



SOBHA

PASSION AT WORK

LEVERAGING **Human Capital**

ANNUAL REPORT 2019



SOBHA

As SOBHA gears up for its silver jubilee next year, the journey so far has been extraordinary. Started in 1995, SOBHA has established itself as the most trusted and the most admired brand in the Indian real estate sector. The company greatly invests in developing its human capital and employs over 3600 people.

Today, SOBHA is a Rs. 32 billion company and aggressively expanding its footprint in the country. With a presence in across 10 cities - Bengaluru, Gurugram, Chennai, Pune, Coimbatore, Thrissur, Kozhikode, Kochi, Gujarat (Gift City) and Mysore, SOBHA's overall reach extends to 27 cities and 14 states in India.

Since inception, the company has completed over 100 million square feet - an important milestone. SOBHA's unique backward integration model has played a pivotal role in this, highlighting its superior execution capabilities. SOBHA firmly believes in empowering people at the bottom of the pyramid. It is as important as its passion for work. The company's CSR activities are carried out under the aegis of Sri Kurumba Educational and Charitable Trust.



SOBHA Real Estate

SOBHA's residential projects include presidential apartments, villas, row houses, luxury and super luxury apartments, plotted development and aspirational homes. A wide spectrum of products is offered to home buyers with prices ranging from Rs. 50 lakhs to over Rs. 3 crores.

As on 31st March 2019, SOBHA had delivered 103.88 million square feet of developable area. During FY 2018-19, it launched 7.36 million square feet of new projects across various locations. The company currently has ongoing real estate projects aggregating 41.57 million square feet of developable area and 28.74 million square feet of saleable area.

SOBHA's products are known for their superior quality and world-class amenities. Its in-house team of designers, architects, structural, mechanical, electrical, plumbing and environmental professionals bring ingenuity to processes. There is equal emphasis on incorporating environment-friendly measures such as rainwater harvesting and sewage treatment plants.



SOBHA Contractual

SOBHA entered the contractual business in 1999. This segment focuses on providing end-to-end solutions for its various projects. Among the services provided by SOBHA Contractual are civil, mechanical, electrical, plumbing, interiors, glazing, metal works and landscaping. All Contractual division's work is accomplished by a team of experts who are trained in-house.

Under the contractual business, SOBHA develops offices, convention centres, software development blocks, multiplex theatres, hostel facilities, hotels, guest houses, food courts, restaurants, research centres, club houses and factory buildings. Our corporate clients include the pride of India, Infosys, LuLu, Biocon, Syngene, Dell, HP, Timken and Taj to name a few.

As of 31st March 2019, SOBHA's ongoing contractual projects aggregated to 8.59 million square feet, which are under various stages of construction.



SOBHA Manufacturing

The company had realised early on the importance of having complete control over the entire supply chain for developing quality products. This prompted SOBHA to start three manufacturing divisions – Interiors, Glazing and Metal Works, and Concrete Products. These manufacturing divisions use state-of-the-art equipment imported from different parts of the world for superior quality products.

The interiors division was set-up in 1999. The USP of this division is custom-build joinery works with in-house design team. The Glazing and Metal Works division of SOBHA was one of the first Indian companies to have a technical collaboration with 'Schuco International KG'. The Concrete Products division manufactures ready-to-use concrete products like concrete blocks, pavers, kerb stones and glass fibre reinforced concrete (GFRC) elements. The division uses carbon neutral and green products in its manufacturing activities.

The company had ventured into manufacturing of spring mattresses in 2007 under the brand name SOBHA Restoplus.

Annual Report Contents

- Information for our Shareholders

- 14 Awards
- 18 Chairman's Message
- 22 Share Price Performance
- 24 Board of Directors
- 27 Board Committees
- 27 Corporate Information
- 28 Directors' Report

- Corporate Responsibility

- 46 Corporate Governance Compliance Certificate
- 71 Corporate Governance Report

- Management Report

- 97 Markets and Operating Environment
- 103 Projects and Work Done
- 107 Environment, Health & Safety
- 109 Corporate Social Responsibility
- 113 Research and Development
- 114 Employees
- 116 Risk Management Report
- 122 Operational & Financial Analysis



- Financial Statements - Standalone

133	CEO & CFO Certification
134	Independent Auditors' Report
146	Standalone Financial Statement
152	Notes to the Standalone Financial Statements

- Financial Statements - Consolidated

203	Independent Auditors' Report
212	Consolidated Financial Statements
218	Notes to Consolidated Financial Statements
276	Statement Relating to Subsidiary Companies

- Notice of the Annual General Meeting

277	Notice of the Annual General Meeting
299	Proxy Form
301	Attendance Slip

- Additional Information

303	Glossary
305	Fiscal 2019- Quarterly Highlights
307	Publication Details and Route Map
307	Financial Calendar







Human beings are just like rechargeable batteries. Their performance improves with continuous training, just like a battery that gets charged with an electric current.



Mr. PNC Menon.

Founder & Chairman Emeritus
SOBHA LIMITED





LEVERAGING Human Capital

Organisations are built on the bedrock of appropriate skills, commitment and hard work of its people. SOBHA believes in this strongly. Our focus has always been on identifying the right talent, empowering them and training them to exhibit finest workmanship towards crafting best-in-class products.

At SOBHA, we have a sense of deep satisfaction in the fact that most of the work is executed by our teams in-house, sharing the common goal of delivering superior quality products. We take pride in doing things indigenously. With teams comprising members from across the country, there is not only diversity but a rich pool of talent and experience across the organisation.



Human capital is one of the most crucial factors in an organisation's growth story. SOBHA, as an employer brand, has emerged as an attractive and sought-after workplace over the years

Brand SOBHA

Human capital is one of the most crucial factors in an organisation's growth story. Often, it is also the most challenging aspect, especially recruiting the right talent, developing them and retaining them. SOBHA, as an employer brand, has emerged as an attractive and sought-after workplace over the years. This ensures that a wide pool of talent is available to the company to choose from. Before an individual becomes a Sobhaite, he or she goes through a stringent evaluation process that resonates well with our work culture.

In short, our values and culture are well communicated to all our employees. It creates the desired perception that brings us the workforce with the required skill sets.

Opportunity for All

The company offers equal opportunities to all its employees. There is no discrimination on the basis of age, caste, religion, gender or marital status at SOBHA. Any individual who has the necessary skills for a job, is given an opportunity to be a part of SOBHA's team. While providing equal opportunity, SOBHA lays emphasis on offering a workplace devoid of harassment in any form – verbal, physical or psychological. Treating every employee with dignity is prime. Our policies recognise merit, qualification, experience, performance and ability. This creates a conducive environment for employees to grow and encourages them to put in their best efforts.

Over the years, SOBHA has fine-tuned its policies to effectively measure the performance of employees, making them accountable for their deliverables and goals. SOBHA follows standardised and clear policies so that the employees are aware what is expected of them and how they will be treated. This helps the employees to feel comfortable at the workplace, leading to higher productivity.