



**Press Release**  
**For immediate publication**

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**SOBHA's reaction on RBI's efforts to maintain Financial stability**

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**Bengaluru, May 22, 2020:** Reacting to the Finance Minister's announcement, **Mr. J.C. Sharma, Vice Chairman & Managing Director, SOBHA Limited** said, "The government, the Finance Minister and the RBI have taken timely and effective steps to mitigate the economic impact of COVID-19 and maintain financial stability in the country. Today, the RBI Governor has announced several laudable measures including special lines of liquidity, loan moratorium, deferring of working capital interest to ease the stress in these challenging times. All these measures focussed at improving the consumer and investment demand in the country will augur well. We must contain the situation from worsening.

We welcome these commendable steps by the RBI for reducing the repo rate by 40 basis points to 4% from 4.40% and reverse repo by as much to 3.35% from 3.75%. This will further lower the home loan interest rates. Such lowest ever, most lucrative reduced EMIs will augur well for the market sentiments and the larger economy. This will induce demand for homes and will give the much needed fillip to the current state of the economy.

While the service sectors have been severely impacted by the lockdown, agriculture is the bright spot. Since we are a services sector dependent economy, bouncing back of this sector is very crucial.

The RBI has also permitted financial institutions to allow an additional three-month moratorium on monthly instalments, making it a six-month moratorium in total, on all term loans. He further added that deferment of working capital for 6 months will be converted into term loan which can be repaid by March 2021. These positive initiatives will encourage consumers to borrow more from the banks due to low lending rates and increase consumption to push demand for the overall economic growth.

Since February 6, 2020, the Reserve Bank has announced liquidity augmenting measures of ₹9.42 lakh crore (4.6 percent of GDP). The RBI has also provided special refinance facility of Rs 50,000 crore to All India Financial Institutions (NHB, SIDBI & NABARD) that play a big role in meeting the financing requirements of small-scale industries, agriculture, MFIs & NBFCs. All these steps are directed towards infusing liquidity and aid in economic recovery during Q3 and Q4 when supply lines are likely to get restored to normalcy and demand gradually revives. We appreciate these considerate steps by the government towards the most crucial sectors that contribute significantly to the growth and employment of the economy."

**About SOBHA Limited:**

*Founded in 1995, SOBHA Limited is one of the fastest growing and foremost backward integrated real estate players in the country. It means that the company has all the key competencies and in-house resources to deliver a project from its conceptualization to completion. SOBHA is primarily focused on residential and contractual projects. The Company's residential projects include presidential apartments, villas, row houses, super luxury & luxury apartments, plotted developments and aspirational homes. In all its residential projects,*



*the company lays strong emphasis on environmental management, water harvesting and highest safety standards. On the contractual projects side, the Company has constructed a variety of structures for corporates including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres, and club houses. For more information on SOBHA Limited, please visit: [www.sobha.com](http://www.sobha.com)*

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