



**BUILDING
ASPIRATIONS**

**BUILDING
TRUST**

**BUILDING
LEGACIES**



**ANNUAL REPORT
2018-2019**

OBEROI REALTY LTD.

INSIDE

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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 2018-19.

03

Decades plus rich experience

42

Completed projects at strategic locations, capturing the Mumbai skyline

27.43

Million sq. ft. Area under construction as on March 31, 2019

OVER THE PAST THREE DECADES, OBEROI REALTY HAS BUILT TRUST AND A STRONG LEGACY OF SUPERIOR QUALITY DEVELOPMENTS.

The Company has developed landmark projects across residential, commercial, retail, social and hospitality segments keeping in mind the aspirational customers. With a vision to be a thought leader in the real estate landscape of India we aim to create value and a better tomorrow for all our stakeholders.



Residential



Commercial



Retail



Social



Hospitality

CHAIRMAN'S MESSAGE



Our developments are conceptualized based on the needs of our customers and have an element of contemporary design that appeals to the new-age customer.

Dear Shareholders,

The new year has been momentous for India in more ways than one. The general elections this year construed a big win for growth and stability. The government that had brought in ground-breaking reforms and policy changes, particularly in the real estate industry, is once again back at the helm with an emphatic mandate. Reforms like GST, Insolvency code, RERA, and other similar initiatives have put the country on an accelerated path.

The year FY 2018-19 brought in consolidation to the real estate sector, as the central government's transformative agenda of the previous few years started to take effect. The long-term impact of these regulatory measures has been largely positive, leading to stronger governance, transparency, and compliance. Moreover, the Maharashtra Government's sustained emphasis on developing infrastructure and improving connectivity has boosted the market and led to renewed optimism.

At Oberoi Realty, we have always embraced challenges and capitalized on opportunities; this has been made possible thanks to our continued focus on technology, sustainability, quality, and by fostering an inclusive work culture. Our developments are conceptualized based on the needs of our customers and have an element of contemporary design that appeals to the new-age customer. The spaces we create are built using the latest construction methodologies that involve the convergence of global and local practices. Our focus on design and execution coupled with strong corporate governance practices has supported us to meet the expectations despite subdued market sentiments.

With a vision to be a thought leader in transforming the real estate landscape of India, we look forward to the corporatization of the sector by collaborating with

global talent to reach global standards and bringing in international best practices to India in design, construction, safety and quality.

As always, I am glad that our commitment to follow our vision has rewarded us amply, with our company bagging multiple recognitions, both at domestic and international platforms. The appreciation is an affirmation of the work we have done; it also puts more positive pressure on us to push the envelope to continue to create value for all our stakeholders.

I would like to thank you for reposing your faith in your organization and standing by us. We have the resources, the determination, and the resilience to live up to the highest standards and we will continue to work together with all our stakeholders to create a better tomorrow for us all.

Wishing you all an exemplary year ahead!

Best Wishes,

Vikas Oberoi

Chairman & Managing Director

PROFILE OF OUR BOARD OF DIRECTORS



Vikas Oberoi
Chairman &
Managing Director

Vikas Oberoi is the Chairman and Managing Director of Oberoi Realty Ltd. He is involved in the formulation of corporate strategy and management and concentrates on the growth and diversification plans of the Company.

He has more than three decades of experience in the real estate industry and is the recipient of numerous awards and accolades for his thought leadership and contribution to the sector. He firmly believes in overall societal development and is passionate about contributing to society.

He is also an alumnus of Harvard Business School and on HBS's India Advising Board.



Anil Harish
Independent
Non-Executive Director

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 Executive Vice President of the Society of Indian Law Firms. He is a trustee of Hyderabad (Sind) National Collegiate Board.

Anil Harish had been on the Board of Directors since September 2009, and resigned from the directorship of the Company w.e.f. July 24, 2019.



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 President of BentallGreenOak, global real estate firm that seeks to create long-term value for its investors and clients, with approximately \$50 billion of assets under management and operations in 12 countries around the world. Sonny is a graduate of Georgetown University with a BS degree in Finance, May 1990, and is a former member of the Board of Regents of Georgetown University. He also serves on the board of several organizations including: The Spence School, Teaching Matters, Room to Read, AHRC New York City Foundation, PowHERful Foundation, The Hirshhorn Museum, and the Asia Society. He is a member of the Young Presidents Organization and an Adjunct Professor at Columbia University in the Master 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 until 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 2002. He is the Director-Finance and has been a member of the board of Oberoi Realty Limited since May 2014.

As the Chief Financial Officer of the Company he heads Finance, Accounts and Tax functions at Oberoi Realty Limited. He has a cumulative work experience of over 20 years in Tax, Accounts and Finance.

A graduate in Commerce from Mumbai University, he is also a qualified Chartered Accountant and has completed the Advanced Management Program from the Harvard Business School.



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 more than 40 years. He is a partner of T. P. Ostwal & Associates and DTS & Associates, Chartered Accountants. He is a member of International Taxation Committee of Bombay Chartered Accountants' Society (BCA) and Institute of Chartered Accountants of India and member of International Taxation Committee and Taxation Committee of Indian Merchants' Chamber (IMC). He was a member of the advisory group/committee set up 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, transfer pricing, and Black Money Act 2015 of India. He is a regular speaker on allied subjects, domestically and internationally.



Tina Trikha
Independent
Non-Executive Director

On the Board of Directors since April 2019, Tina Trikha has close to two decades of experience working with companies in the United States, India, and South-East Asia. A published author and an executive coach, she currently serves as head of communications and talent development for SeaLink Capital Partners, a private equity firm based in Mumbai. Previously she was Vice President of corporate planning and strategy at Godrej Industries Limited. As part of her role, Tina worked with various Godrej businesses on defining strategic goals and identifying initiatives. Prior to that, Tina was responsible for strategic planning and business development at Scholastic, a book publisher and distributor in New York. Her previous roles also included providing financial and strategic advice to companies as a consultant with McKinsey & Company in New York and as an investment banker with Credit Suisse in New York and Hong Kong. Tina holds a bachelor's degree in economics from Massachusetts Institute of Technology and a Master's degree in Business Management from the Wharton School of Business.



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 Twenty First Annual Report of the Company on the business and operations of the Company, together with the Audited Financial Statements for the year ended March 31, 2019.

Financial Results

The Company's performance during the financial year ended March 31, 2019 as compared to the previous financial year is summarized below:

| Particulars | (₹ in Lakh) | | | |
|---|------------------|------------------|------------------|------------------|
| | CONSOLIDATED | | STANDALONE | |
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Revenue from operations | 2,58,249.93 | 1,26,542.90 | 1,02,865.55 | 97,422.33 |
| Other income | 7,874.76 | 2,657.80 | 12,962.52 | 10,911.85 |
| Total revenue | 2,66,124.69 | 1,29,200.70 | 1,15,828.07 | 1,08,334.18 |
| Expenses | 1,49,051.86 | 64,610.11 | 51,339.48 | 49,240.34 |
| Profit before share of profit of joint ventures (net) | 1,17,072.83 | 64,590.59 | 64,488.59 | 59,093.84 |
| Share of Profit/(Loss) of joint ventures (net) | 689.60 | 361.97 | - | - |
| Profit before tax | 1,17,762.43 | 64,952.56 | 64,488.59 | 59,093.84 |
| Tax expenses | 36,069.08 | 19,072.24 | 19,118.39 | 17,377.06 |
| Other comprehensive income (net of tax) | 62.92 | 118.67 | 49.63 | 78.62 |
| Total comprehensive income for the year | 81,756.27 | 45,998.99 | 45,419.82 | 41,795.40 |

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 ₹2,66,124.69 lakh as compared to ₹1,29,200.70 lakh for the previous year, representing an increase of 105.98%; profit before tax stood at ₹1,17,762.43 lakh for the year under review as compared to ₹64,952.56 lakh for the previous year representing an increase of 81.31%; and the total comprehensive income stood at ₹81,756.27 lakh as compared to ₹45,998.99 lakh for the previous year representing an increase of 77.73%.

Standalone Financials

During the year under review, the total revenue stood at ₹1,15,828.07 lakh as compared to ₹1,08,334.18 lakh for the previous year representing an increase of 6.92%; profit before tax stood at ₹64,488.59 lakh for the year under review as compared to ₹59,093.84 lakh for the previous year representing an increase of 9.13%; and the

total comprehensive income stood at ₹45,419.82 lakh as compared to ₹41,795.40 lakh for the previous year representing an increase of 8.67%.

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, 2019 is attached to the financial statements hereto.

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

TRANSFER TO RESERVES

It is not proposed to transfer any amount to reserves out of the profits earned during FY 2018-19.

DIVIDEND

Taking into consideration the stable performance of your Company and in recognition of the trust in the management by the members of the Company, the Directors are pleased to recommend a dividend at the rate of ₹2 per equity share, i.e. 20% of the paid up Equity Share Capital for the year ended March 31, 2019 (previous year: ₹2 per equity share, (i.e. 20%) of the paid up Equity Share Capital).

DIRECTORS' REPORT

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. Internal control systems are designed to ensure 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 ordinary course of business and on arm's length. Further none of such transactions/contracts/ arrangements are material (i.e., satisfying the criteria provided in first proviso of section 188(1) of the Companies Act, 2013)

in nature. Hence, no particulars in form AOC-2 are furnished. Kindly refer the financial statements for the transactions with related parties entered during the year under review.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186

Kindly refer the financial statements for the loans, guarantees and investments given/ made by the Company as on March 31, 2019.

QUALIFIED INSTITUTIONS PLACEMENT OF EQUITY SHARES OF THE COMPANY

Under the authority of the special resolution passed by the members of the Company at the Annual General Meeting held on June 5, 2018, your Company has issued and allotted 2,40,00,000 equity shares of face value of ₹10 each through qualified institutions placement (QIP) at an issue price of ₹500 (inclusive of premium of ₹490) per share, aggregating to ₹1200 crore. Accordingly, issued, subscribed & paid up share capital of the Company has increased from ₹3,39,60,22,370 (33,96,02,237 equity shares of ₹10 each) to ₹3,63,60,22,370 (36,36,02,237 equity shares of ₹10 each). There has been no deviation during the year ended March 31, 2019 in the use of QIP proceeds from the objects stated in the Placement Document dated June 19, 2018. Kindly refer the report on corporate governance for the utilization as on March 31, 2019 of the QIP proceeds.

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 there were no instances of grant, vest, exercise, or lapse/ cancellation of employee stock options under the Employee Stock Option Scheme of the Company. Also, as at the beginning of the year, there were no outstanding options granted. Hence, no disclosures in terms of Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Employee Share Based Employee Benefits) Regulations, 2014 are required.

DIRECTORS' REPORT

DISCLOSURES IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors and Key Managerial Personnel

There was no change in the composition of Board of Directors and the Key Managerial Personnel during the year under review.

The current term of Mr. Vikas Oberoi as Managing Director of the Company expires on December 3, 2019. The Board has approved his reappointment as the Managing Director of the Company for a further period of 5 years commencing from December 4, 2019 till December 3, 2024, subject to approval of the shareholders of the Company.

Also, the Board has approved the reappointment of Mr. Saumil Daru as Director – Finance for the period from May 10, 2019 till May 9, 2024, subject to approval of the shareholders at their ensuing meeting. Additionally, Mr. Saumil Daru is liable to retire by rotation at the 21st Annual General Meeting in terms of Section 152 read with Section 149(13) of the Companies Act, 2013, and the said Director has offered himself for reappointment.

Also, Ms. Tina Trikha has been appointed as an Independent (Additional) Director w.e.f. April 12, 2019 and in terms of Section 161(1) of the Companies Act, 2013 she shall hold the office of Additional Director upto the date of ensuing Annual General Meeting. The Board has received a notice from a member under Section 160(1) of the Companies Act, 2013 proposing her candidature for the office of Independent Director of the Company. The Nomination and Remuneration Committee, and the Board has recommended her appointment as an Independent Director of the Company.

Also, Mr. Anil Harish, an Independent Director, resigned from the directorship of the Company w.e.f. July 24, 2019. The Board places on record its appreciation for the guidance and support provided by Mr. Anil Harish during his association with the Company.

The first term of 5 years of Mr. T.P. Ostwal and Mr. Venkatesh Mysore, the Independent Directors of the Company, shall expire on August 26, 2019, while that of Mr. Karamjit Singh Kalsi shall expire on June 30, 2020.

The said Independent Directors have expressed their willingness to be reappointed as Independent Directors of the Company for the second term of 5 years in succession of their first term. The Board has received notices from

member under Section 160(1) of the Companies Act, 2013 proposing the candidature of said Independent Directors for the office of Independent Directors of the Company. The Nomination and Remuneration Committee, and the Board has recommended their appointment as Independent Directors of the Company.

The resolutions for the above appointment/ reappointment of Directors, is incorporated in the Notice of the ensuing Annual General Meeting. The brief profile and other information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") relating to the Directors proposed to be appointed/ reappointed forms part of the Notice of ensuing Annual General Meeting.

Declarations by Independent Directors

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met 5 times during the financial year ended March 31, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made there under. All the Directors actively participated in the meetings and provided their valuable inputs on the matters brought before the Board of Directors from time to time. Additionally, on October 22, 2018, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Director's Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2019, the Board of Directors hereby confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, wherever applicable;
- (b) such accounting policies have been selected and applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profits of the Company for the year ended on that date;