293 | 0.84 |
| | | | | 18-Dec-2015 | (6,061) | Market Sale | 815,232 | 0.83 |
| | | | | 05-Feb-2016 | 2,746 | Market Purchase | 817,976 | 0.83 |
| | | | | 19-Feb-2016 | 3,328 | -do- | 821,304 | 0.84 |
| | | | | 11-Mar-2016 | 4,491 | -do- | 825,795 | 0.84 |
| | | 825,795 | 0.84 | 31-Mar-2016 | | | | |
| 9. | Invesco Asia Trust PLC | - | - | 1-Apr-2015 | | | | |
| | | | | 8-May-2015 | 354,610 | Market Purchase | 354,610 | 0.36 |
| | | | | 15-May-2015 | 103,117 | -do- | 457,727 | 0.47 |
| | | | | 30-Jun-2015 | 53,265 | -do- | 510,992 | 0.52 |
| | | | | 24-Jul-2015 | 144,340 | -do- | 655,332 | 0.67 |
| | | | | 28-Aug-2015 | 52,945 | -do- | 708,277 | 0.72 |
| | | | | 11-Sep-2015 | 57,422 | -do- | 765,699 | 0.78 |
| | | | | 30-Sep-2015 | 21,344 | -do- | 787,043 | 0.80 |
| | | | | 09-Oct-2015 | 167 | -do- | 787,210 | 0.80 |
| | | 787,210 | 0.80 | 31-Mar-2016 | | | | |
| 10. | TIAA-CREF Funds - TIAA-CREF Emerging Markets Equity Fund | - | - | 1-Apr-2015 | | | | |
| | | | | 16-Oct-2015 | 57,534 | Market Purchase | 57,534 | 0.06 |
| | | | | 23-Oct-2015 | 191,396 | -do- | 248,930 | 0.25 |
| | | | | 30-Oct-2015 | 134,590 | -do- | 383,520 | 0.39 |
| | | | | 06-Nov-2015 | 36,845 | -do- | 420,365 | 0.43 |
| | | | | 13-Nov-2015 | 8,753 | -do- | 429,118 | 0.44 |
| | | | | 20-Nov-2015 | 82,229 | -do- | 511,347 | 0.52 |
| | | | | 12-Feb-2016 | 53,959 | -do- | 565,306 | 0.58 |
| | | | | 25-Mar-2016 | 123,252 | -do- | 688,558 | 0.70 |
| | | 749,797 | 0.76 | 31-Mar-2016 | 61,239 | -do- | 749,797 | 0.76 |

## V. Shareholding of Directors and Key Managerial Personnel

| | | Shareholding at the beginning and end of the year | | | | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| Sl No | For each of the Directors and KMP | Number of Shares | % of Total No. of Shares | Date | Change in shareholding | Reason | Number of Shares | % of Total No. of Shares |
| 1 | Mr. Ravi PNC Menon<br>Chairman | 32,950 | 0.03 | 01/04/2015 | No change | Not Applicable | 32,950 | 0.03 |
| | | 32,950 | 0.03 | 31/03/2016 | | | | |
| 2 | Mr. J C Sharma<br>Vice Chairman and Managing Director | 90,015 | 0.09 | 01/04/2015 | No change | Not Applicable | 90,015 | 0.09 |
| | | 90,015 | 0.09 | 31/03/2016 | | | | |
| 3 | Mr. P Ramakrishnan<br>Deputy Managing Director | - | - | 01/04/2015 | No change | Not Applicable | - | - |
| | | - | - | 31/03/2016 | | | | |
| 4 | Mr. M Damodaran<br>Non-Executive Independent Director | - | - | 01/04/2015 | No change | Not Applicable | - | - |
| | | - | - | 31/03/2016 | | | | |
| 5 | Dr. S K Gupta #<br>Non-Executive Independent Director | 1,335 | 0.00 | 01/04/2015 | No change | Not Applicable | 1,335 | 0.00 |
| | | 1,335 | 0.00 | 31/03/2016 | | | | |
| 6 | Mr. R V S Rao<br>Non-Executive Independent Director | 15,000 | 0.01 | 01/04/2015 | No change | Not Applicable | 15,000 | 0.01 |
| | | 15,000 | 0.01 | 31/03/2016 | | | | |
| 7 | Mr. Anup Shah #<br>Non-Executive Independent Director | 4,300 | 0.00 | 01/04/2015 | No change | Not Applicable | 4,300 | 0.00 |
| | | 4,300 | 0.00 | 31/03/2016 | | | | |
| 8 | Dr. Punita Kumar-Sinha<br>Non-Executive Independent Director | - | - | 01/04/2015 | No change | Not Applicable | - | - |
| | | - | - | 31/03/2016 | | | | |
| 9 | Mr. Subhash Mohan Bhat #<br>Chief Financial Officer | 130 | 0.00 | 01/04/2015 | No change | Not Applicable | 130 | 0.00 |
| | | 130 | 0.00 | 31/03/2016 | | | | |
| 10 | Mr. Kishore Kayarat<br>Company Secretary and Compliance Officer | - | - | 01/04/2015 | No change | Not Applicable | - | - |
| | | - | - | 31/03/2016 | | | | |

# Shareholding less than 0.01%

## VI. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in million

| | | Secured Loan excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|---|
| **Indebtness at the beginning of the financial year** | | | | | |
| (i) | Principal Amount | 16,238 | 2,300 | - | 18,538 |
| (ii) | Interest Accrued but not paid | - | - | - | - |
| (iii) | Interest Accrued but not due | 33 | 10 | - | 43 |
| **Total (i + ii + iii)** | | **16,271** | **2,310** | **-** | **18,581** |
| **Change in Indebtedness during the financial year** | | | | | |
| • | Addition | 13,236 | - | - | 13,236 |
| • | Reduction | 9,781 | 281 | - | 10,062 |
| **Net Change** | | **3,455** | **(281)** | **-** | **3,173** |
| **Indebtedness at the end of the financial year** | | | | | |
| (i) | Principal Amount | 19,693 | 2,019 | - | 21,711 |
| (ii) | Interest Accrued but not paid | - | - | - | - |
| (iii) | Interest Accrued but not due | 229 | 16 | - | 245 |
| **Total (i + ii + iii)** | | **19,921** | **2,034** | **-** | **21,956** |

## VII. Remuneration of Directors and Key Managerial Personnel

### A Remuneration to Managing Director, Whole-Time Directors and / or Manager

| Sl No | Particulars of Remuneration | Name of MD / WTD / Manager | | | Total Amount ₹ in million |
|---|---|---|---|---|---|
| | | Mr. Ravi PNC Menon | Mr. J C Sharma | Mr. P Ramakrishnan | |
| 1. | **Gross salary** | | | | |
| | (a) Salary as per provisions contained in the section 17 (1) of the Income Tax Act, 1961 | 45.07 | 10.30 | 8.31 | **63.68** |
| | (b) Value of Perquisites under section 17 (2) of the Income Tax Act, 1961 | 1.69 | 0.04 | 0.04 | **1.77** |
| | (c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961 | - | - | - | **-** |
| 2. | **Stock Option** | - | - | - | **-** |
| 3. | **Sweat Equity** | - | - | - | **-** |
| 4. | **Commission** | | | | |
| | • as % of Profit | 30.68 | 30.68 | - | **61.35** |
| | • Others | - | - | - | **-** |
| 5. | **Others** – Contribution to Provident Fund | 3.38 | 0.02 | 0.02 | **3.42** |
| | **Total (A)** | **80.81** | **41.04** | **8.37** | **130.22** |
| | **Ceiling as per the Act** | 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e. ₹ 265.35 Million | | | |

## B. Remuneration to other Directors

| Sl No. | Particulars of Remuneration | Name of Directors: Mr. M Damodaran | Dr. S K Gupta | Mr. R V S Rao | Mr. Anup Shah | Dr. Punita Kumar-Sinha | Total Amount ₹ in million |
|---|---|---|---|---|---|---|---|
| 1. | **Independent Directors** | | | | | | |
| | • Fee for attending Board / Committee Meetings | 0.06 | 0.15 | 0.14 | 0.19 | 0.08 | 0.62 |
| | • Commission | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 7.50 |
| | • Others | - | - | - | - | - | |
| **Total (1)** | | **1.56** | **1.65** | **1.64** | **1.69** | **1.58** | **8.12** |
| 2. | **Other Non – Executive Directors** | | | | | | |
| | • Fee for attending Board / Committee Meetings | - | - | - | - | - | - |
| | • Commission | - | - | - | - | - | - |
| | • Others | - | - | - | - | - | - |
| **Total (2)** | | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total (B)=(1+2)** | | **1.56** | **1.65** | **1.64** | **1.69** | **1.58** | **8.12** |
| **Total Managerial Remuneration*** | | | | | | | **138.34** |
| **Overall Ceiling as per the Act** | | Overall Managerial Remuneration: 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e. ₹ 291.88 Million<br>Non-Executive Directors: 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e. ₹ 26.53 Million | | | | | |

*Total Managerial Remuneration = Total (A) + Total (B)

## C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

| Sl No. | Particulars of Remuneration | Key Managerial Personnel: Mr. Subhash Mohan Bhat Chief Financial Officer | Mr. Kishore Kayarat Company Secretary and Compliance Officer | Total Amount ₹ in million |
|---|---|---|---|---|
| 1. | **Gross salary** | | | |
| | (a) Salary as per provisions contained in the section 17 (1) of the Income Tax Act, 1961 | 8.00 | 2.76 | **10.76** |
| | (b) Value of Perquisites under section 17 (2) of the Income Tax Act, 1961 | - | - | **-** |
| | (c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961 | - | - | **-** |
| 2. | **Stock Option** | - | - | **-** |
| 3. | **Sweat Equity** | - | - | **-** |
| 4. | **Commission** | | | |
| | • As % of Profit | - | - | **-** |
| | • Others (Specify) | - | - | **-** |
| 5. | **Others** – Contribution to Provident Fund | 0.02 | 0.02 | **0.04** |
| **Total** | | **8.02** | **2.78** | **10.80** |

## VIII. Penalties / Punishments / Compounding of Offences

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT / COURT) | Appeal made, if any (give details) |
|---|---|---|---|---|---|
| **A. Company** | | | | | |
| Penalty | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |
| **B. Directors** | | | | | |
| Penalty | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |
| **C.Other Officers in Default** | | | | | |
| Penalty | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |

# Annexure E

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

(Pursuant to section 134 of the Act and Rule 8(3) of the Companies (Accounts) Rules, 2014)

## A. Conservation of Energy

i. **Steps taken or impact on conservation of energy**

The Company has adopted the following energy conservation measures:

a. Use of energy efficient lamps, control gears, ballast VFDs highly efficient motors and PV cells

b. Use of CFLs, fluorescent tubes, metal halide and LEDs in the common areas of residential projects

c. Use of external street light fixtures with timers

d. Use of lighting software in the design stage of our projects

e. Use of daylight sensors and occupancy sensors with dimmable ballasts

f. Use of best quality wires, cables, switches and low self power loss breakers

g. Following standard specifications like colour codes, independent neutral and earthing for each circuit to curb energy leakage

h. Use of low- loss electronic ballast

i. Selection of high efficiency transformers, DG sets and other equipments

j. Introduction of auto-correction power factor capacitor panels and harmonic filters

k. The use of separate energy meters for major common area loads so that power consumption can be monitored and efforts can be made to minimise the same

l. Use of energy efficient lifts with group control in residential projects

ii. **Steps taken by the Company for utilizing alternative sources of energy**

a. Provision of back-up solar power for lighting in residential projects

b. Use of heat pumps and solar water heaters instead of geysers to reduce power consumption

iii. **Capital investment on energy conservation equipments**

The Company continues to make project level investments for reduction in consumption of energy and capital investment on energy conservation equipments cannot be quantified.

## B. Technology Absorption

i. **Efforts made towards technology absorption**

The Company uses German tools, waterproofing techniques and follows European standards in all its construction activities. Sobha uses both indigenous and imported technologies for implementation at all its projects. The Company has taken the following initiatives in the area of technology:

1. Introduction of laser plummets for accurate marking
2. Introduction of "Scaff board" for safety of workforce who work at heights
3. Software for BBS to generate fast and accurate bar bending schedules
4. "Grab & Trolley" for block shifting
5. "Debris Crusher" for crushing & recycling the debris generated at the site
6. Instead of cast - insitu coping for the terrace parapet and compound walls, precast methodology has been introduced and implemented
7. Adoption of power feeders for spindle machine instead of manual feeding.

The Company derives benefits in the form of cost reduction, fewer customer complaints, and better quality of the end products. The above initiations and implementations have been made after continuous market research - trial and testing for quality, durability and compatibility in consideration of cost and time for developing new systems and better technologies at par with international standards.

**ii. Imported Technology**

No technology was imported by the Company during the last three financial years.

**iii. Expenditure incurred on Research and Development**

The Company had carried out R&D in the following areas:

1. 'Ready Mixed Concrete Batching Plant Audit' for Vendor Evaluation
2. Materials testing & validation of the construction materials used on site to check their quality, durability, and compatibility
3. Pile Integrity Test for qualitative evaluation of the physical dimensions (cross sectional variation), soundness or defects of the piles concrete with respect to its continuity
4. Introduction of 'Lightweight Deflectometer' for measuring the deflection modulus of sub grade/ sub soils and unbound base layers
5. Introduction of 'Block Testing Plates' for testing blocks at sites
6. Introduction of 'Lift Well' gate for fall protection into the lift pits or shafts
7. Introduction of 'Laser Plummet' for maintaining verticality of columns and buildings
8. Raised floor system in terraces to prevent direct heat transmission from the roof slab and to protect water resistance treatment of roofs for longer duration
9. Introduction of tile round cutting using mini drilling machine and tile holesaw cutter to get a perfect round finish
10. Wooden / Bamboo textered glass reinforced concrete cladding panels which is lightweight when compared to conventional concrete
11. Physical measurement technique tools software to measure and analyze elevator ride quality, vibration & sound.
12. Epoxy flooring applied to concrete for protection, aesthetic enhancement, strong adhesion, long lasting, rustproof, waterproof, heat resistant, salt and acid resistance.

**Benefits derived as a result of the above R&D**

The benefits derived from the above ensure that the final product delivered by the Company conforms to international standards.

## Future plan of action

The success of R&D initiatives in the construction industry primarily depends on the selection of the right method of construction, type of machines and kind of materials. It also depends on integrating the planning and training process within the Company and it has to be understood as an ongoing process.

**Expenditure on R&D**

The R & D activity of the Company forms part of project implementation and cannot be quantified.

## C. Foreign Exchange Earnings and Outgo

| | |
|---|---|
| Total expenditure in foreign exchange | ₹ 883.78 million |
| Total income in foreign exchange | Nil |

# Annexure F

## Remuneration Details of Directors and Employees

(Pursuant to section 134 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

i. Ratio of remuneration of each director to the median remuneration of the employees and percentage increase in remuneration

| Sl No. | Name of Director / KMP | Designation | Ratio of Remuneration to Median Remuneration[1] | % Increase in Remuneration Y-O-Y | Comparison of KMP remuneration against the Company's performance |
|---|---|---|---|---|---|
| 1 | Mr. Ravi PNC Menon | Chairman | 223 | (17.40) | The revenues decreased by 24.28%, the Profit before Tax and Profit after Tax have declined by 15.99% and 31.23% respectively on a standalone basis. On a consolidated basis, the revenues were lower by 23.50%, the Profit before Tax by 24.42% and Profit after Tax by 35.60% as compared to the previous financial year 2014-15. |
| 2 | Mr. J C Sharma | Vice Chairman & Managing Director | 116 | (28.80) | |
| 3 | Mr. P Ramakrishnan | Deputy Managing Director | 24 | (9.10) | |
| 4 | Mr. M Damodaran | Independent Director | 4 | No Change | Not Applicable |
| 5 | Dr. S K Gupta | Independent Director | 4 | No Change | |
| 6 | Mr. R V S Rao | Independent Director | 4 | No Change | |
| 7 | Dr. Punita Kumar-Sinha[2] | Independent Director | 4 | - | |
| 8 | Mr. Anup Shah | Independent Director | 4 | No Change | |
| 9 | Mr. Subhash Mohan Bhat[3] | Chief Financial Officer | 23 | - | The revenues decreased by 24.28%, the Profit before Tax and Profit after Tax have declined by 15.99% and 31.23% respectively on a standalone basis. On a consolidated basis, the revenues were lower by 23.50%, the Profit before Tax by 24.42% and Profit after Tax by 35.60% as compared to the previous financial year 2014-15. |
| 10 | Mr. Kishore Kayarat | Company Secretary & Compliance Officer | 8 | 8 | |

1. The median remuneration of employees during the financial year was ₹ 354,144 (Rupees Three Lakhs Fifty Four Thousand One Hundred and Forty Four only)

2. % increase in remuneration is not provided as Dr. Punita Kumar – Sinha was appointed as a director on October 06, 2014 and was not associated with the Company for the entire financial year 2014-15.

3. % increase in remuneration is not provided as Mr. Subhash Mohan Bhat was appointed as a Chief Financial Officer with effect from February 16, 2015 and was not in employment of the Company for the entire financial year 2014-15.

ii. The percentage increase in the median remuneration of employees in the financial year 2015-16 was 7.92%.

iii. The number of permanent employees on the rolls of Company as on March 31, 2016 was 2,724.

iv. The average increase in median remuneration during the financial year 2015-16 was 4.65%. During the same period, the revenues have decreased by 24.28%, the Profit before Tax and Profit after Tax have declined by 15.99% and 31.23% respectively on a standalone basis. On a consolidated basis, the revenues were lower by 23.50%, the Profit before Tax by 24.42% and Profit after Tax by 35.60% as compared to the previous financial year 2014-15.

v. During fiscal 2016, the aggregate remuneration of Key Managerial Personnel decreased from ₹ 176.26 million to ₹ 139.29 million, a decrease of 20.97%. The performance of the Company during the financial year 2015-16 is detailed in point (iv) above. Key Managerial Personnel includes the Whole-time Directors, Chief Financial officer and Company Secretary and Compliance Officer.

vi. The closing price of the equity shares of the Company on the National Stock Exchange of India as on March 31, 2016 was ₹ 273.95, a decrease of 57% over the issue price during the Initial Public Offering in December 2006 and an increase of 31% over the issue price during the Qualified Institutional Placement in July 2009.

| | **As on 31.03.2016** | **As on 31.03.2015** | **% Change** |
|---|---|---|---|
| Market Capitalisation (₹ in million) | 26,864.60 | 39,426.58 | (31.86) |
| Price Earnings Ratio (on standalone basis) | 19.62 | 19.80 | (0.91) |

vii. Average percentile increase in the salaries of employees other than the managerial personnel during 2015-16 was 6.06%. The percentile decrease in the managerial remuneration during the same period was 20.97%. The percentile decrease in the managerial remuneration was on account of the variable component of remuneration payable to the managerial personnel as per the terms and conditions of their appointment.

viii. The key parameters for any variable component of remuneration availed by the directors: The Whole-time Directors are entitled to receive a fixed salary comprising of basic salary, allowances and perquisites. They are also eligible for performance incentives up to a specified percentage or amount as the case may be. The break-up of the remuneration is provided in the Corporate Governance Report forming part of the Annual Report.

ix. There was no employee whose remuneration was in excess of the remuneration of the highest paid director during the financial year.

x. The remuneration is as per the Nomination and Remuneration Policy formulated by the Nomination, Remuneration and Governance Committee and approved by the Board of Directors of the Company.

# Statement pursuant to Section 134 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

| Sl. No | Name | Age | Designation | Nature of Employment (Contractual or otherwise) | Gross Remuneration ₹ | Qualification | Experience (Years) | Date of commencement of Employment | Previous Employment held |
|---|---|---|---|---|---|---|---|---|---|
| **(A) Employed throughout the financial year** | | | | | | | | | |
| 1 | Mr. Ravi PNC Menon | 35 | Chairman | Permanent Employee | 80,814,945 | B.S.C.E | 12 | 08.06.2004 | - |
| 2 | Mr. J.C. Sharma | 58 | Vice Chairman and Managing Director | Permanent Employee | 41,037,756 | B.Com (Hons), ACA, ACS | 34 | 01.06.2001 | Grasim Industries Limited |
| 3 | Mr. P. Ramakrishnan | 53 | Deputy Managing Director | Permanent Employee | 8,366,200 | BE, MBA | 33 | 15.03.2007 | Enares Infranet Private Limited |
| 4 | Mr. Jagadish Nangineni | 37 | Regional Head – New Delhi | Permanent Employee | 11,392,419 | B.Tech Civil, PGDM | 14 | 12.11.2009 | Greenbox Realty & Highstreet Capital |
| 5 | Mr. Varghese P V | 53 | Chief Executive Officer | Permanent Employee | 12,847,190 | B.Sc, B.Tech | 26 | 01.04.2006 | Sobha Glazing and Metal Works Private Limited |
| 6 | Mr. Subhash Mohan Bhat | 45 | Chief Financial Officer | Permanent Employee | 8,022,651 | B. Com, ACA, ACS, ACMA | 24 | 16.02.2015 | Schneider Electric IT Business India Private Limited |
| 7 | Mr. Sanjaya Sarathy TP | 57 | Regional Director – Chennai | Permanent Employee | 7,770,067 | B.Sc, ACA | 27 | 10.11.2006 | Service and Trade Company, Sultanate of Oman |
| 8 | Mr. Manfred Angrick | 62 | German Master Mason | Permanent Employee | 6,108,266 | Master Craftsman | 43 | 05.03.2008 | QFL, Weimar, Germany |
| 9 | Mr. Raju Balan | 45 | Executive Vice President | Permanent Employee | 6,212,440 | B.E | 24 | 01.03.2002 | Self Employed |
| 10 | Mr. Ajith Lal PG | 49 | Executive Vice President | Permanent Employee | 8,332,703 | B Tech Civil | 26 | 19.01.2004 | Gulf Erection Company, UAE |
| **(B) Employed for part of the financial year** | | | | | | | | | |
| 1 | Mr. Atul Padmakar Agharkar | 46 | Regional Head - Pune | Permanent Employee | 1,708,339 | BE | 22 | 23.12.2015 | Lodha Dwellers Private Limited |
| **(C) Employed for whole or part of the financial year** | | | | | | | | | |
| | | | | | None | | | | |

**Notes**

1. Gross Remuneration comprises salary, allowances, Company's contribution to provident fund and taxable value of perquisites.
2. An employee would be qualified to be included in Category (A) or (B) on the following basis:
   - For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 60,00,000 per annum.
   - For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹ 5,00,000 per month.
   - For (C), if the aggregate remuneration drawn by him during the year or part of the year was in excess of the remuneration drawn by the managing director or whole-time director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.
3. None of the employees mentioned above are relatives of any Director of the Company.
4. All the employees referred above are / were in full-time employment of the Company and there is no other employee who is in receipt of remuneration in terms of the provisions of Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014