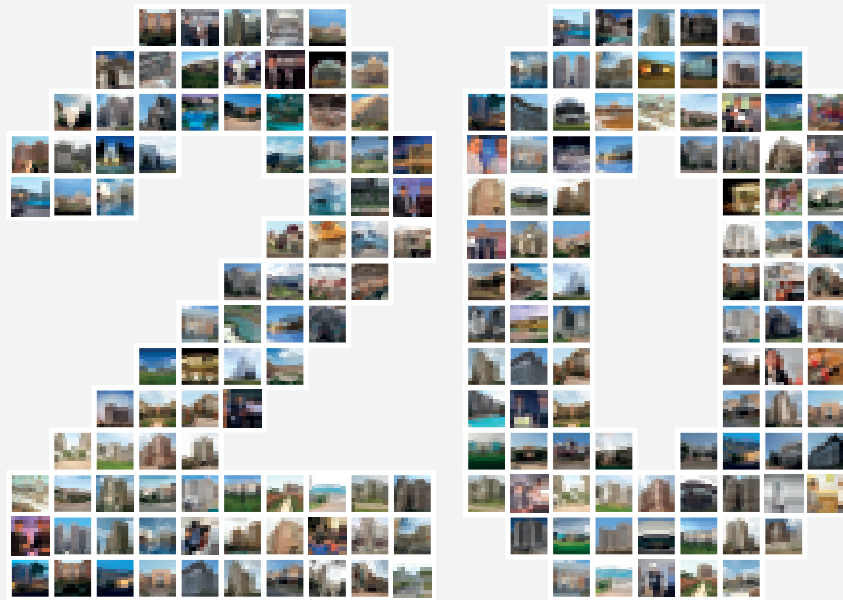




PASSION AT WORK



YEARS OF PASSION AT WORK

ANNUAL REPORT 2015

SOBHA

Our Company at a glance in 2015



Founded in 1995, SOBHA has completed 20 years of dedicated work in the real estate and construction sector. Today we are about a ₹ 25 billion real estate company which employs more than 3,000 people directly. It is headquartered in Bangalore where it began its journey 20 years ago.

One of the most well-respected names in the real estate sector, SOBHA has the distinction of being the only company in the sector whose initial public offering in 2006 was oversubscribed 126 times.

In the last two decades we have completed 364 projects in both real estate and contracts vertical with a total developed area of 70.54 million square feet. The company has a footprint in 24 cities across 13 states in India.

SOBHA's unique backward integrated model ensures that it has control over not only the supply but more importantly also over the quality of the materials that it uses in its construction activities.

We have an in-house training centre, SOBHA Academy. Training is an on-going process for all employees which ensures that they are abreast with the latest and newest developments. Today, we are recognised with the ISO 9001, ISO 14001 and OHSAS 18001 certifications for our quality, safety and environment management systems.

Our CSR activities are being undertaken through a public charitable trust, the Sri Kurumba Educational and Charitable Trust. The CSR activities focus on three major areas in select panchayats: education and vocational training, providing healthcare facilities and helping the aged, single mothers, children and others in need with financial and other assistance so that they can lead their lives with dignity.

SOBHA Real Estate

SOBHA is a well-respected name in the real estate sector and is known for its superior quality products. Our residential projects include luxury and super luxury apartments, villas, row houses, plotted development and aspirational homes. All these projects provide world-class amenities and standards while also being environment friendly with emphasis on rainwater harvesting and high safety standards. In the last 20 years, we have completed and handed over 102 real estate projects with a total developed area of 33.64 million square feet and super built-up area of 26.16 million square feet in 5 cities.

All products from the house of SOBHA have the hallmark of best engineering standards, architectural finesse, aesthetics and innovative designs. Notably, we have our own designers, architects, structural, mechanical, electrical, plumbing and environmental professionals who bring in ingenuity and originality to our in-house processes. This combined with transparency in our functioning followed by backward integrated processes ensures that we have full control over the materials used. Hence, SOBHA is considered a pioneer in the real estate and construction sector in the country.

Our philosophy has been to constantly strive towards enhancing customer value by delivering high-quality products at the best price and we will continue to do so. We are committed to transforming the way real estate business is conducted in the country.



SOBHA LIMITED

SOBHA Contractual

In a bid to make our mark in the Contractual segment of providing end to end solutions, we created SOBHA Contractual in 1999. This vertical provides end to end solutions starting from the conceptualisation of a project to its final satisfactory completion. Our Contractual division has developed numerous facilities for corporate entities including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, hotels, guest houses, food courts, restaurants, research centres, club houses and factory buildings. Our emphasis on world-class quality and passion for perfection has attracted contractual orders from various prestigious institutions across India.

The services that SOBHA Contractual provides include civil, mechanical, electrical, plumbing, fire fighting, interiors, glazing and landscaping. All these works are carried out by members who are trained at SOBHA's in-house training facility. The emphasis in every aspect of the work that we take up is on providing world-class facilities and standards with designs that are innovative and are delivered to the best satisfaction of our clients.

In the last 20 years, SOBHA Contractual has completed 262 projects covering a total area of 36.90 million square feet.

SOBHA Manufacturing

This division complements the work that SOBHA undertakes as a company. Responsible for providing the best raw materials needed for construction activities, SOBHA Manufacturing has an interiors division with one of the largest woodworking factories in the country. We also have a glazing and metal works factory and a concrete products division. SOBHA's manufacturing facilities are spread over a 600,000 square feet area and are comparable with the best in the world.

We ensure that all employees working for SOBHA Manufacturing are trained in the latest technology and the best-in-class equipment so that they can seamlessly use these while manufacturing the products which are then used for SOBHA's construction activities. This affirms our control over the quality of the materials that we use thereby providing the best to our customers.

SOBHA Manufacturing in this sense contributes to the overall goal of the company by being the best in the business. It serves as the company's backbone and enables to bring in impeccable quality and workmanship in all its products.

In a related move, we have also ventured into the retail space with the launch of ergonomic spring mattresses which are sold under the brand name SOBHA Restoplus.

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Cover Page:
SOBHA has just completed an illustrious journey of 20 years filled with "Passion at Work". Uniquely placed due its backward integrated model, SOBHA stands taller among its peers creating international quality products, with precision and timely delivery in a transparent manner. We are proud of our kaleidoscopic journey of the past 2 decades and aspire to achieve much greater heights in the future.



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With experience comes responsibility. We, at SOBHA, are acutely aware that two decades of our 'Passion at Work' has truly translated into highly successful completion of hundreds of international quality products till date. This in turn reposes an even bigger responsibility of not only retaining the credibility and the laurels that we have won as one of the leading companies in the sector, but also that we need to chart out new goals and newer benchmarks which we can deliver on. What we are confident about is that we will never compromise on our core values of providing the best-in-class quality in a transparent manner. The work philosophy which guided us this far is our moral compass and we are firmly rooted in the belief that it will hold steadfast in our journey ahead. SOBHA will continue to lead the way and break new grounds. Our deep commitment towards improving lives of the people in our communities gives us inner strength to excel in all that we do and do it well.



20 Years: Looking back, looking ahead

The year was 1995. The construction industry in India was in its nascent stage. The economy had not opened up sufficiently and there was comparatively less disposable income for people to spend on luxurious homes and state-of-the-art office buildings.

But one man, who had spent around 25 years working in the construction industry in the Middle East, had the passion and the urge to come back to his roots. He set his foot here and took some new steps unheard of in the construction sector in India. Mr. P N C Menon, the Chairman Emeritus and founder of SOBHA started his entrepreneurial journey in Bangalore, with a small team of not more than 30 people handling very few boutique projects. The slogan of the time was 'setting standards' which he truly started putting in place in 1995.

The beginnings may have been small but the foundations were rock solid. What Mr. Menon had was true passion for the construction industry and a set of principles which were exemplary for the Indian real estate industry. He wanted to bring world-class standards in construction to India, revolutionise the industry by introducing international quality processes at affordable prices and yet not compromise on delivering best-in-class products. What he also knew was that this had to be done honestly, transparently and with the zeal and determination to be the best. A customer-centric approach and uncompromising business ethics were also some of his key motivators in his dream journey.

Twenty years later, there are many who will affirm that Mr. Menon has not only achieved what he set out to do but a lot more than that. He has helped shape SOBHA as a company with a name to reckon with. Today SOBHA is a well reputed company which is internationally recognised for its excellent quality products and services.

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Now that SOBHA has completed 20 successful years in the business, it is time to look back and at the same time to also look ahead. It is time to revisit what has been achieved, to take pride in the milestones that have been crossed and the awards that have been won and draw inspiration from them. Equally, it is also time to plan and chart out a course for the company for the next 20 years.

Beginnings

Looking back at the last two decades there is a lot to hold one's attention. After Mr. Menon set up the company, he made steady progress and over the years SOBHA has diversified into various streams of construction including Real Estate, Contractual and Manufacturing. All these verticals complement each other and make the company what it is today.



The First Decade

The first ten years of SOBHA's existence witnessed an interesting phase. The decade saw SOBHA's entry into the residential space with the launch of Sobha Sapphire in Bangalore in 1997 and into plotted development with the launch of Harishree Gardens in Coimbatore in the same year. This marked the beginning of its presence in the real estate segment. Today SOBHA's residential projects include presidential apartments, villas, row houses, super luxury and luxury apartments, plotted developments and aspirational homes. In all its residential projects, the company lays strong emphasis on creating international quality products with precision, provisioned for environmental management, water harvesting and highest safety standards.





Our cherished association with Infosys has embellished the corporate skyline of Bangalore and other cities.

The commitment and passion for quality that SOBHA exhibited was rare in the Indian construction industry. This attracted many visionary leaders from the corporate world who were looking for a developer extraordinaire to build their dreams. This led to SOBHA's association with Infosys Limited as well as diversification into Contracts with an order to design and build the corporate office of Infosys at their Electronics City Campus, Bangalore in 1999. This laid the foundation for our cherished association with Infosys that has embellished the corporate skyline of Bangalore and other cities. On the Contractual Projects side, SOBHA has constructed a variety of structures for many corporates including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres and club houses.

Gradually we moved outside the confines of Bangalore to take up another Infosys project in Mysore. These developments also meant that SOBHA was setting up base in other cities – a journey that continues till today. The completion and handover of the Infosys Mysore campus was our first contractual project outside Bangalore.

Expansion in construction activities meant that SOBHA had to have its back-end processes in place. Hence, the decade witnessed establishment of the Interiors Division and the Glazing and Metal Works Division. During the decade SOBHA also set up its Training Academy which has been taking care of the training needs of its employees, an aspect, which holds great significance for the company.



The Interiors Division in Bangalore covers a sprawling 3.75 lakh square feet factory equipped with imported machinery that makes zero-defect, world-class quality door systems, windows, office tables and cabinets, wood panels, wardrobes, kitchens, dining tables, vanity units, sofa sets and cabinets for television sets.

Today SOBHA has a full-fledged, precision-oriented woodworking and joinery plant. The precision machinery is imported from Spain, Italy and Germany and the products are processed through fully mechanised production lines. The timber that the Interiors Division uses is imported from Europe as is the hardware like hinges and brackets. The products that the division makes adhere to the international standards of being fire resistant and meeting other safety criteria.

The Glazing and Metal Works Division was started when SOBHA won a corporate office project for Infosys Limited. Presently, the division works in three domains: facades using aluminium and glass, pre-engineered buildings using steel and roofing metal and ornamental metal works related to buildings.

