



PASSION AT WORK

Building on Our Momentum

Annual Report
2023



SOBHA

A pattern of excellence

Founded in 1995, SOBHA is a leading national real estate brand known for international quality delivered at scale through its unique backward integration model. The company is recognized for on-time delivery of homes while offering the highest standards of excellence and living experiences. SOBHA has completed 128 mn. sft. across 528 projects in 27 cities spanning 14 states as of March 31, 2023.

SOBHA lays a strong emphasis on product quality achieved by adopting new methodologies, technology and sustainability practises while adhering to the highest safety standards. The Company epitomizes 'Passion at work,' ingrained in each Sobhaite across all its locations and operations.

Foreword

SOBHA is renowned for providing homes with international quality standards since its inception. It has established itself as a trusted and preferred brand in the real estate sector known for unmatched reliability and dependability. SOBHA is seen as a leading organization that establishes new industry benchmarks through innovative designs and engineering while embracing modern sustainability practises. As the brand continues to grow and diversify, SOBHA remains steadfast in its dedication to delivering exceptional products and enriching living experiences, driven by a deep-rooted passion for excellence.

SOBHA's success and evolution as a leading national brand lies in its DNA – understanding of the markets and customer needs, together with the strong competence of its people, robust processes, operational discipline and the highest standards of execution. The fully backward integration model continues to be the backbone of SOBHA's commitment to timely delivery of exceptional homes.

SOBHA's expansion into the new residential markets of Trivandrum and Hyderabad this year, clearly reflects its ability to capitalize, scale and execute on the opportunities arising from growing demand while meeting the evolving needs. The high sales velocity and consistent quarterly performance witnessed during the year across most markets reiterate the continuing affinity and preference that customers have for the SOBHA brand.

In addition to SOBHA's strong real estate performance, the Concrete Products, and Glazing and Metals Works divisions did exceptionally well during the year, recording their highest annual revenues since inception, contributing significantly to the Company's performance.

Upholding its promise to deliver exceptional quality, SOBHA employs a robust training and certification program that ensures continuous enhancement of skills and competencies of its teams. Periodic training and recertification are carried out for engineers and technicians through the SOBHA Academy, while other functional teams are provided with regular professional training opportunities.

SOBHA has also been conferred with some of the leading renowned real estate awards. During the year Economic Times awarded SOBHA as one of the best Real Estate Brands in the country, while the Brand X Report from Track2Realty recognized SOBHA at the top spot across six categories. SOBHA was also conferred the BAM's Builder of the Year – Large Category award that it won in 2018 and 2019 as well.

SOBHA's sustainability focus is seen across its operations and projects, with many practises in this area regarded as industry benchmarks. As part of its continuing sustainability commitment, SOBHA has made provisions for EV charging in its projects as there is a growing acceptance of EV vehicles in India.

CSR efforts have been an integral part of SOBHA's compassionate social development. As part of its focus to provide quality education, SOBHA Icon was set up in 2010. SOBHA is thrilled to share that this year, children from SOBHA Icon won scholarships from prestigious institutions and also secured good positions in leading companies across the country.

As SOBHA embarks on new opportunities and challenges alike, the people behind its ongoing success pride themselves for delivering consistent excellence. SOBHA's thirst for delivering nothing but the best is fundamental to its DNA that assures of a brighter future with strong financials.

Riding on the strong performance we have had, we foray into the future by 'building on our momentum,' and continue on our journey of excellence.

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A close-up photograph of industrial machinery, featuring a complex arrangement of metal rods, pipes, and structural elements. The scene is dominated by shades of blue and grey, with some metallic surfaces showing signs of wear and rust. The lighting is dramatic, highlighting the textures and forms of the machinery.

SOBHA's growth and success have been truly remarkable over the past year. The Company's commitment to delivering international quality products on time has been unwavering. This has enhanced the trust and confidence of its customers, which is also reflected in our record sales performance with a healthy delivery run rate. With an even stronger resolve, we continue our growth journey by building on the momentum we have achieved.

Building on Our Momentum

Fuelled by unwavering dedication to excellence

The Financial Year 2022-23 has been extraordinary for many reasons. SOBHA registered consistent record sales and improved cash flow each quarter recording a total sale of 5.65 mn. sft. during the year. The luxury segment (> Rs 2 Cr.) contributed to 36% of sales, up from 25% in FY21-22 while the SOBHA Dream Series segment (< Rs 1 Cr.) also continued to see good traction. SOBHA also achieved its highest ever price realisation and delivered 3.96 mn. sft. across the country.

Concrete Products and Glazing and Metal Works divisions recorded their best ever annual revenue numbers with good operational performance during the year.

As a leading industry brand, SOBHA's commitment to customers goes beyond just delivering high-quality products and services. Better material selection, and adopting new building methodologies that help conserve water and energy, remained a focus for the Company. Continuing its commitment to making our planet more sustainable, SOBHA also introduced EV charging points in its projects.

In its quest to better communities, SOBHA's CSR efforts continue to help raise standards of living, improved access to primary healthcare, and provide livelihood to the more deprived segments of our population.

Staying competitive for the years ahead requires resilience. To that end, SOBHA has developed a strong financial and operational model that will ensure consistent performance and sustainable growth.

In its pursuit of raising the standards and benchmarks of quality in the Indian real estate sector, SOBHA continues to remain committed and dedicated to creating value for all its stakeholders by building on the momentum that we have achieved.

SOBHA has delivered projects totalling 128 mn. sft. across 27 cities in 14 states with 35.84 mn. sft. currently under development. Over the last five years SOBHA has had a healthy delivery run rate of 5 mn. sft. annually.



Cultivating pattern of excellence

SOBHA has delivered excellence consistently for over 27 years in real estate – a pattern that we are recognized for. As the most trusted brand known for international quality products and living experiences, SOBHA has a relentless focus on raising standards – in design, construction, building materials and technology used across its projects.

Over the decades, the Company has strengthened its DNA drawing inspiration from the vision of its founder, Mr. PNC Menon, 'Transform the way people perceive 'Quality''. It is a vision that forever fuels the 'Passion at work' that the organisation thrives on. This is reflected in the meticulous planning and execution and adherence to exacting standards, which are part of SOBHA's DNA.

SOBHA, in addition to developing residential and commercial spaces, manufactures a wide range of world class products. These include concrete products such as concrete blocks, pavers, kerb stones, water drainage channels, paving slabs, elite landscape products and Glass Fiber Reinforced Concrete (GFRC) products; aluminium windows, doors and louvers, glass skylights, canopies and partitions, automatic sliding doors,

glass, SS & MS railings, architectural metal works, balustrades, railings, and more; wooden products ranging from doors, windows and panelling to cabinets, cupboards, loose furniture; and custom-built joinery work; wide range of mattresses of Economy, Deluxe, Super Deluxe & Premium quality; home furniture, furnishing products and other home accessories.

At the core, SOBHA is about an unyielding commitment to delivering nothing but the best – it is how we operate, perform and deliver.

The Company has built a strong culture of ownership and customer focus. Our core operating principles rest on complete transparency and promise of the SOBHA brand. Our disciplined approach based on a strong governance model, culture of integrity and compliance with undiluted responsibility ensures a solid foundation of trust and reliability.

The trust and credibility that customers have in SOBHA have only grown several folds over the years, contributing significantly to the Company's business, presence and brand equity.



Sustainability across the board

SOBHA has deeply embedded sustainability practises across its operations and projects, evident in the several measures it has taken since inception. So much so, SOBHA has its own environmental engineering department that is involved in projects from the time they are conceptualized. The team conducts studies from sustenance of water tables and noise pollution levels to groundwater testing, and ensuring feasibility of effective drainage systems.

SOBHA's environmental engineering team also works with IGBC-accredited officials. This helps ensure that projects are designed and executed keeping the latest regulations and standards in mind. The Company has also invested in a dedicated laboratory for water testing to ascertain physicochemical and microbiological parameters that may have a direct impact on human well-being.


The Concrete Products Division uses green materials like ground granulated blast furnace slag and fly ash to reduce carbon footprint and contribute to the preservation of natural resources.

Rainwater harvesting has emerged as one of the most viable options to meet the increasing water requirements of an expanding population.

SOBHA's efforts include harvesting rainwater through collection tanks for roof-based run-offs and recharge pits for land-based run-offs. The land-based run-offs augment depleting groundwater resources and save potable water from municipal supply or groundwater.

As a prerequisite, an effective system of solid waste management is implemented at all SOBHA projects. The aim is to design and follow a comprehensive Integrated Solid Waste Management (ISWM) system in its projects, which is both environmentally and economically sustainable. The integrated solid waste management system operates on the 4R principles – Reduce, Reuse, Recycle and Recover – the basic components of waste.

SOBHA also installs Organic Waste Converters (OWCs) in its projects to convert organic waste such as vegetable waste, meat waste, leaves, fruits, flowers into valuable compost that can be used for organic farming activities. The technology adopted by SOBHA does not involve a heating system, thus saving energy. Incidentally this technology is also approved by the Pollution Control Board.



SOBHA has adopted the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23 to provide enhanced disclosures on its ESG practises and priorities. The BRSR is based on NGRBC principles on the social, environmental and economic responsibilities of business.