



Date: October 05, 2020

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

Sub: Real Estate Operations Update for the quarter ended September 30, 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 ended September 30, 2020.

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

Thanking You.

Yours sincerely,

FOR SOBHA LIMITED

VIGNESHWAR G BHAT
COMPANY SECRETARY AND COMPLIANCE OFFICER



SOBHA LIMITED

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SOBHA LIMITED

REAL ESTATE OPERATIONAL UPDATE – Q2 FY 2020-21

We are delighted to inform all our stakeholders that SOBHA has successfully completed 25 years of operations since its incorporation on 7th August 1995. During this period, we have established SOBHA as a brand with an unparalleled focus on building world class quality products, unwavering commitment to customers, sincere hard work and transparency. As an organization, SOBHA has gone through many ups and downs in the past 25 years and each time we have emerged stronger from the crisis. We have been able to do this each time due to our differentiated self-reliant business model that gives us complete control over our supply chain. When the Indian government is advising businesses to be *Atmanirbhar*, SOBHA is well positioned to emerge stronger from the crisis.

Global economies are grappling with the Covid-19 pandemic, and India is equally impacted. With leading economies nosediving and falling in negative growth trajectory, RBI in its monetary policy review also assessed Indian economy ending with a negative growth rate during FY 2020-21. Further, it desisted from providing specific growth forecast for the near term. However, on a brighter note Real Estate sector has shown some green shoots in the second quarter of FY-21. Improved performance compared to Q1-21 was witnessed during this continued period of painful pandemic. Contraction in leading indicators is expected to limit to the first half of the fiscal and revival is anticipated during second half of FY 2020-21.

A primary driver for India's real estate growth – the residential segment – has experienced considerable setback; while already reeling under the challenges related to liquidity stress, Indian Bankruptcy Code (IBC) and Nonperforming Assets (NPA) situation, delayed projects, inventory overhang and dampened sales velocities in past many years. In the short term, a gradual recovery is projected considering uncertain lockdown timelines and easing measures, labor shortages driven by rural migration, project delays and tepid end-user purchasing power due to job and pay cuts.

With gradual easements, improved segment buoyancy may be expected as developers leverage technology platforms to drive sales, reshape product design/layouts for flexible space utilisation and capitalise on end user mindset towards 'owning' residential assets as safety measures to counter future pandemic situations. As the industry sees consolidation and new business models being adopted; a 'revived' organised residential real estate segment is expected to emerge in the medium to long term.

The real estate industry in India is going through a remarkable phase of transition and revival. The combination of the lowest home loan rate, great offers and deals, increasing reliance on work from home model, availability of homes and never before seen pricing makes this an ideal time for home buyers. Overall demand sentiment is steadily moving upwards. SOBHA being a pioneer in innovative technology use, strong brand presence and exceptional delivery capabilities is set to take the lead in this direction.





PASSION AT WORK

In this background, we are pleased to present our operational performance for the period Q2 of FY 2020-21. During Q2-21, we have achieved a total sales volume of 891,700 square feet valued at Rs 6.90 billion, with a total average realization of Rs. 7,737 per square feet. This performance was achieved despite lockdown being imposed in Bengaluru in the month of July, no new launch during the quarter, uncertain macro-economic outlook and tough real estate sector scenario. Sales volume, total sales value and Sobha share of sales value during Q2-21 were up by 37%, 41%, 35% respectively as compared to Q1-21.

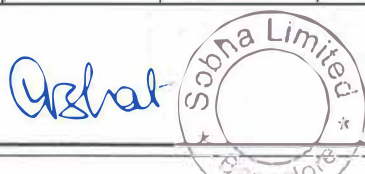
Amidst uncertain real estate sectoral outlook, due to our strong brand equity, delivery track record and world class product offerings in other operating cities especially Gurugram, Kochi, Thrissur & Chennai, we have achieved encouraging sales performance during the quarter which shows customer's strong belief in SOBHA brand in other regions as well apart from Bengaluru. We are happy to inform that price realization of Rs 7,737/square feet achieved during Q2-21 is the highest price realization achieved by the company as compared to past 5 quarters. We are also pleased to inform that we have achieved higher sales value in Q2-21 as compared to Q2-20. We continue to perform well in Bengaluru but dependency on Bengaluru sales volume has reduced from 74% during Q1-21 to 60% during Q2-21. We continue to enjoy sufficient liquidity from banks/FI to meet our obligations. We remain focused on cash flow management and cost optimization which has helped us to manage our cash flows efficiently during the quarter. We continue to bring down our average cost of borrowing and as a result, cost of borrowing as of 30th Sep 2020 came down meaningfully. As informed during Q1-21 operational update, enquiry levels are almost at the pre-Covid levels, which will help us to perform better in the second half of the FY 20-21.

The summarized real estate performance for the quarter ended September 30, 2020 is given below:

New Sales:

In Square Feet

Location	Q2-21	Q1-21	Q2-20	H1-21	H1-20	FY-20
Bengaluru	538,608	484,278	781,686	1,022,886	1,525,165	3,002,161
Gurugram	82,509	30,745	35,782	113,254	101,965	237,383
Kochi	130,267	39,622	45,338	169,888	91,835	155,626
Mysore	12,250	17,903	14,588	30,153	63,608	63,608
Chennai	34,601	21,049	62,659	55,650	116,388	212,091
Coimbatore	16,279	11,335	18,615	27,614	33,461	73,981
Thrissur	44,404	20,630	26,576	65,034	49,773	101,048
Kozhikode	9,492	6,960	-	16,452	16,277	33,857
Pune	15,148	9,440	12,835	24,588	33,545	65,376
GIFT City	8,142	8,438	38,261	16,581	67,954	126,573
Total	891,700	650,400	1,036,340	1,542,100	2,099,972	4,071,704





Sales Value and Price Realisation:

Particulars	Q2-21	Q1-21	Q2-20	H1-21	H1-20	FY-20
Total Sales value (Rs Million)	6,899	4,877	6,823	11,776	14,600	28,806
Sales Value – Sobha Share (Rs Million)	5,309	3,931	5,610	9,240	12,216	23,827
Total Average Price Realisation – Total (Rs / Square Feet)	7,737	7,498	6,584	7,636	6,952	7,075

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.

