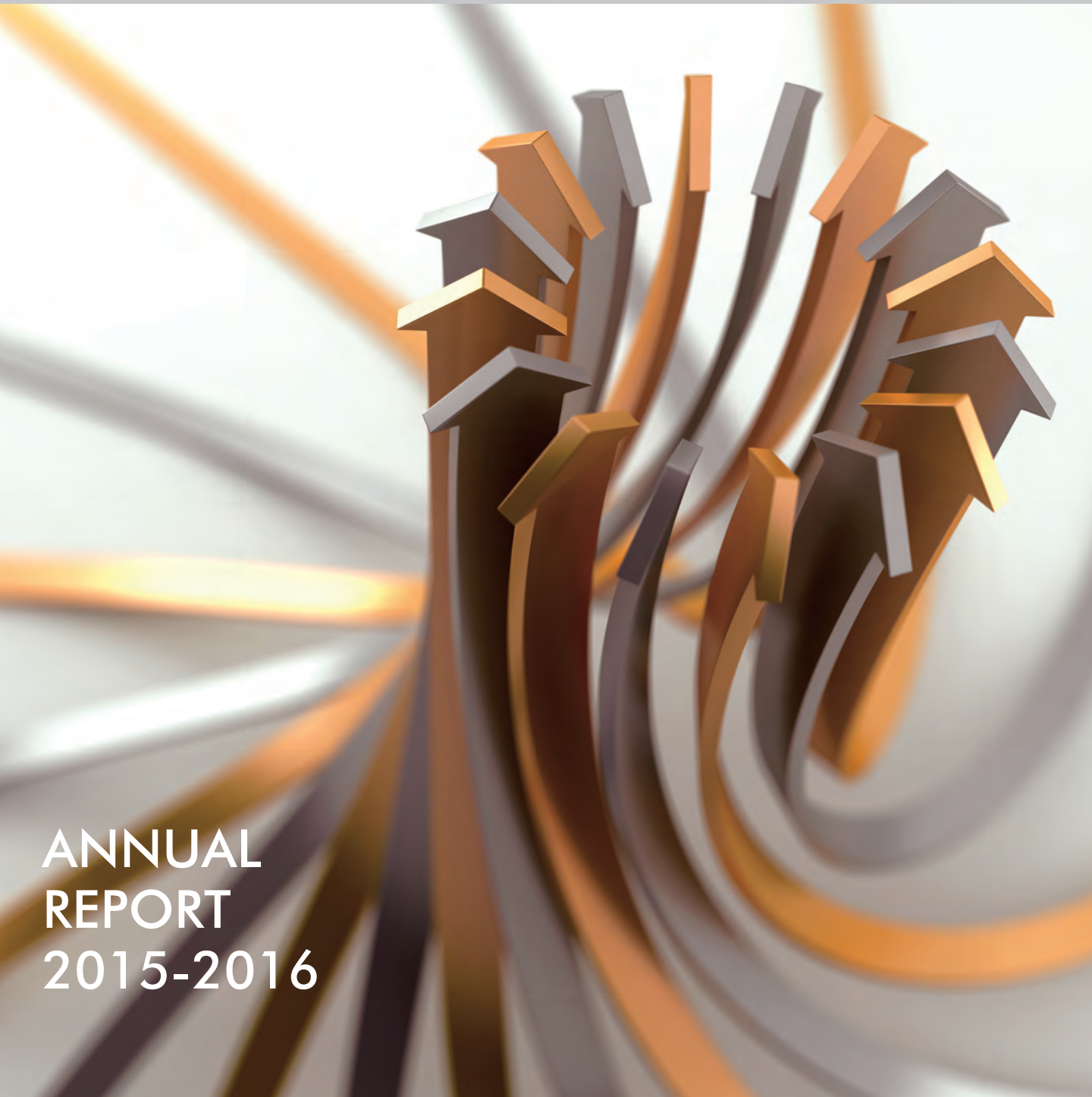


NEW BENCHMARKS.
NEW HORIZONS.



ANNUAL
REPORT
2015-2016



Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Oberoi Realty Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Oberoi Realty Limited annual report 2015-16.

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At Oberoi Realty Limited, our brand values form the back bone of our existence even as we single-mindedly focus towards achieving the Company's vision of enhancing the quality of people's lives. The reflection of this conviction was evident in our performance of 2015-16 that was truly exceptional, enabling us to achieve the highest ever annual gross bookings in terms of both area sold and value.

Going ahead, we will continue to strategize and have our projects at diverse locations and at different stages of development, thereby continuing to generate sustainable value for our stakeholders.



CHAIRMAN'S MESSAGE

Dear Shareholders,

The Indian economy reported one of the fastest growth rates in the world this past year. This is attributable to the efforts of the Modi Government which has taken several steps to attract domestic and foreign investments with strong focus towards promoting the 'Make in India' policy and building world-class infrastructure. India today is a confident economy poised for independent growth; a case in point is the recent Brexit issue where the nation remained largely unaffected. The determination of the government along with the rising aspirations of consumers is setting the direction for a buoyant but sure footed economy.

The last year has seen some major policy and process changes that promise the beginning of a brighter future. The passing of the Real Estate Regulatory Act (RERA), amendments in the REIT policy, reforms in the FDI policy, the government's focus on fast-

tracking the approval processes & skill development are some of the high-impact efforts that come a step closer in meeting the long pending expectations of the industry and consumers. In Maharashtra specifically, the state government's focus on key infrastructure projects,

its ease-of-doing-business initiative and its goal of making Mumbai an IFC, already have and will continue to positively affect sentiments.

The notification of the Real Estate (Regulation & Development) Bill, 2016, into an Act represents a landmark in India's real estate sector. The Act will enhance operational transparency that will protect the interests of both the buyer and the developer. At Oberoi Realty, we welcome this new real estate regime and I take this opportunity to assure you, that enforcement of this Act in its true spirit will only lend tailwinds to our aspirations.

Our brand values form the back bone of our very existence. They are an inherent part of all that we do in terms of its delivery at a larger level and everyday operations on ground. It is our constant endeavor to ensure that interactions with all stake holders including customers, partners, employees, associates and the society at large are governed and anchored around our core values. All our efforts are single mindedly focused towards achieving the Company's vision of enhancing the quality of people's lives.

The past year has been truly exceptional for your company as it has achieved the highest ever annual gross bookings in terms

of area sold (~13 lakh sq. ft) and in value (~ ₹ 2,362.85 crores). In FY2015-16, the Company achieved the highest ever top line of ₹ 1,444.30 crores. This was backed by the tremendous response that the Borivali project, Sky City, received at the launch phase with an unprecedented 610 bookings.

Exquisite, one of our most luxurious projects within the Company's flagship development, Oberoi Garden City at Goregaon, received its Occupation Certificate and till date, we have given possession to over 670 happy families. Eternia and Enigma in Mulund saw the signing of Bouygues Construction as its general contractor. Bouygues is a global player in engineering and construction services and is active in 80 countries worldwide; the contract marks its entry into India as construction contractors. This exemplifies the Company's commitment to always work with the best in terms of design, construction and engineering and to deliver exceptional value.

The Company's most coveted mixed use development, the Three Sixty West in Worli which consists of the The Ritz-Carlton hotel and residences managed by The Ritz-Carlton is progressing steadily and is well on its way to become an iconic identifier on the Mumbai skyline.

Your Company consists of a prudent combination of promoters heading the organization coupled with capable professionals heading business verticals. Our aim is to consistently strengthen our services across the customer relationship cycle, demonstrating flexibility and enhancing goodwill. A combination of these values, philosophies and priorities has helped us make your Company one of the most trusted real estate brands in the country.

Going forward, we foresee some sectorial consolidation with the new real estate regulation acting as a catalyst. We believe that this regulation is a positive for all the well-managed companies. We will continue to work on the basics and align our strategies to emerging trends with an aim to stay ahead of the curve. We will continually strategize to have our projects at diverse locations and at different stages of development so as to have a robust growth trajectory. Our performance during the fiscal gone by, stands testament to our unwavering commitment to this farsighted strategy.

I thank you for continuing to repose your faith in me and the team and giving me this opportunity to lead your Company.

Best wishes,

Vikas Oberoi

PROFILE OF OUR BOARD OF DIRECTORS



Vikas Oberoi

Chairman &
Managing Director



Anil Harish

Independent, Non-
Executive Director



Bindu Oberoi

Non-Independent, Non-
Executive Director



**Karamjit Singh
Kalsi (Sonny Kalsi)**

Independent, Non-
Executive Director



Saumil Daru

Non-Independent,
Executive Director



**Tilokchand P.
Ostwal**

Independent, Non-
Executive Director



Venkatesh Mysore

Independent, Non-
Executive Director

Vikas Oberoi, *Chairman & Managing Director*

A Harvard Business School alumnus, Vikas Oberoi has been on the Board of Directors since the inception of the Company. With about three decades of experience in the real estate industry, he brings on board his unique vision, management practices and a global approach to the function. He is in charge of formulation of corporate strategy and planning, overall execution and management of the Company. He is an integral part of the key management and manages a

portfolio spanning across residential, office space, retail, hospitality and social infrastructure projects.

Anil Harish, *Independent, Non- Executive Director*

On the Board of Directors since September 2009, Anil Harish is a seasoned legal expert with over three decades of experience in Real Estate, Taxation and collaboration laws in India. With a Bachelor's degree in Law from Mumbai University and a Master's degree in Law from University of Miami, USA, he is a partner at D.M. Harish & Co. Advocates. He was a member

of the Managing Committee of the Indian Merchants Chamber and was Associate Vice President of the Society of Indian Law Firms. He is a trustee of Hyderabad (Sind) National Collegiate Board.

Bindu Oberoi, *Non- Independent, Non-Executive Director*

On the Board of Directors since December 2006, Bindu Oberoi is a Commerce Graduate from Mumbai University and is deeply involved in various design, landscaping and interior aspects of the projects developed.

Karamjit Singh Kalsi*(Sonny Kalsi), Independent,
Non-Executive Director*

On the Board of Directors since September 2014, Sonny is based out of the US and is the founder and partner of GreenOak Real Estate, an independent, partner-owned real estate principal investing and advisory firm that seeks to provide strategic advice and create long-term value for clients and investors with approximately \$5 billion of equity capital under management and having offices in New York, London, Madrid, Tokyo and Los Angeles. Sonny is a graduate of Georgetown University with a BS degree in Finance, May 1990, and is also a member of the Board of Regents of Georgetown University. He is a Trustee of the Asia Society, Trustee of the Spence School, Board member of the Jorge Posada Foundation and a member of the Young Presidents Organization. Sonny is also an Adjunct Professor at Columbia University in the Master's of Real Estate Program.

Sonny was previously the Global Co-Head of Morgan Stanley's Real Estate Investing (MSREI) business and President of the Morgan Stanley Real Estate Funds till 2009. Prior to managing MSREI globally, Sonny was based in Asia where, beginning in late 1997 and through his tenure into 2006, Sonny and his team led the formation of Morgan Stanley's property business in Asia and built the leading real estate platform in the region.

Sonny has also been cited in several publications for his profile in the real

estate industry, including Private Equity Real Estate magazine as one of the "30 Most Influential" people in private equity real estate globally.

Saumil Daru, Non-*Independent, Executive Director*

Saumil Daru has been associated with the Company since October 2002. He is also the Chief Financial Officer of the Company and heads the finance and accounts, secretarial and information technology departments. He is a qualified Chartered Accountant. He has also completed the Advanced Management Program from the Harvard Business School. Prior to joining the Company, he was associated with Ernst & Young India Private Limited and has nearly 20 years of experience in tax, accounts and finance.

Tilokchand P. Ostwal,*Independent, Non-Executive
Director*

Recognised amongst the top 50 tax professionals in the world, Tilokchand P. Ostwal has been on the Board of Directors since December 2007. He is fellow member of the ICAI and in practice for 38 years. He is a member of International Taxation Committee of Bombay Chartered Accountants' Society (BCA) and member of International Taxation Committee and Taxation Committee of Indian Merchants' Chamber (IMC). He was also a member of International Taxation Committee of ICAI. He was a member of the advisory group/committee setup by the Government of India for international taxation

and transfer pricing. Besides, he served as the Vice-Chairman of the Executive Board of International Fiscal Association, Netherlands. He is a member of the United Nations group for developing the transfer pricing manual and documentation for developing countries. He is a visiting professor at Vienna University, Austria. He is also the author of several publications on international taxation and Black Money Act 2015 of India. He is regular speaker on allied subjects domestically and internationally.

Venkatesh Mysore,*Independent, Non-Executive
Director*

On the Board of Directors since July 2011, Venkatesh Mysore is currently the CEO and MD of Knight Riders Sports Private Limited (Kolkata Knight Riders) and also the Chief Executive Officer of Red Chillies Entertainment Private Limited. Venkatesh Mysore brings on board decades of rich and versatile experience in the insurance sector, asset management and in setting up and promoting companies in diverse cultural and business environments. With years of experience in the financial sector in the US, he has served as the CEO & MD of MetLife where he spent over 21 years and also helped start up its India venture. He has also served as the India Country Head of Sun Life Financial, besides being on board with FICCI, CII, IMC, American Chamber of Commerce, Indo-Canadian Chamber and several committees established by IRDA.

DIRECTORS' REPORT

To
The Members,
Oberoi Realty Limited

Your Directors have pleasure in presenting the Eighteenth Annual Report of the Company on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2016.

Financial Results

The Company's performance during the financial year ended March 31, 2016 as compared to the previous financial year is summarized below:

(in Lakh)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Revenue from operations	1,40,809.00	92,266.75	1,17,976.55	69,924.06
Other income	3,620.60	1,748.52	14,395.08	6,181.49
Total revenue	1,44,429.60	94,015.27	1,32,371.63	76,105.55
Expenses	74,063.80	40,887.39	62,322.20	30,079.61
Profit before interest, depreciation, amortisation and taxes (EBITDA)	70,365.80	53,127.88	70,049.43	46,025.94
Depreciation and amortization	4,899.49	4,029.30	4,207.09	3,351.16
Interest and finance charges	16.11	176.24	14.79	17.47
Profit before tax	65,450.20	48,922.34	65,827.55	42,657.31
Tax expenses	22,859.00	17,210.36	18,280.94	12,180.32
Profit after tax	42,591.20	31,711.98	47,546.61	30,476.99

Nature of Business

The Company is engaged in the activities of Real Estate Development and Hospitality. On the real estate development front, the Company develops residential, commercial, retail and social infrastructure projects.

There was no change in nature of the business of the Company, during the year under review.

Financial Performance

Consolidated financials

During the year under review, your Company's consolidated total revenue stood at ₹1,44,429.60 Lakh as compared to ₹94,015.27 Lakh for the previous year, representing an increase of 53.62%; profit before tax stood at ₹65,450.20 Lakh for the year under review as compared to ₹48,922.34 Lakh for the previous year representing an increase of 33.78% and profit after tax stood at ₹42,591.20 Lakh as compared to ₹31,711.98 Lakh for the previous year representing an increase of 34.31%.

Standalone financials

During the year under review, the Total Revenue stood at ₹1,32,371.63 Lakh as compared to ₹76,105.55 Lakh for the previous year representing an increase of 73.93%; profit before tax stood at ₹65,827.55 Lakh for the year under review as compared to ₹42,657.31 Lakh for the previous year representing an increase of 54.32% and profit after tax stood at ₹47,546.61 Lakh as compared to ₹30,476.99 Lakh for the previous year representing an increase of 56.01%.

Report on performance and financial position of subsidiaries, associates and joint venture companies

The performance and financial position of each of the subsidiaries, associates and joint venture companies

for the year ended March 31, 2016 is attached to the financial statements hereto.

No company has become or ceased as subsidiary, associates and joint ventures, during the year under review.

Transfer to Reserves

It is not proposed to transfer any amount to reserves out of the profits earned during FY2015-16.

Dividend

Despite macro-economic headwinds, sluggish industry volume numbers and increased costs, there is an overall improvement in business/ investment sentiment, and taking into consideration the stable performance of your Company and in recognition of the trust in the management by the members of the Company, your Directors had declared an interim dividend on the equity shares of ₹10 each, fully paid-up, at the rate of ₹2/- per share (i.e. 20%) for the FY2015-16. It is proposed to the members that the said interim dividend for the FY2015-16 as declared by the Board of Directors shall be confirmed as the final dividend for the said financial year.

Deposits

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

Disclosures under Section 134(3)(l) of the Companies Act, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

Internal Control Systems

Adequate internal control systems commensurate with the nature of the company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

Disclosure of orders passed by regulators or courts or tribunal

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

Particulars of contracts or arrangements with related parties

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party(ies) are in the ordinary course of business and on arms' length basis. Hence, Section 188(1) is not applicable and consequently no particulars in form AOC-2 are furnished.

Particulars of loans, guarantees, investments under Section 186

The particulars of loans, guarantees and investments given/ made during the financial year under review and governed by the provisions of Section 186 of the Companies Act, 2013 has been furnished in Annexure I, which forms part of this report.

Disclosure relating to equity shares with differential rights

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Disclosure relating to sweat equity shares

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Disclosure relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme

During the year under review, the employee stock options vested in Option Grantees on May 4, 2012 expired on May 4, 2015 for non exercise within the Exercise Period. Further, during the year under review, certain Option Grantees have exercised 65,876 options vested in them.

In compliance with the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Employee Share Based Employee Benefits) Regulations, 2014, the details of Employee Stock Option Scheme as on March 31, 2016 is furnished in Annexure II attached herewith and forms part of this Report.

Preferential Allotment of Shares

During the year under review, the Company made an allotment on preferential basis, of 1,10,00,000 equity shares of face value of ₹10 each (the "Equity Shares"), at a price of ₹295 per Equity Share aggregating up to