



SOBHA

PASSION AT WORK



Corporate Structure



Real Estate

The Company remains one of the most respected and trusted Real Estate brands in India. SOBHA's residential projects include presidential apartments, villas, row houses, super luxury apartments, luxury apartments and plotted development. The projects are replete with world-class amenities and have a strong emphasis on environmental management.

SOBHA's philosophy is to constantly strive towards enhancing customer value by delivering high-quality products at the best prices.

Contractual

SOBHA's Contracts division has developed numerous state-of-the-art facilities for corporates including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, hotels, guest houses, food courts, restaurants, research centres and club houses.

MEP is a strategic business unit of contracts. It has in-house capability to design and build electrical, plumbing, HVAC, fire fighting and low voltage services of residential, commercial, office and industrial projects.



Manufacturing

The backward integration model of the Company includes an interiors division with one of India's largest woodworking factories, glazing and metal works factory and a concrete products factory. All our factories are state-of-the art and have a built-up area of over 600,000 square feet.

Design & Engineering

Architectural design expertise at SOBHA revolves around developing structures that are functionally efficient, aesthetically appealing and in line with high engineering standards. It is a thoughtful integration of architecture with electrical, mechanical, and structural functions.

Contents



To Our Shareholders

Letter to the Shareholder.....	14
Awards.....	18
Share Price Performance	20
Board of Directors	22
Board Committees	26
Corporate Information.....	26
Directors' Report	27

Corporate Responsibility

Corporate Governance Compliance Certificate.....	38
Corporate Governance Report	39

Management Report

Markets and Operating Environment	69
Projects and Work Done in 2012-13.....	72
Corporate Social Responsibility.....	76
Research and Development	80
Employees.....	84
Risk Management Report.....	88
Operational and Financial Analysis.....	94

Financial Statements

CEO & CFO Certification	102
Independent Auditors' Report.....	103
Standalone Financial Statements.....	108
Notes to the Standalone Financial Statements	112
Consolidated Financial Statements.....	149
Notes to the Consolidated Financial Statements ...	153
Statement Relating to Subsidiary Companies	186

Additional Information

Notice of the Annual General Meeting	187
Route Map	192
Attendance Slip	193
Proxy Form.....	194
Glossary	195
Fiscal 2013 - Quarterly Highlights	197
Five Year Financial Highlights.....	198
Publication Details and Credits.....	199
Financial Calendar	199

The information provided in the Annual Report is based on the consolidated financial and operational performance except otherwise indicated.

Build Grow Sustain

At SOBHA, we plan and act for the future – for the long-standing good of our company, our customers, our shareholders and our community. We integrate global and local perspectives, promote sound management of resources and contribute to a better quality of life for those who are at the heart of our operations – our stakeholders. We set high standards, apply advanced technology, and constantly improve and innovate as we thrive on challenge and accomplishment to build, grow and sustain.

To make a positive impact in everything we do, we have always focused on embedding sustainable practices that add value to our business, community and the environment.



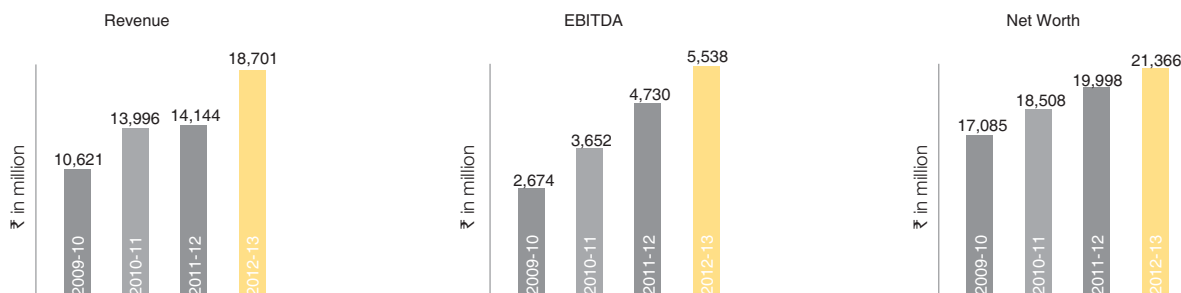
Business

With quality being our cornerstone, SOBHA is built on rock solid values of passion for perfection, integrity, trust, respect, solidarity and transparency. Our ability to deliver over 56 million square feet of world-class projects is bolstered by our modular business structure that has well-executed modules which work together seamlessly. It underpins our cohesion and drives our development.

Backward integration sets us apart. By assuring total control over the quality, cost and time, it helps strengthen the value proposition of our projects. We have our systems and processes aligned to ensure consistency in quality and obtain optimum efficiency.

Our in-house expertise in design and engineering enables us to deliver best-in-class projects that are in synergy with the environment. What gives us a distinctive edge is our workforce – right talent that has been carefully chosen and constantly trained with myriad skills and capabilities through SOBHA Academy and other programmes to build our culture of excellence. The safety and welfare of our workforce is paramount to us, as we are not just passionate about our products but our people too.

Throughout fiscal 2013, we delivered to market a strong line-up of products and services which translated into double-digit revenue growth. Our sales performance has been consistent and the entry into markets like Chennai and Gurgaon has augured well. During the financial year, we generated our highest-ever cash flow of ₹ 21.23 billion. We also outperformed the guidance for the year with new sales valued at ₹ 22.15 billion comprising of 3.76 million square feet.

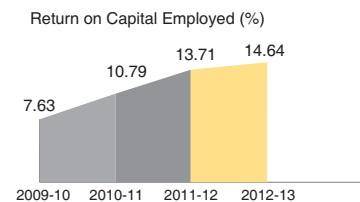
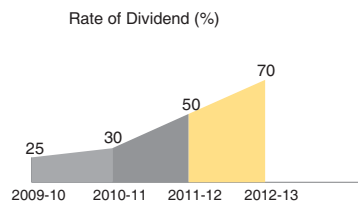
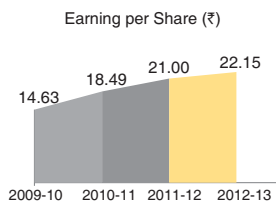


An epitome of trust and transparency



A clear strategy, sound financial and operational policies have been responsible for our consistent performance. We will continue to achieve the highest standards of governance through sustainable economic actions. Looking further ahead, the forces driving growth in our markets are as powerful as ever. India's economic development and relentless urbanisation provide significant opportunities, which are augmented by the 12th National Development Plan (2012-2017).

With an eye to the future, our business plans encompass growth through innovation, cutting-edge approaches so that we can capitalise on the sweet spot between emerging trends and unmet market needs.





A Safe Haven

Located on 23-acres of verdant green estates, SOBHA Hermitage is an epitome of humanity offering love, care and support to senior citizens and young mothers.



World-class Healthcare +

SOBHA Healthcare touches lives by providing free consultation, diagnosis, tests, treatment and medicines to the needy.



Building The Future

Set up in 2007, SOBHA Academy is a school that aims to empower the rural poor by providing their children with world-class education and facilities.



An aerial view of SOBHA's CSR projects



Community

When we assess our performance, we look beyond economic and financial results – towards societal value creation. We aim at making a difference to the most disadvantaged sections of society, especially those residing in rural India. We have created a model, GraamaSOBHA, for promoting a secular, casteless, self-sustaining, and empowered society.

Through this unique model that has a bottom-up approach towards poverty alleviation, various initiatives have been taken to transform rural communities and empower the disadvantaged with enhanced livelihoods.

Some of the key projects include (a) SOBHA Hermitage, a world-class senior citizens' and young mothers' home, (b) SOBHA Healthcare, a primary health centre with high quality amenities for medical treatment, (c) SOBHA Academy, an exclusive educational institution for the underprivileged providing top-notch education, food and clothing to over 650 children, (d) SOBHA Vocational Training Centre to train and develop skilled tradesmen from the economically weaker sections of the society, (e) social rehabilitation scheme for the poor and (f) dowry-less social weddings.

Environment

No matter what we do, our operations always revolve around one crucial element – the environment. We help and build sustainable communities and follow a sustainability policy that is both exacting and pragmatic. It rests on two pillars: doing our utmost to reduce the environmental impact of our activities; and contributing to the early effort to invent new solutions in an economy of scarcity.

We deliver more for less by creating less waste, using more recycled materials and designing our projects more efficiently.

As most of the resources required for our projects are produced indigenously, we have less dependence on external entities. This self-sufficiency helps us do our bit to reduce the carbon footprint. For instance, our state-of-the-art Concrete Products Division uses Ground Granulated Blast Furnace Slag (GGBS), instead of the Ordinary Portland Cement (OPC). GGBS releases just 4% of the carbon dioxide released by OPC. Our buildings reduce energy and water consumption by around 40%, which complies with ECBC standards as well. We use recycled steel and cement that is blended with fly ash. At our Interiors Division, which manufactures wood and wood-based products, the wood is sourced from certified agencies.

We have thoughtfully implemented various techniques and methods to conserve the environment and maintain the quality of water, air, and land besides utilising alternate sources of energy such as the power of the sun. The key measures undertaken are highlighted in the following pages.



SOBHA Lifestyle

51% of the 55 acres is earmarked for open spaces.

The green open spaces are planted with more than 4,000 trees of native species of ornamental variety.

A mini forest – the Central Avenue Boulevard – that has 8,000 trees occupies the central area of the development.

The periphery of the property is bordered with silver oak trees, which acts as a good noise and dust barrier, and requires very less water for growth.

Au Naturel

4.1 acres has been dedicated to green spaces, which amounts to 80% of the total development.

1,562 trees have been planted across the project.

Rain Water Harvesting

A 6.5-acre manmade lake with a capacity of 187.9 million liters is designed to meet the complete water requirements for the entire township.

A storm water system is designed to collect 65% of the annual rainfall at the site.

SOBHA City, Thrissur

Energy Saving

The roof tiles have been laid with an air gap for thermal insulation.

Solar Energy

Solar energy is used for lighting up the common areas.

Timers for providing optimum required working time for street lights.

17% of the total energy requirement of the project is met through solar energy, CFL lamps, VFD and electronic ballast.