



PASSION AT WORK

October 05, 2019

To

To The Deputy Manager Department of Corporate Services BSE Limited PJ Towers, Dalal Street Mumbai – 400 001 <b>Scrip Code : 532784</b>	To The Manager The National Stock Exchange of India Limited Exchange Plaza, Plot No C/1, G Block Bandra Kurla Complex Mumbai – 400 051 <b>Scrip Code : SOBHA</b>
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Dear Sir / Madam,

**Sub: Real Estate Operations Update for the quarter ended September 30, 2019**

With reference to the above captioned subject, please find enclosed a statement containing an update on the real estate operations of the Company for the quarter ended September 30, 2019.

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

Thanking You.

Yours sincerely,

**FOR SOBHA LIMITED**

A handwritten signature in black ink, appearing to read "Vighneshwar G Bhat".

**VIGHNESHWAR G BHAT  
COMPANY SECRETARY AND COMPLIANCE OFFICER**

**SOBHA LIMITED**

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## **SOBHA LIMITED**

### **REAL ESTATE OPERATIONAL UPDATE – Q2 FY 2019-20**

As we step into the 25<sup>th</sup> year of operations in the business, we feel immensely proud that our journey has witnessed commitment to the vision of our Chairman Emeritus **“To change the way people perceive Quality”**. We continue to deliver superior products to our customers. Our track record of being the reliable and trustworthy builder with several award-winning properties and thousands of satisfied customers across India speaks for itself. As we look into the future, we remain firmly committed towards creating urban living spaces, where people can live, work and play smart.

According to the RBI, India still remains the fastest growing major economy of the world. RBI projects a GDP growth rate of 6.1% for FY-20, while the growth prospects of the global economy remain tepid. Quarterly growth data as well as most high-frequency indicators show that the Indian economy is in the grip of an economic slowdown. Recent structural policy initiatives by the Government of India is expected to help in reversing the downturn trend noticed in last few quarters. These initiatives include corporate tax rate cut, withdrawal of angel tax provisions for start-ups, capital infusion to PSBs, NBFCs /and into HFCs, linking repo rate to interest rate, enabling banks to pass on rate cut effectively, collaboration between PSBs and NBFCs for optimal utilization of liquidity (with PSBs) and last mile connectivity (with NBFCs) to customers, GST refund within 60 days of application, UK Sinha recommendation of creating stressed assets fund, increased ADR / GDR access through DR scheme 2014, simplified KYC for both domestic retail and FIs and offshore rupee market.

The Union Budget for FY20 indicates the size of the Indian economy to be at USD 5 trillion in the next few years. The RBI in its October 2019 monetary policy review has reduced the repo rate by 25 basis points and kept its stance as accommodative. The cumulated reduction in 5 successive cuts stands at 135 basis points, bringing the repo rate down to 5.15%. The latest cut in the repo rate is more likely to make the retail loans cheaper as banks start giving loans linked to repo rate. This is expected to boost demand in the real estate sector.



Despite Government's efforts to revive the real estate sector to achieve its mission of "**HOUSING FOR ALL BY 2022**", overall sentiments have not improved. This has impacted the demand in the sector. Liquidity crisis still prevails in the Indian realty sector, which further weakens the demand. The benefit of 5 consecutive rate cuts by RBI is yet to be passed on to the corporate borrowers by banks/Financial institutions, as the banks are still struggling with their Non-Performing Assets (NPAs) and other issues and hence are reluctant to pass on the rate cut benefit to the borrowers.

In this background, we are happy to announce that we have achieved sustained operational performance during Q2-20, despite the prevailing environment in the sector. During the quarter, the company has achieved new sales volume of 1,036,340 square feet valued at Rs. 6.82 billion, with a total average realisation of Rs. 6,584 per square feet (SOBHA's share of sales value is at Rs 5.61 billion). The total sales volume is up by 5% in H1-20 as compared to H1-19.

During Q2-20, the company has launched SOBHA Blossom, a plotted development project in Chennai. This project is spread over 6.96 acres of land with saleable area of 0.18 million square feet. In total, we have launched 0.79 million square feet of projects during H1-20 of this financial year.

The operational performance was backed by good performance in Bengaluru supported by Chennai, Thrissur, GIFT City and Coimbatore. With flood water receding across the country and with the beginning of the festive season, we believe that second half of FY 2019-20 will be better than the first and will help us to improve our performance for the FY 2019-20.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "SOBHA Limited" at the top and "Bengaluru" at the bottom, with a small star symbol on the left side.



The summarized real estate performance for the quarter ended September 30, 2019 is given below:

**New Sales:**

**In Square Feet**

Location	Q2-20	Q2-19	Q1-20	H1-20	H1-19	FY-19
Bengaluru	781,686	702,072	743,479	1,525,165	1,315,016	2,767,789
Gurugram	35,782	132,875	66,183	101,965	235,065	351,242
Kochi	45,338	12,726	46,497	91,835	88,353	318,155
Mysore	14,588	61,881	49,020	63,608	111,252	180,662
Chennai	62,659	43,731	53,729	116,388	91,984	176,341
Coimbatore	18,615	46,807	14,846	33,461	77,811	112,805
Thrissur	26,576	17,247	23,198	49,773	44,647	66,380
Kozhikode	-	9,438	16,277	16,277	21,630	39,505
Pune	12,835	4,825	20,710	33,545	5,929	11,865
GIFT City	38,261	-	29,693	67,954	-	5,036
<b>Total</b>	<b>1,036,340</b>	<b>1,031,602</b>	<b>1,063,632</b>	<b>2,099,972</b>	<b>1,991,687</b>	<b>4,029,779</b>

**Sales Value and Price Realisation:**

Particulars	Q2-20	Q2-19	Q1-20	H1-20	H1-19	FY-19
<b>Total Sales value (Rs Million)</b>	6,823	7,408	7,777	14,600	15,032	31,225
<b>Total Average Price Realisation – Total (Rs / Square Feet)</b>	6,584	7,181	7,312	6,952	7,547	7,749
<b>Sales Value – Sobha Share (Rs Million)</b>	5,610	6,166	6,606	12,216	12,284	25,401





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**Investor Contact Details:**

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*Disclaimer: The information in this update contains certain forward-looking statements. These include statements regarding outlook on future development schedules, business plans and expectations of capital expenditure. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated by the Company.*

