

Mr. J.C. Sharma, Managing Director, Sobha Developers Ltd

Yash Ved / 10:31 , Aug 09, 2010



PASSION AT WORK J C Sharma, 51, is the Managing Director of the Bangalore headquartered Sobha Developers Ltd., one of India's leading and the only backward integrated real estate company in the country. A graduate in Commerce from Xavier's College, Calcutta, J C Sharma, completed his Chartered Accountant qualification in 1982 and Company Secretary in 1984. He has over 25 years of varied experience in General Management, Corporate Finance, Strategic Planning and Business Development in as diversified sectors as Automobiles, Engineering, Textiles, Real Estate and Steel. J C Sharma joined Sobha Developers in June 2001. He has been instrumental in executing and facilitating several key assignments and initiatives which have shaped the growth of the company. Some of these include company's Initial Public Offer, Qualified Institutional Placement and other SPV level transactions. He has played a key role in enhancing operational performance and sustaining key customer relationships. Prior to Sobha, JC Sharma has worked at senior positions with leading industrial conglomerates like Grasim Industries and Bhourka Steel amongst others.

Founded in 1995, **Sobha Developers Ltd** is one of the largest and the only backward integrated real estate player in the country. Sobha is primarily focused on residential and contractual projects. Company's residential projects include presidential apartments, villas, row houses, super luxury apartments, luxury apartments and plotted development. In all its residential projects Company lays strong emphasis on environment management, water harvesting and high safety standards. On the contractual side, the Company has constructed a variety of structures for corporates including corporate offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres and club houses.

Replying to **Yash Ved** of IIFL, J.C. Sharma says, We are optimistic about FY 11. **Our Q1 results for FY 2010-11 are quite encouraging. Sustained improved performance in the last three quarters has put us back on to the growth path. The company has launched two new projects in the 1st Quarter – namely Sobha Dew Flower at Bangalore and Sobha City Commercial Mall at Thrissur, close to 1 Million sq. ft."**

How do you see industry shaping over the next 2-3 Years?

The Indian economy is projected to grow at 8.5% in 2010-11, compared to 7.2% in last fiscal, which is an indication depicting that the economy is on the growth path, encouraging a positive outlook within the real estate industry as well. Better liquidity in the economy coupled with improved job scenario, competitive interest rate offerings by the banks, and Government's ongoing efforts to push growth in the sector indicate a healthy recovery for real estate in India.

What are your plans for FY 2010 -11?

Sobha has launched 1.69 Million sq. ft. of residential / commercial space totaling to 6 projects in the last 7 months. Further, in the current quarter we have launched Row House Project – "Sobha Turquoise" at Coimbatore – measuring a saleable area of 0.19 Million sq. ft. In addition to this, we are planning to launch about 1.57 Million sq. ft. in the current quarter. We also plan to launch projects in the NCR / Chennai regions this year.

What has been the execution capability of Sobha till date?

As of June 30, 2010 Sobha has completed **47** residential projects, **13** commercial projects and **170** contractual projects covering about **36.62 Million sq. ft.** area in **18** cities across India. Sobha currently has **27** ongoing residential projects aggregating to **9.09 Million sq. ft.**, while **4.45 Million sq. ft.** of contractual projects are under various stages of construction. **The company has constantly executed about 6 Million sq. ft. of work on an average basis over the last 5 years.**

This is 15th year of operations for Sobha, and a special one for us, as we have entered into the execution of 50th Million sq. ft. of construction space. This is a significant landmark in the real estate industry in such a short span of period.

What are your key competitive strengths?

One of the key competitive strengths of Sobha is its backward integration model, which means that it has the key competencies and in-house resources to deliver a project from its conceptualization to completion. Backward integration includes architectural, structural and interior studio, concrete block making plant, metal and glazing factory and interiors and wood working factory.

What is your current debt and debt equity ratio?

The debt continues to be at below Rs. 14bn level at a debt/equity ratio of 0.81. The company continues to focus on bringing down this debt/equity ratio to 0.5 by March-11, through internal accruals and by way of land monetization.

What is your land bank?

The Company has land banks in prominent locations and strategically growing corridors across the country.

Your promoter holding?

The promoter holding in Sobha Developers is 60.50 %

How was your financial performance for Q1?

The company has registered a turnover of Rs. 3,190mn for the 1st Quarter ended June 30, 2010 as compared to Rs. 1,790mn in Q1 of FY 2009-10, up 78%. The Profit after tax stood at Rs. 342mn compared to Rs. 127mn in Q1 of FY 2009-10, up 169%. The company in the 1st Quarter of FY 2010-11 sold 670,883 sq. ft. of area as compared to 250,385 sq. ft. in the same period of FY 2009-10, up by 168%