

Sobha profit up 20%

TIMES NEWS NETWORK

Bangalore: Sobha Developers registered a 17% increase in topline to Rs 364 crore for the quarter ended December 31, 2010, compared to the corresponding quarter a year ago.

The real estate firm's net profit rose 20% to Rs 49 crore.

Revenue from contractual and manufacturing business grew 42% to Rs 99 crore largely driven by IT clients.

Sobha, which became a Rs 1,000-crore brand in the residential segment in 2010, sold 7,05,031 sft in the residential space in the December quarter. With better sales, price realization has improved from Rs 3,756 per sft to Rs

3,946 per sft.

"We are performing better than what we did in 2007-08 (the peak prior to the recession). Our net worth has doubled, cash flows are higher, and our debt equity ratio is much more healthy," said Sobha MD J C Sharma. The debt equity ratio stood at 0.67 in the quarter.

The realty firm generated Rs 34 crore from monetizing land in Chennai and Bangalore.

Despite the buoyancy in the sector, Sharma admitted there are challenges. "We have to navigate through hardening interest rates, delays in project funding and rising input and labour costs," he said.