



April 03, 2020

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 and year ended March 31, 2020**

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 and year ended March 31, 2020.

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

Yours sincerely,

**FOR SOBHA LIMITED**

A handwritten signature in blue ink that reads "Vighneshwar G Bhat".

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



## **SOBHA LIMITED**

### **REAL ESTATE OPERATIONAL UPDATE – Q4 FY 2019-20**

Global economy is witnessing an extraordinary challenge. COVID-19 is impacting the way world lives and operates, bringing unforeseen economic and social change. With continued lockdown of mega cities and semi-urban areas alike, business operations across industries have reached historical lows. Shareholders' wealth has been eroded by unprecedented levels, reminding us of the great depression of 1930's, the Y2K crisis, and the post subprime crisis of 2008-09. Nations around the globe have announced record stimulus packages to combat the ongoing health emergency, setting aside amounts up to 10% of their annual budgets.

While the Indian economy has done reasonably well with 5% GDP growth during last year, some of the developed countries heading towards recession, is a major deterrent in the performance of emerging economies in this largely globalised world. Series of measures announced by the Government of India during last year have helped the economy to cope up with the slowdown. Further, in the wake of macro-economic concerns arising out of health emergency, which are impacting the economic activities adversely, the Monetary Policy Committee preponed its April 2020 meeting. Following this, in the last week of March 2020, RBI Governor announced slew of measures to support the slowing economy and more such measures are expected from The Government in the coming months.

The COVID-19 situation remains fluid and uncertainty still looms on the possible economic impact of the outbreak. The global impact of COVID-19 on multiple sectors is already visible, including the Indian realty sector. The real estate sector was already going through adverse impact of liquidity crunch, a high inventory overhang and subdued demand conditions. The COVID-19 outbreak is expected to further worsen the weakness in the sector, with sales and collections expected to witness some moderation in the short term. However, reduced construction outflows, attributable to a slowdown in project execution activity, are expected to limit the overall decline in net cash flows, at least in the case of a short-term disruption. The three-month moratorium on term loan instalments announced by the RBI also provides comfort on overall developer cash flows during this period.

However, we strongly believe that there is a huge inherent demand in the housing sector in India due to attractive housing loan interest rates, various deductions available in income tax, RERA compliant projects and quality products. SOBHA believes that due to its unique backward integrated model, strong brand presence across major cities, on-time product delivery, sustainable business model, strong pipeline of future launches, sufficient sold and unsold inventory in ongoing projects, minimal completed unsold inventory, consistent margins, availability of sufficient liquidity from banks/FI's and availability of enough land bank for future growth, will be one of few companies in the sector to withstand this crisis and bounce back post COVID-19 crisis.



SOBHA continues to reap the benefits of its business mix of real estate and contractual verticals, as they continue to perform well.

The company continues to enjoy sufficient liquidity from the banking/financial institutions required to meet its working capital requirements for ongoing projects. As on date, SOBHA has sufficient undrawn approved bank limits to meet its obligations.

In this background, we are pleased to present our operational performance for Q4-20 and FY 19-20. For the FY 19-20 we have achieved the highest ever sales volume of 4,071,704 square feet despite tough macro and real estate sector conditions. During the quarter, the company has achieved new sales volume of 905,710 square feet valued at Rs 6.95 billion, with a total average realisation of Rs. 7,668 per square feet. During FY 19-20, we have delivered 4.60 million square feet of developable area. Sales volume for Q4-20 were impacted due to lockdown announced by Government. Despite that, we have been able to achieve some amount of sales during the lockdown period due to effective use of technology and innovative sales and marketing strategy.

Bengaluru has contributed 73% of total sales volume during Q4-20 along with meaningful contribution from other regions. Demand remains consistent in all the cities where we operate. Gurugram sales volume have grown by 67% as compared to Q3-20. For FY 19-20, Bengaluru and Chennai sales volume have grown by 8% and 20% respectively as compared to FY 18-19. Due to good demand in the luxury and super luxury segment, our average price realisation during Q4-20 has grown by 13% as compared to Q3-20.

During the quarter, we have launched the Sterling Infinia Tower (1&2), a super-luxury residential project under development management model with saleable area of 0.23 million square feet in Bengaluru. The project has received good response in line with our expectations.

We are also pleased to inform that the contracts and manufacturing vertical has delivered a strong performance during FY 19-20, resulting in highest ever billing and cash inflow. This validates the strength of SOBHA's business model. Order book as on 31<sup>st</sup> March 2020 also remains healthy, which gives good visibility for the future growth.

Despite tough environment, we were able to manage our cash flows, resulting in the reduction of net debt during Q4-20. Our average interest cost as on 31<sup>st</sup> March 2020 has also come down as compared to 31<sup>st</sup> December 2019.

We remain committed to launch 14.09 million square feet of projects in various cities in the coming quarters.



The summarized real estate performance for the quarter ended March 31, 2020 is given below:

**New Sales:**

**In Square Feet**

Location	Q4-20	Q3-20	Q4-19	FY-20	FY-19
Bengaluru	657,769	819,227	838,957	3,002,161	2,767,789
Gurugram	84,669	50,749	66,616	237,383	351,242
Kochi	32,104	31,687	111,425	155,626	318,155
Mysore	-	-	18,574	63,608	180,662
Chennai	38,881	56,822	49,652	212,091	176,341
Coimbatore	15,010	25,509	17,766	73,981	112,805
Thrissur	22,629	28,646	5,429	101,048	66,380
Kozhikode	1,424	16,156	15,814	33,857	39,505
Pune	22,030	9,800	-	65,376	11,865
GIFT City	31,194	27,425	5,036	126,573	5,036
<b>Total</b>	<b>905,710</b>	<b>1,066,022</b>	<b>1,129,268</b>	<b>4,071,704</b>	<b>4,029,779</b>

**Sales Value and Price Realisation:**

Particulars	Q4-20	Q3-20	Q4-19	FY-20	FY-19
<b>Total Sales value (Rs Million)</b>	6,945	7,261	9,205	28,806	31,225
<b>Sale value -Sobha share (Rs Million)</b>	5,536	6,075	7,115	23,827	25,401
<b>Total Average Price Realisation – (Rs / Square Feet)</b>	7,668	6,811	8,152	7,075	7,749

**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.*