

Date: July 13, 2020

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

Dear Sir / Madam,

Sub: Disclosure of material impact of COVID -19 Pandemic

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020, please find enclosed herewith the disclosure on Impact of Covid-19 on the Company.

Please take the information on records.

Thanking you.

Yours sincerely,

FOR SOBHA LIMITED

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

SOBHA LIMITED

REGD & CORPORATE OFFICE : 'SOBHA', SARJÄPUR - MARATHAHALLI OUTER RING ROAD, BELLANDUR POST, BANGALORE - 560103, INDIA
CIN: L45201KA1995PLC018475 | TEL : +91-80-49320000 | FAX : +9180 49320444 | www.sobha.com

1. Impact of the CoVID-19 pandemic on the business

With complete lockdown being announced on 25th March 2020 due to Covid-19, we had to completely shut down all our offices, project sites and factories as communicated through our press release dated 27th March 2020. Post easing of lockdown in first week of May, all our offices, sites and factories got operational in line with respective state rules and regulations. However, we also started witnessing labor migration issues across all states. This had an adverse impact on our operations at project sites and factories. During April and May months we have seen dip in sales but from June onwards we have seen inquiries at the pre-Covid levels and sales numbers has improved.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down

During the lockdown period all our offices, project sites and factories were closed. Presently, our project sites, factories and offices are operational in line with respective state guidelines. We have also communicated health advisories to all our employees, and they are adhering to the same. It is our endeavor to get back to normal pre- COVID operations at the earliest.

3. Schedule, if any, for restarting the operations

Not applicable

4. Steps taken to ensure smooth functioning of operations


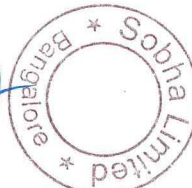
Post easement of lockdown we have started operations with necessary safety measures at all our offices, project sites and factories in line with state guidelines. Those who are not able to come to office are operating from home in order to support our operations.

5. Estimation of the future impact of CoVID-19 on its operations

Our operations are coming back to normalcy in a gradual manner. We believe at this stage there is no structural long-term impact on our business. However, we would like to mention that situation is dynamic with Karnataka announcing a new lockdown in Bengaluru from 14th July 2020 to 23rd July 2020.

6. Details of impact of CoVID-19 on listed entity

- **Profitability:** Since Construction activities are impacted at project sites due to this pandemic. This will have an adverse impact in our billing. It will impact on our revenue recognition as there will be some delay in handing over of the apartments. The company follows IND AS 115 accounting standards where revenue recognition happens on handing over of the apartment.
- **Liquidity position:** Liquidity position of the company remains comfortable.

- **Ability to service debt and other financing arrangements:** With sufficient undrawn bank limits, we are in comfortable position to meet our debt servicing obligations.
- **Assets:** None, based on our current review during Q1-21
- **Internal financial reporting and control:** Required Internal financial reporting and control systems are in place.
- **Supply chain:** There is short term impact in supply chain due to restricted commercial activities across various states.
- **Demand for its products/services:** During April and May months we have seen dip in sales but from June onwards we have seen inquiries at the near pre-Covid levels and sales have improved over April and May months.

7. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

None, based on our current review during Q1-21.

8. **Other relevant material updates about the listed entity's business**

None, based on our current review during Q1-21.

Chhat

