OBEROI
REALTY

September 20, 2017

Department of Corporate Services
BSE Limited,
Fort, Mumbai 400001

*Through: BSE Listing Centre*

Scrip code: 533273

The Listing Department
National Stock Exchange of India Limited,
Bandra (E), Mumbai 400051

*Through: NEAPS*

Scrip Symbol: OBEROIRLTY

Sub: Submission of adopted Annual Report for FY2016-17

Ref: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sirs,

The business relating to consideration and adoption of Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2017, and the reports of the Board and Directors and the Auditors thereon, as contained in the Annual Report for FY2016-17 ("said Annual Report"), having been approved with requisite majority by the members of the Company at the Annual General Meeting held on September 19, 2017, we in compliance of Regulation 34(1) of the Listing Regulations, hereby submit a copy of the said Annual Report.

Kindly take the above on record and oblige.

Thanking you.

For Oberoi Realty Limited

Bhaskar Kshirsagar
Company Secretary

Encl: As above.

Oberoi Realty Limited, Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (E), Mumbai - 400 063.
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# LOOKING UP,
# LOOKING AHEAD.

## ANNUAL REPORT 2016-2017

## Caution regarding forward-looking statements

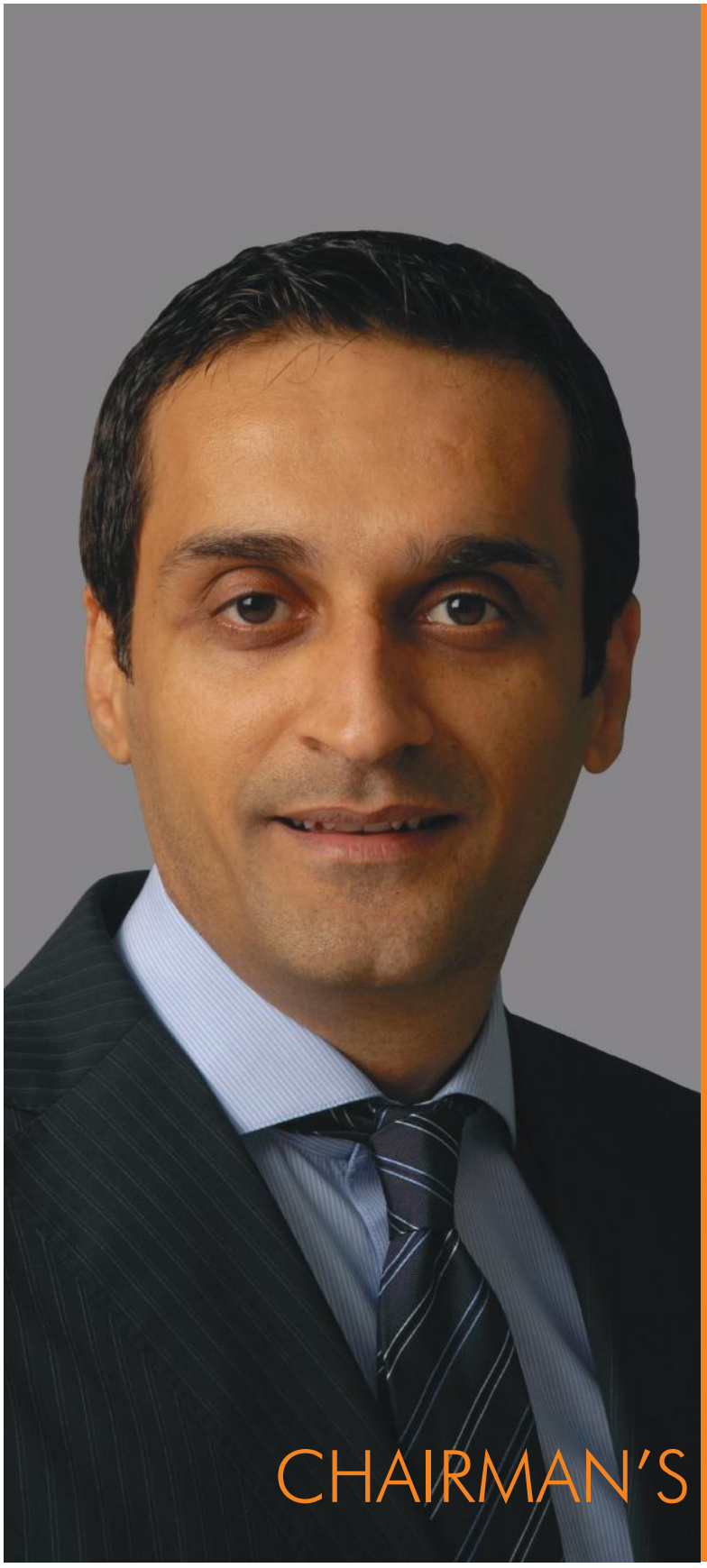
This document contains statements about expected future events and financial and operating results of Oberoi Realty Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant 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 2016-17.

# Inside...


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FY 2016-17 has been a significant year for the Indian economy, a year of huge transformations. At Oberoi Realty Limited, with customer centricity and transparency as the backbone of our existence, we have heartily embraced the progressive agenda of the government. Our strong values and belief system have paid dividends, as demonstrated in our exceptional performance for the year. With a gross annual booking value of more than ₹ 1,500 crores, we have continued creating unprecedented value for all our stakeholders and will keep doing so. Going forward, we intend to expand our portfolio in diverse businesses and focus on execution and project delivery.

OBEROI REALTY



# CHAIRMAN'S MESSAGE

***Dear Shareholders,***

**The financial year 2016-17 has been a landmark year for the Indian economy, a year of significant reforms and progressive decisions. The government has put the nation on a trajectory where all past benchmarks have been redefined and a new order of fiscal control has set in, getting India ready to claim its rightful place as the most attractive country for doing business.**

**Amidst these profound transformations, including the much talked about demonetisation, and a budget that included path-breaking initiatives on the rural sector, a huge fillip to affordable housing, recalibration of capital gains treatment and more, the year rounded off on a positive note with the long-awaited Goods and Service Tax (GST) and RERA becoming a reality.**
**In Maharashtra, the state government's sustained focus on infrastructure augurs well for its economy and industry.**

At Oberoi Realty, with our long-standing history of transparency and customer centricity, we have heartily welcomed and embraced the progressive agenda. With a continuous emphasis on financial transparency in all our transactions, demonetisation was virtually a non-event for us. We are enthusiastic about RERA being implemented, as it will bring in much-needed accountability and clarity to the sector. This will increase customer confidence and create a level playing field for developers like us with a proven track record. We also believe that the unified tax structure under GST will truly strengthen the country's economy. I can assure you that the future is bright for companies like yours as the real estate sector transforms into a space meant for players with credibility and integrity.

FY16-17 has been yet another year of value-based operations for your company; the strong performance has come on the back of our commitment to deliver value to all our stakeholders. Our revenues for FY17 stand at ₹ 1,161.04 crores with an EBIDTA of ₹ 617.36 crores and our gross annual booking value exceeded ₹1,500 crores. Our retail development, Oberoi Mall, continues to command leadership position in the western suburbs of Mumbai due to its location and excellent mix of brands across segments.

With the ethos of your company inherent in all that we do, I am happy to share that over the past year, despite challenging economic environment, our projects across various segments saw an exceptional response. We are also glad to inform you that all our ongoing projects are moving at a steady pace, making us confident about the timely delivery of the projects.

The success of the Oberoi Realty brand has been, to a large extent, a result of our unwavering belief in the highest standards of corporate governance and philosophy of integrity and customer centricity. Over the last year, we have been the recipients of numerous accolades; including awards for "Best for Investor Relation" and "Best for Disclosure and Transparency" by Asiamoney Corporate Governance Poll India – 2016.

The foundation of our core existence is composed of many enablers, such as our strong investors, our focused employees and our ever-supportive partners. I thank each of you for being a pillar of this organisation, and giving me the opportunity to lead your esteemed company.

With a continued emphasis on project delivery, quality construction, innovation and value enhancement of the entire ecosystem, the future looks promising for your company. Let us all look forward to building an India of the future and the Oberoi Realty of our dreams.

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

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### 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 global approach to the company. He is involved in the 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 Executive 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 a 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 $8 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 also serves on the board of several organizations including: The Spence School, Teaching Matters, Room to Read, 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 Masters 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.

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## Saumil Daru

Non-Independent,
Executive Director

Saumil Daru has been associated with the Group since 2002. He is also the Chief Financial Officer of the company and heads Finance, Accounts and Tax functions. 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. Prior to joining Oberoi Realty, he was working with Arthur Andersen / Ernst & Young India Private Limited and has a cumulative work experience of over 20 years 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 39 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 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 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 and Black Money Act 2015 of India. He is a regular speaker on allied subjects, domestically and internationally.

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## 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 Nineteenth Annual Report of the Company on the business and operations of the Company, together with the Audited Financial Statement for the year ended March 31, 2017.

## Financial Results

The Company's performance during the financial year ended March 31, 2017 as compared to the previous financial year is summarized below:

(₹ in Lakh)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Revenue from operations | 1,11,374.39 | 1,41,614.71 | 89,071.20 | 1,18,352.69 |
| Other income | 4,729.80 | 4,276.70 | 5,837.01 | 16,561.47 |
| Total revenue | 1,16,104.19 | 1,45,891.41 | 94,908.21 | 1,34,914.16 |
| Expenses | 59,874.50 | 79,567.13 | 47,295.00 | 66,842.35 |
| Profit before tax | 56,229.69 | 66,324.28 | 47,613.21 | 68,071.81 |
| Tax expenses | 18,684.86 | 22,928.18 | 15,548.24 | 18,313.57 |
| Share of Profit / (loss) of associates / joint ventures (net) | 313.93 | 159.50 | - | - |
| Profit after tax | 37,858.76 | 43,555.60 | 32,064.97 | 49,758.24 |
| Other comprehensive income/ (expenses) | 22.48 | (28.05) | 20.52 | (7.54) |
| Total Comprehensive Income for the year | 37,881.24 | 43,527.55 | 32,085.49 | 49,750.70 |

The above is an extract from the financial statements prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 by the Ministry of Corporate Affairs, as amended by the Companies (Indian Accounting Standards) Rules, 2016.

## 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 ₹ 1,16,104.19 Lakh as compared to ₹ 1,45,891.41 Lakh for the previous year, representing a decrease of 20.42%; profit before tax stood at ₹ 56,229.69 Lakh for the year under review as compared to ₹ 66,324.28 Lakh for the previous year representing a decrease of 15.22%; and the total comprehensive income stood at ₹ 37,881.24 Lakh as compared to ₹ 43,527.55 Lakh for the previous year representing a decrease of 12.97%.

### Standalone financials

During the year under review, the total revenue stood at ₹ 94,908.21 Lakh as compared to ₹ 1,34,914.16 Lakh for the previous year representing a decrease of 29.65%; profit before tax stood at ₹ 47,613.21 Lakh for the year under review as compared to ₹ 68,071.81 Lakh for the previous year representing a decrease of 30.05%; and the total comprehensive income stood at ₹ 32,085.49 Lakh as compared to ₹ 49,750.70 Lakh for the previous year representing a decrease of 35.51%.

## 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, 2017 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 2016-17.

## 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, 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, 2017 (previous year: ₹ 2 per Equity Share, (i.e. 20%) of the paid up Equity Share Capital).

## 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 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 provisio of section 188(1) of the Companies Act, 2013) in nature. Hence, 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** attached herewith and 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 unexercised portion of employee stock options vested in Option Grantees on May 4, 2013 expired on May 4, 2016 for non-exercise within the Exercise Period. Further, during the year under review, certain Option Grantees have exercised 2,31,581 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, 2017 are furnished in **Annexure II** attached herewith and forms part of this 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.

### 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, 2017 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 December 23, 2016, 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, 2017, 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 judgments 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, 2017 and of the profits of the Company for the year ended on that date;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a going concern basis;

e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Nomination and Remuneration Committee

A Nomination and Remuneration Committee is in existence in accordance with the provisions of sub-section (1) of Section 178 of the Companies Act, 2013. Kindly refer section on Corporate Governance, under head 'Nomination, Remuneration, Compensation and Management Development Committee' for matters relating to constitution, meetings, functions of the Committee and the remuneration policy formulated by this Committee.

## Audit Committee

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer section on Corporate Governance, under head 'Audit Committee' for matters relating to constitution, meetings and functions of the Committee.

## Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee constituted by the Board of Directors exists.

For details of the composition of the Committee, the CSR policy and other relevant details that are required to be disclosed under the provisions of Section 134(3)(o) of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, kindly refer **Annexure III** attached herewith and which forms part of this report.

## Other Board Committees

For details of other board committees, kindly refer the section on Corporate Governance.

## Vigil Mechanism for the Directors and Employees

In compliance with the provisions of Section 177(9) of the Companies Act, 2013, the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for Directors and employees of the Company.

The Whistle Blower Policy is disclosed on the website of the Company at
http://www.oberoirealty.com/pdf/Whistle_Blower_Policy.pdf

## Fraud Reporting

During the year under review, no instances of fraud were reported by the Statutory Auditors of the Company.

## Risk Management Policy

The Board of Directors of the Company has put in place a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk-reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

## Annual Evaluation of Directors, Committee and Board

The Nomination and Remuneration Committee of the Board has formulated a Performance Evaluation Framework, under which the Committee has identified criteria upon which every Director, every Committee and the Board as a whole shall be evaluated.

## Particulars of Employees and Remuneration

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure IV** attached herewith and which forms part of this report.

## Payment of remuneration / commission to Managerial personnel from holding or subsidiary companies:

None of the managerial personnel i.e. the Managing Director and the Whole Time Director of the Company are in receipt of remuneration/commission from the holding or subsidiary company of the Company.

## Auditiors and their reports

The matters related to Auditors and their Reports are as under:

### Observations of statutory auditors on financial statements for the year ended March 31, 2017:

The auditor's report does not contain any qualification, reservation or adverse remark or disclaimer or modified opinion.

### Secretarial Audit report for the year ended March 31, 2017:

As required under provisions of Section 204 of the Companies Act, 2013, the report in respect of the Secretarial Audit carried out by M/s. Rathi and Associates, Company Secretaries in Form MR-3 for the FY 2016-17 forms part to this report. The said report does not contain any adverse observation or qualification or modified opinion requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### Statutory Auditors appointment:

In terms of provisions of Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, M/s. P. Raj & Co., Chartered Accountants, the existing Statutory Auditors shall vacate their office on the conclusion of ensuing Nineteenth Annual General Meeting. The Audit Committee and the Board of Directors has recommended to the members of the Company, the appointment of S R B C & Co LLP, Chartered Accountants, as the next auditors, and if approved by the members S R B C & Co LLP shall hold office from the conclusion of Nineteenth (19th) Annual General Meeting till the conclusion of the Twenty Fourth (24th) Annual General Meeting subject to ratification of such appointment by members at every AGM in accordance with the provisions of said Section.

Necessary resolution for appointment of the said S R B C & Co LLP as auditors of the company is included in the Notice of Annual General Meeting for seeking approval of members.

### Cost Auditors:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with notifications/ circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated April 29, 2016, appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditors of the Company for FY2016-17. The Cost Audit Report for FY2016-17 will be filed within the period stipulated under the Companies Act, 2013.

In respect of FY2017-18, the Board based on the recommendation of the Audit Committee has approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants as the cost auditors of the Company. A resolution for ratification of the remuneration to be paid for such appointment is included in the notice of the ensuing Annual General Meeting.

## Other Disclosures

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

### Extract of Annual Return:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2017 made under the provisions of Section 92(3) of the Act is attached as **Annexure V** attached herewith and which forms part of this Report.

### Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

The details of foreign exchange earnings and outgo during the year under review is as under:

**Value of Imports (on C. I. F. Basis)**

(₹ in Lakh)

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Materials | 1,360.46 | 809.70 |
| Capital Goods | 6.64 | 219.11 |

**Expenditure in Foreign currency (on payment basis)**

(₹ in Lakh)

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Foreign Travel | 2.40 | 9.94 |
| Professional Fees | 179.43 | 422.29 |
| Others | 1,148.17 | 990.59 |

**Earnings in Foreign Currency (on receipts basis)**

(₹ in Lakh)

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Sale of residential units | 88.12 | 274.73 |
| Hospitality services | 5,656.71 | 5,660.44 |

## Unclaimed Shares

Out of the Equity Shares allotted to the successful applicants in the IPO concluded in the month of October 2010, 200 unclaimed Equity Shares are pending for credit to the demat accounts of the respective allottees, which shares stands transferred to the unclaimed shares demat suspense account in accordance with the requirements of (erstwhile) Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The requisite disclosures under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the unclaimed shares are as under:

| Particulars | No. of shareholders | No. of shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 2 | 200 |
| Number of shares transferred to the suspense account during the year | Nil | Nil |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year | Nil | Nil |
| Number of shareholders to whom shares were transferred from suspense account during the year | Nil | Nil |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | 2 | 200 |

The voting rights in respect of the above 200 equity shares are frozen. No corporate benefits in the nature of bonus, split, rights had accrued on the aforesaid 200 equity shares.

## Unclaimed and Unpaid Dividends

As on March 31, 2017, amounts of ₹ 15,099, ₹ 18,640, ₹ 38,836, ₹ 39,654, ₹ 56,486 and ₹ 44,618 are lying in the unpaid equity dividend account of the Company in respect of the dividends for FY 2010-11, FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16 respectively. Members who have not yet received/ claimed their dividend entitlements are requested to contact the Company or the Registrar and Transfer Agents of the Company.

## Service of documents through electronic means

Subject to the applicable provisions of the Companies Act, 2013, all documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

## Internal Complaint Committee

The Internal Complaint Committee (''ICC'') of the Company as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 exists for the real estate division as well as the hospitality division 'Westin Mumbai Garden City' ("WMGC"). The Company is strongly opposed to sexual harassment and employees are made aware about the consequences of such acts and about the constitution of ICC.

During the year under review, 4 complaints were filed with the ICC of WMGC under the provisions of the said Act, of which one was pending disposal at the end of year, which however stands disposed of as on date this report.

## Corporate Governance

The report on Corporate Governance and the certificate from the Statutory Auditors regarding compliance with the conditions of Corporate Governance have been furnished in the Annual Report and forms a part of the Annual Report.

## Management Discussion and Analysis Report

The Management Discussion and Analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report.

## Business Responsibility Report

In compliance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated December 27, 2015, the Business Responsibility Report for the financial year ended March 31, 2017 has been separately furnished in the Annual Report and forms a part of the Annual Report.

## Dividend Distribution Policy

In compliance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy formulated by the Company is available on the website of the Company www.oberoirealty.com.

## Acknowledgements and Appreciation:

Your Directors take this opportunity to thank the employees, customers, suppliers, bankers, business partners/associates, financial institutions and various regulatory authorities for their consistent support/ encouragement to the Company.

Your Directors would also like to thank the Members for reposing their confidence and faith in the Company and its Management.

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

**Registered Office**
Oberoi Realty Limited
Commerz, 3rd Floor,
International Business Park, Oberoi Garden City,
Off Western Express Highway, Goregaon (East),
Mumbai 400 063

CIN: L45200MH1998PLC114818
Telephone No.: (022) 6677 3333
Fax No.: (022) 6677 3334
Mail : cs@oberoirealty.com
Website: www.oberoirealty.com

# ANNEXURE I

## Particulars of Loans, Guarantees and Investments

(₹ in Lakh)

| Sr. No. | Name of the party | Nature of transaction | Amount at the beginning of the year | Net transactions during the year | Balance at the end of the year |
|---|---|---|---|---|---|
| 1 | I-Ven Realty Limited | Investment in debentures | 6,576.69 | 1,281.92 | 7,858.61 |

Note: During FY2016-17 the company had acquired 350 debentures of Incline Realty Private Limited of face value of ₹ 100.00 Lakh each for an aggregate consideration of ₹ 36,126.59 Lakh. The said debentures were redeemed during the said year at ₹ 36,182.91 Lakh.

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

# ANNEXURE II

## Disclosure of Employee Stock Option Scheme (as on March 31, 2017):

| Particulars | ESOP 2009 (Grant 1) |
|---|---|
| Options granted | 13,49,553 |
| Options vested | 94,739 |
| Options exercised | 3,02,164 |
| The total number of shares arising as a result of exercise of option | 3,02,164 |
| Options lapsed | 5,44,897 |
| Options cancelled | 4,07,753 |
| Exercise Price (per option) | ₹ 260 |
| Variation of terms of options | None during the year |
| Money realized by exercise of options | ₹ 7,85,62,640 |
| Total number of options in force as on March 31, 2017 | 94,739 |
| Employee wise details of options granted during FY2016-17 to: | |
| - Key Managerial Personnel | N.A. |
| - Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year | N.A. |

| Particulars | ESOP 2009 (Grant 1) |
|---|---|
| - Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. | N.A. |
| Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard AS-20 (Earnings Per Share) | ₹ 9.45 |
| Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so calculated using intrinsic value of stock options and the employee compensation cost that would have been recognized if the fair value of options had been used and the impact of this difference on profits and EPS of the Company. | To calculate the employee compensation cost, the Company uses the intrinsic value method for valuation of the options granted. Even if the Company used fair value method of valuing stock options, the employee compensation cost and basic and diluted EPS for FY2016-17 would have remain unchanged. |
| Weighted average exercise price and weighted average fair value of options whose exercise price equals or exceeds or is less than market price of the stock. | Weighted average exercise price: ₹ 260.<br>Weighted average fair value of options: ₹126.97 |
| Description of method and significant assumptions used to estimate fair value of options at the time of grant | |
| A. Risk free interest rate | 7.06% |
| B. Expected life | 4.2 years |
| C. Expected volatility | 51.85% |
| D. Dividend yield | - |
| E. Price of the underlying share in market at the time of the option grant | ₹ 260.00 |

Notes:

A. The options outstanding as on March 31, 2017 are under Grant 1 of ESOP 2009, and are net of the options exercised/ lapsed/ cancelled/forfeited till that date.

'Grant 1' means grant of options to those employees of the Group who were in employment on the date two years prior to date of the meeting of the Compensation Committee which had considered and approved grant of options.

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

# ANNEXURE III

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs

The following are the areas of emphasis for CSR activities under the CSR policy:

a) Slum re-development, housing for economically weaker sections.

b) Promotion of education, including by way of conservation, renovation of school buildings and classrooms.

c) Efforts towards eradicating hunger, poverty and malnutrition, fulfillment of nutritional requirements of the needy, promoting health care and sanitation, including by way of creation of aids and facilities for differently abled persons.

d) Efforts towards environment sustainability, including by way of undertaking clean and renewable energy project, conservation of natural resources, protection of flora and fauna, maintenance of ecological balance, including by way of adoption of green belts, gardens etc.

e) Contribution to Prime Minister's National Relief Fund or such other funds as may be recognized under Schedule VII of Companies Act, 2013.

During the year under review, the company has undertaken CSR activity of protection of flora and fauna and maintenance of ecological balance by adoption of green belts. Additionally, the Company has contributed an amount of ₹ 10 Lakh to Dindayal Bahuuddeshiya Prasarak Mandal for promoting of irrigation and agriculture facilities and an amount of ₹ 2 Lakh to Green Health Foundation towards environment preservation related activities. Additionally the company has contributed an amount of ₹ 0.10 Lakh to CSR fund of CREDAI.

The CSR Policy of the Company is available on the website of the Company at http://www.oberoirealty.com/pdf/CSR_Policy.pdf

### 2. The composition of the CSR Committee.

The CSR Committee comprises of following members:

a) Mr. Vikas Oberoi (Chairman) (Non Independent Director).
b) Ms. Bindu Oberoi (Non Independent Director).
c) Mr. Venkatesh Mysore (Independent Director).

### 3. Average Net Profit of the Company for last three financial years: ₹ 41,707.65 Lakh

### 4. Prescribed CSR Expenditure: ₹ 834.15 Lakh

### 5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: ₹ 834.15 Lakh
b) Amount unspent if any: ₹ 790.99 Lakh
c) Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sr. No.** | **CSR Project or activity identified** | **Sector in which the project is covered** | **Project or programs (1) Local area or other (2) State and district where projects or programs was undertaken** | **Amount outlay (budget) project or programs wise (for the year) (₹ in Lakh)** | **Amount spent on the projects or programs sub heads during the year (₹ in Lakh):** | **Cumulative expenditure upto the reporting period (₹ in Lakh)** | **Amount spent Direct or through implementing agency** |
| 1 | Adoption of green belts | Protection of flora and fauna, maintenance of ecological balance | Local, State: Maharashtra, District: Mumbai | 834.15 | (1) Direct Expenditure on projects and programs: 31.02 (2) Overheads: 0.04 | 31.06 | Direct |
| 2 | Promotion of irrigation and agriculture facilities | Rural development | Other, State: Maharashtra, District: Yavatmal | | (1) Direct Expenditure on projects and programs: 10.00 (2) Overheads: Nil | 10.00 | Contribution to Dindayal Bahuuddeshiya Prasarak Mandal |
| 3 | Environment sustainability | Protection of flora and fauna, maintenance of ecological balance | Local, State: Maharashtra, District: Mumbai | | (1) Direct Expenditure on projects and programs: 2.00 (2) Overheads: Nil | 2.00 | Contribution to Green Health Foundation |
| 4 | Promotion of education and skill development | Promoting education | Other, State: Various, District: Various | | (1) Direct Expenditure on projects and programs: 0.10 (2) Overheads: Nil | 0.10 | Contribution to CREDAI CSR Foundation |
| Total | | | | 834.15 | 43.16 | 43.16 | |

## 6. Reasons for failure to spend the two percent of the average net profit of the last three financial years or any part thereof:

The CSR activities carried/ to be carried out by the Company is driven by the expertise of the management. The Company believes that the CSR should be in the field(s) which have substantial social impact and which co-relate with the philosophy of the Company to improve the quality of life. Despite making substantial efforts, during the FY2016-17, the Company did not come across any new project, which reflected the above approach and hence the spending prescribed towards CSR could not be fully made during FY2016-17. However, the Company has committed itself for construction of a school building for education of under privileged deserving girl children at the school run by Avasara Leadership Institute at village Lavale at Pune and the said expenditure would cover substantial amount of CSR spending required for FY2017-18.

## 7. Responsibility statement

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and policy of the Company.

**Vikas Oberoi**
Chairman & Managing Director
Chairman of CSR Committee
DIN: 00011701

Mumbai, May 4, 2017

# ANNEXURE IV

## DISCLOSURE OF REMUNERATION DETAILS

**Ratio of the remuneration of each director to the median remuneration of the employees**

| | |
|---|---|
| Mr. Vikas Oberoi | 0.00:1 |
| Mr. Saumil Daru | 272.35:1 |
| Mr. Anil Harish | 4.30:1 |
| Ms. Bindu Oberoi | 0 |
| Mr. Karamjit Singh Kalsi | 4.30:1 |
| Mr. T.P. Ostwal | 4.30:1 |
| Mr. Venkatesh Mysore | 4.30:1 |

(above excludes sitting fee, whosesoever applicable)

**The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

| Name of Director | Designation | % increase in remuneration |
|---|---|---|
| Mr. Vikas Oberoi | Managing Director | 0 |
| Mr. Saumil Daru | Director - Finance cum Chief Financial Officer | 245.34 |
| Mr. Anil Harish | Independent Director | 10.00 |
| Ms. Bindu Oberoi | Non-independent Director | N.A. |
| Mr. Karamjit Singh Kalsi | Independent Director | 10.00 |
| Mr. T.P. Ostwal | Independent Director | 10.00 |
| Mr. Venkatesh Mysore | Independent Director | 10.00 |
| Mr. Bhaskar Kshirsagar | Company Secretary | 4.59 |

(above excludes sitting fee, whosesoever applicable)

**The percentage increase in the median remuneration of employees in the financial year:** 0.24%

**Number of permanent employees on the rolls of the Company:** 847.

**Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year:** 10.51%

**Percentage increase / (decrease) in the managerial remuneration:** 206.38%

**Justification, including any exceptional circumstances, for increase in the managerial remuneration:** There is a nominal increase of 10% in the remuneration of independent directors which is similar to the increase in the remuneration of employees other than managerial personnel. The remuneration of Mr. Saumil Daru reflects an increase on account of payment of performance linked variable pay and also the perquisite value of the stock options exercised by him.

Statement pursuant to Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (for the year ended March 31, 2017)

| Sr.No | Name | Designation | Age as on 31/03/2017 (in years) | Gross Remuneration (₹) | Qualification | Experience (in years) | Last Employment | Commencement of Employment | % of equity shares held as on 31/3/2017 (in case of holding 2% or more) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Bharath Raghavan | Executive Vice President - Legal | 52 | 1,07,51,266 | B. Com, Bachelors in General Law, CS | 29 | United Breweries (Holdings) Limited | Aug -15 | N.A. |
| 2 | Irfan Ahmed | Vice President - Engineering | 49 | 1,52,62,466 | B.E. (Civil) | 29 | Robert Matthew Johnson - Marshall | Jun -11 | N.A. |
| 3 | Jaswinder Singh Sandhu | Executive Vice President - EPC | 39 | 1,23,45,072 | Post Graduate Diploma in Advanced Construction Management | 15 | Oberoi Constructions Private Limited | Apr -07 | N.A. |
| 4 | Joseph Kilar | Head - Construction & Execution Strategy | 61 | 3,12,64,007 | B. Sc . | 39 | Samsung Construction & Trading, South Korea | Aug -15 | N.A. |
| 5 | Nimesh Mehta | Financial Controller | 48 | 1,20,83,424 | CA , Grad CWA | 22 | Biotor Industries Limited | Nov -09 | N.A. |
| 6 | Prem Sankar Nair | Vice President - Contract & Commercial | 41 | 1,26,00,161 | B.Tech (Civil), MRICS | 18 | Arartec Construction LLC | Apr -16 | N.A. |
| 7 | Rajendra Chandorkar | Executive Vice President - Architecture | 44 | 2,02,73,859 | Bachelor of Architecture | 22 | Oberoi Constructions Private Limited | Apr -07 | N.A. |
| 8 | Saumil Daru | Director - Finance cum Chief Financial Officer | 46 | 6,96,42,136 | Grad CWA , CA | 22 | Oberoi Constructions Private Limited | Apr -07 | N.A. |
| 9 | Vishwas Bindiganavale | Vice President - Project Control | 39 | 1,23,11,529 | B.E. (Civil) | 18 | Turner Construction Intl. LLC, Dubai | Mar -16 | N.A. |

Note:
1. Nature of employment in all the above cases is contractual.
2. None of the above employees is a relative of any Director or Manager of the Company.

**Affirmation:**

I, Vikas Oberoi, Managing Director of Oberoi Realty Limited hereby confirm that the remuneration paid during FY 2016-17 is as per the remuneration policy of the Company.

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

# ANNEXURE V

## EXTRACT OF ANNUAL RETURN

## As on financial year ended on March 31, 2017

## (Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

## I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| CIN | L45200MH1998PLC114818 |
| Registration Date | May 8, 1998 |
| Name of the Company | Oberoi Realty Limited |
| Category / Sub-Category of the Company | Company limited by shares/ Indian Non-Government Company |
| Address of the Registered office and contact details | Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai 400 063.<br>Telephone No : (022) 6677 3333<br>Fax No : (022) 6677 3334<br>Email id : cs@oberoirealty.com |
| Whether listed company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | Link Intime India Private Limited<br>C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.<br>Telephone No: (022) 4918 6270<br>Fax No: (022) 4918 6060<br>Email id: rnt.helpdesk@linkintime.co.in |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

**All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-**

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service (NIC 2008) | % to total turnover of the company |
|---|---|---|---|
| 1. | Construction and Real Estate Development | 4100 | 85.88 |
| 2. | Hospitality | 5510, 5610, 5630 | 14.12 |

OBEROI REALTY

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company* | CIN / GLN | Holding/ subsidiary/ associate | % of equity shares held | Applicable section |
|---|---|---|---|---|---|
| 1 | Kingston Hospitality and Developers Private Limited | U55101MH2006PTC164233 | Subsidiary | 100 | 2(87) |
| 2 | Oberoi Constructions Limited | U45202MH1993PLC074836 | Subsidiary | 100 | 2(87) |
| 3 | Expressions Realty Private Limited | U45400MH2007PTC174060 | Subsidiary | 100 | 2(87) |
| 4 | Kingston Property Services Limited | U70102MH2007PLC176290 | Subsidiary | 100 | 2(87) |
| 5 | Oberoi Mall Limited | U45202MH2001PLC132119 | Subsidiary | 100 | 2(87) |
| 6 | Sight Realty Private Limited | U45200MH2013PTC239647 | Subsidiary | 100 | 2(87) |
| 7 | Incline Realty Private Limited | U45400MH2014PTC255010 | Subsidiary | 100 | 2(87) |
| 8 | Integrus Realty Private Limited | U45209MH2014PTC255238 | Subsidiary | 100 | 2(87) |
| 9 | Perspective Realty Private Limited | U70200MH2007PTC175541 | Subsidiary | 100 | 2(87) |
| 10 | I-Ven Realty Limited | U70100MH2003PLC143211 | Associate | 50 | 2(6) |
| 11 | Sangam City Township Private Limited# | U70101MH1997PTC109824 | Associate | 31.67 | 2(6) |

*All the companies, except Sangam City Township Private Limited, have their registered office address at Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai-400 063

# Registered office address: ABIL House, 2, Range Hill Corner, Ganeshkhind Road, Pune – 411007

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 21,28,72,504 | - | 21,28,72,504 | 62.74 | 21,28,73,614 | - | 21,28,73,614 | 62.70 | (0.04) |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1): | 21,28,72,504 | - | 21,28,72,504 | 62.74 | 21,28,73,614 | - | 21,28,73,614 | 62.70 | (0.04) |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2): | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 21,28,72,504 | - | 21,28,72,504 | 62.74 | 21,28,73,614 | - | 21,28,73,614 | 62.70 | (0.04) |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 25,44,526 | - | 25,44,526 | 0.75 | 19,22,733 | - | 19,22,733 | 0.57 | (0.18) |
| b) Banks / FI | 45,172 | - | 45,172 | 0.01 | 20,225 | - | 20,225 | 0.01 | (0.00) |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FPIs/ FIIs | 7,22,79,046 | - | 7,22,79,046 | 21.30 | 8,60,88,472 | - | 8,60,88,472 | 25.35 | 4.05 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1): | 7,48,68,744 | - | 7,48,68,744 | 22.07 | 8,80,31,430 | - | 8,80,31,430 | 25.93 | 3.86 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 25,43,059 | - | 25,43,059 | 0.75 | 11,64,566 | - | 11,64,566 | 0.34 | (0.41) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i)Individual shareholders holding nominal share capital upto ₹ 1 lakh | 29,43,826 | 42 | 29,43,868 | 0.87 | 22,80,418 | 42 | 22,80,460 | 0.67 | (0.20) |
| ii)Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh | 11,75,446 | - | 11,75,446 | 0.34 | 13,32,959 | - | 13,32,959 | 0.39 | 0.05 |
| c) Others(specify) | | | | | | | | | |
| 1. Promoter Group Entities | 3,33,02,442 | - | 3,33,02,442 | 9.81 | 3,33,01,332 | - | 3,33,01,332 | 9.81 | - |
| 2. Clearing Member | 1,68,215 | - | 1,68,215 | 0.05 | 1,97,197 | - | 1,97,197 | 0.06 | 0.01 |
| 3. Non Resident Indians (Repat) | 1,98,051 | - | 1,98,051 | 0.06 | 1,42,388 | - | 1,42,388 | 0.04 | (0.02) |
| 4. Non Resident Indians (Non Repat) | 53,335 | - | 53,335 | 0.02 | 38,070 | - | 38,070 | 0.01 | (0.01) |
| 5. Foreign Companies | 1,10,24,594 | - | 1,10,24,594 | 3.25 | - | - | - | - | (3.25) |
| 6. Trusts | - | - | - | - | 8,550 | - | 8,550 | 0.00 | 0.00 |
| 7. Hindu Undivided Family | 1,53,587 | - | 1,53,587 | 0.05 | 1,64,535 | - | 1,64,535 | 0.05 | 0.00 |
| 8. Foreign Nationals | - | - | - | - | 325 | - | 325 | 0.00 | 0.00 |
| Sub-total(B)(2): | 5,15,62,555 | 42 | 5,15,62,597 | 15.19 | 3,86,30,340 | 42 | 3,86,30,382 | 11.38 | (3.81) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 12,64,31,299 | 42 | 12,64,31,341 | 37.26 | 12,66,61,770 | 42 | 12,66,61,812 | 37.30 | 0.04 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 33,93,03,803 | 42 | 33,93,03,845 | 100.00 | 33,95,35,384 | 42 | 33,95,35,426 | 100.00 | |

### ii. Shareholding of Promoters:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1. | Vikas Oberoi | 21,28,72,504 | 62.74 | Nil | 21,28,73,614 | 62.70 | Nil | (0.04)* |
| | Total | 21,28,72,504 | 62.74 | Nil | 21,28,73,614 | 62.70 | Nil | (0.04) |

* Net dilution on account of further issue of shares by Company.

### iii. Change in Promoters' Shareholding

| Vikas Oberoi (Promoter) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| At the beginning of the year | 21,28,72,504 | 62.74 | 21,28,73,614 | 62.70* |
| Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)<br>• Transmission of Shares on December 27, 2016 | 1,110 | 0.00 | - | - |
| At the end of the year | 21,28,73,614 | 62.70 | 21,28,73,614 | 62.70 |

* Net dilution on account of further issue of shares by Company.

### iv. Shareholding pattern of top ten shareholders as on March 31, 2017 ( Other than Directors, Promoters):

| Sl. No. | Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | | Net changes during the year | |
|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1. | R S Estate Developers Private Limited (a promoter group entity) | 3,33,00,000 | 9.81 | 3,33,00,000 | 9.81 | - | - |
| 2. | Aranda Investments (Mauritius) Pte Ltd | 1,24,20,057 | 3.66 | 1,24,20,057 | 3.66 | - | - |
| 3. | Franklin Templeton Investment Funds | - | - | 74,00,000 | 2.18 | 74,00,000 | 2.18 |
| 4. | Stichting Depositary Apg Emerging Markets Equity Pool | 49,62,000 | 1.46 | 56,33,539 | 1.66 | 6,71,539 | 0.20 |
| 5. | Blackrock Global Funds Asian Dragon Fund | 38,73,891 | 1.14 | 49,37,967 | 1.45 | 10,64,076 | 0.31 |
| 6. | Oppenheimer International Small Company Fund | 48,29,461 | 1.42 | 48,29,461 | 1.42 | - | - |
| 7. | Wellington Trust Company, National Association Multiple Common Trust Funds Trust, Emerging Markets Opportunities Portfolio | - | - | 39,63,082 | 1.17 | 39,63,082 | 1.17 |
| 8. | Government of Singapore | 25,31,510 | 0.75 | 25,32,310 | 0.75 | 800 | 0.00 |
| 9. | The Wellington Trust Company, National Association Multiple Collective Investment Funds Trust, Opportunistic Equity Portfolio | - | - | 17,07,933 | 0.50 | 17,07,933 | 0.50 |
| 10. | Bayvk A2 Fonds | - | - | 16,92,048 | 0.50 | 16,92,048 | 0.50 |
| 11. | First State Indian Subcontinent Fund | 13,27,846 | 0.39 | 15,57,753 | 0.46 | 2,29,907 | 0.07 |

Since the Company is not privy to the date wise increase / decrease in above shareholding and the reasons thereof, the said details are not available with the Company.

OBEROI REALTY

## V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Vikas Oberoi | | | | |
| | At the beginning of the year | 21,28,72,504 | 62.74 | 21,28,73,614 | 62.70* |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | 1,110 | 0.00 | - | - |
| | • Transmission of Shares on December 27, 2016 | | | | |
| | At the end of the year | 21,28,73,614 | 62.70 | 21,28,73,614 | 62.70 |
| 2 | Bindu Oberoi | | | | |
| | At the beginning of the year | 111 | 0.00 | 111 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | No change | No change | - | - |
| | At the end of the year | 111 | 0.00 | 111 | 0.00 |
| 3 | Saumil Daru (held singly and/or jointly) | | | | |
| | At the beginning of the year | 12,260 | 0.00 | 47,960 | 0.01 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | | | - | - |
| | ESOP allotment on | | | | |
| | • September 28, 2016 | 9,000 | 0.00 | | |
| | • February 8, 2017 | 10,000 | 0.00 | | |
| | • February 17, 2017 | 16,700 | 0.00 | | |
| | At the end of the year | 47,960 | 0.01 | 47,960 | 0.01 |
| 4 | Anil Harish | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | No change | No change | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 5 | T. P. Ostwal | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | No change | No change | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 6 | Venkatesh Mysore | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | No change | No change | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 7 | Karamjit Singh Kalsi | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | No change | No change | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 8 | Bhaskar Kshirsagar | | | | |
| | At the beginning of the year | 546 | 0.00 | 6 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) (Market sale on March 1, 2017) | (540) | (0.00) | - | - |
| | At the end of the year | 6 | 0.00 | 6 | 0.00 |

* Net dilution on account of further issue of shares by the Company

## V. INDEBTEDNESS:

### Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakh)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | Nil | 10,861.18 | Nil | 10,861.18 |
| ii) Interest due but not paid | Nil | - | Nil | - |
| iii) Interest accrued but not due | Nil | - | Nil | - |
| Total (i+ii+iii) | Nil | 10,861.18 | Nil | 10,861.18 |
| Change in indebtedness during the financial year | | | | |
| Addition | Nil | 12,303.50 | Nil | 12,303.50 |
| Reduction | Nil | 13,214.68 | Nil | 13,214.68 |
| Net Change | Nil | (911.18) | Nil | (911.18) |

(₹ in Lakh)

| | Secured Loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | 9,950.00 | Nil | 9,950.00 |
| ii) Interest due but not paid | Nil | - | Nil | - |
| iii) Interest accrued but not due | Nil | - | Nil | - |
| Total (i+ii+iii) | Nil | 9,950.00 | Nil | 9,950.00 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakh)

| Sl. No. | Particulars of Remuneration | Name of MD/ WTD/ Manager | | Total Amount |
|---|---|---|---|---|
| | | Vikas Oberoi (Managing Director) | Saumil Daru (Finance Director cum Chief Financial Officer) | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | 0.00 | 673.48 | 673.48 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 22.94 | 22.94 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option (as on March 31, 2017) | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| Total (A) | | 0.00 | 696.42 | 696.42 |
| Ceiling as per the Act | | 2,381.38 | 2,381.38 | 4,762.75 |

## B. Remuneration to Other Directors:

(₹ in Lakh)

| Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|
| **1 Independent Directors** | **Mr. Anil Harish** | **Mr. T.P. Ostwal** | **Mr. Venkatesh Mysore** | **Mr. Karamjit Singh Kalsi** | |
| Fee for attending board / committee meetings | 4.00 | 4.90 | 3.15 | 1.00 | 13.05 |
| Commission | 11.00 | 11.00 | 11.00 | 11.00 | 44.00 |
| Others, please specify | Nil | Nil | Nil | Nil | Nil |
| Total (1) | 15.00 | 15.90 | 14.15 | 12.00 | 57.05 |
| 2 Other Non-Executive Directors | Ms. Bindu Oberoi | | | | |
| Fee for attending board / committee meetings | | | | | |
| Commission | Nil | | | | Nil |
| Others, please specify | Nil | | | | Nil |
| Total (2) | Nil | | | | Nil |
| Total (B) = (1+2) | | | | | 57.05 |
| Total Managerial Remuneration (A+B) | | | | | 753.47 |
| Overall Ceiling as per the Act | | | | | 5,239.03 |

## C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD

(₹ in Lakh)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | **CEO** | **Company Secretary** | **CFO*** | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 29.61 | - | 29.61 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | - | - |
| 2 | Stock Option (as on March 31, 2017) | - | 815 options | - | 815 options |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | **Total** | - | 29.61 | - | 29.61 |

* The remuneration of CFO is the same as that of the Director – Finance, Mr. Saumil Daru, since he is the CFO for the purposes of the Companies Act, 2013

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## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/ COURT) | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

# SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To
The Members,
**OBEROI REALTY LIMITED**
Commerz, 3rd Floor, International Business Park,
Oberoi Garden City, Off W.E. Highway,
Goregaon (E), Mumbai – 400 063.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Oberoi Realty Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Oberoi Realty Limited ("the Company") as given in Annexure I, for the financial year ended on 31st March, 2017, according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment including FEMA (Acquisition and Transfer of Immovable Property in India) Regulations, 2000;

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      ii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

      iii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-

   i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

   iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and

   v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in Annexure II.

   We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

   During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the financial year under report.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For RATHI & ASSOCIATES**
COMPANY SECRETARIES

**HIMANSHU S. KAMDAR**
PARTNER
FCS No. 5171
C.P. No. 3030

Date: 4th May, 2017
Place: Mumbai

# ANNEXURE - I

**List of documents verified**

1. Memorandum and Articles of Association of the Company.

2. Annual Report for the financial year ended 31st March, 2016.

3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination Remuneration and Management Development Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee as well as minutes of meeting of Independent Directors held during the financial year under report along with the respective Attendance Registers.

4. Minutes of General Body Meetings held during the financial year under report.

5. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.

6. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.

7. Policies framed by the Company viz.
   - Policy On Related Party Transactions
   - Risk Management Policy
   - Whistle Blower Policy
   - Policy On Material Subsidiaries
   - Nomination And Remuneration Policy
   - Corporate Social Responsibility Policy
   - Board Diversity Policy
   - Archival Policy
   - Policy For Determination Of Material Events
   - Dividend Distribution Policy
   - Policy Framework on Business Responsibility

8. Statutory Registers viz.
   - Register of Directors & KMP and their Shareholding
   - Register of Employee Stock Options
   - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2)
   - Register of Charge (Form No. CHG-7)
   - Register of Contracts with related party and contracts and Bodies etc. in which directors are interested (Form No. MBP-4)
   - Register of Investments (Form No. MBP-3)

9. Copies of Notice, Agenda and Notes to Agenda submitted to all the directors / members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation.

10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013.

11. Intimations received from directors under the prohibition of Insider Trading Code.

12. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

13. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report.

14. Documents related to payments of dividend made to its shareholders during the financial year under report.

15. Documents related to issue of shares under ESOP Scheme viz. ESOP Scheme, Exercise forms, Listing applications, Corporate Action Form, etc. filed with Stock Exchanges and Listing approvals received thereon.

16. Compliance Certificate placed before the Board of Directors from time to time.

17. Details of Related Party Transactions entered into by the Company during the financial year under report.

18. Intimation given to employees of the Company for closure of trading window from time to time.

19. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

## ANNEXURE – II

List of applicable laws to the Company

**Real Estate Development:**

1. Development Control Regulations for Greater Mumbai, 1991
2. Maharashtra Regional and Town Planning Act, 1966
3. Mumbai Municipal Corporation Act, 1888
4. Maharashtra Land Revenue Code, 1966

**Property related Acts:**

1. Registration Act, 1908
2. Indian Stamp Act, 1899
3. Trade Marks Act, 1999
4. Transfer of Property Act, 1882
5. Bombay Stamp Act, 1958
6. Maharashtra Ownership Flats Act, 1963

**Taxation:**

1. Income Tax Act, 1961
2. Wealth Tax Act, 1957
3. Maharashtra Value Added Tax Act, 2002
4. Central Sales Tax Act, 1956
5. Finance Act, 1994 (Service Tax)
6. Customs Act, 1962
7. Foreign Trade Policy
8. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975

**Personnel Laws:**

1. Employees Provident Fund & Miscellaneous Provisions Act, 1952
2. Contract Labour (Regulation and Abolition) Act, 1970
3. Bombay Shops and Establishment Act, 1948
4. Employee's Deposit Linked Insurance Scheme, 1976
5. Employees State Insurance Act, 1948

6. Bombay Labour Welfare Fund Act, 1953
7. Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971
8. Payment of Bonus Act, 1965
9. Employment Exchange Act, 1959
10. Maternity Benefit Act, 1961
11. Payment of Gratuity Act, 1972
12. Payment of Wages Act, 1936
13. Minimum Wages Act, 1948
14. Workmen's Compensation Act, 1923
15. Building and other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996

**Specific to Hotel Related Laws:**

1. Bombay Police Act, 1951
2. Bombay Prohibition Act, 1949
3. Copy Right Act
4. Prevention & Control of Pollution Act, 1974
5. Maharashtra Prevention of Food Adulteration Rules, 1962
6. BMC Act U/s 394
7. The Indian Boiler Act, 1923

To,
The Members
**OBEROI REALTY LIMITED**
Commerz, 3rd Floor, International Business Park,
Oberoi Garden City, Off W.E. Highway,
Goregaon (E), Mumbai – 400 063

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For RATHI & ASSOCIATES**
*COMPANY SECRETARIES*

**HIMANSHU S. KAMDAR**
*PARTNER*
FCS No. 5171
COP No. 3030

Date: 4th May, 2017
Place: Mumbai

# MANAGEMENT DISCUSSION AND ANALYSIS

## Economic review

### Global economy

Global output growth is estimated at about 3 percent, broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger than expected pickup in growth in advanced economies, mostly due to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors.

Among advanced economies, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Output remains below potential in a number of other advanced economies, notably in the euro area.

The picture for emerging market and developing economies (EMDEs) remains much more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey, which faced a sharp contraction in tourism revenues. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices.

Economic activity in both advanced economies and EMDEs is forecast to accelerate in 2017–18, with global growth projected to be 3.4 percent and 3.6 percent, respectively.

Advanced economies are now projected to grow by 1.9 percent in 2017 and 2.0 percent in 2018. However, this forecast is particularly uncertain in light of potential changes in the policy stance of the United States under the new administration.

As per first Bi-monthly Monetary statement, 2017-18, of Reserve Bank of India, India is projected to grow at 7.4 percent as compared to 6.7 percent in 2016-17.

### Indian economy

According to the World Bank, the Indian economy will likely grow at 7.6 percent in 2016-17, followed by further acceleration to 7.7 percent in 2017-18 and 7.8 percent in 2018-19.

India has emerged as one of the strongest performers in terms of deals related to mergers and acquisitions (M&A). According to data from Thomson-Reuters, total M&A deals involving Indian companies grew by 82 percent to US$ 27 billion during January to June 2016, which is the highest in the first six months in any year since 2011, led by a four and a half time increase of Indian acquisitions abroad at US$ 4.5 billion.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an

aim to boost the manufacturing sector of Indian economy. This initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

## Industry review

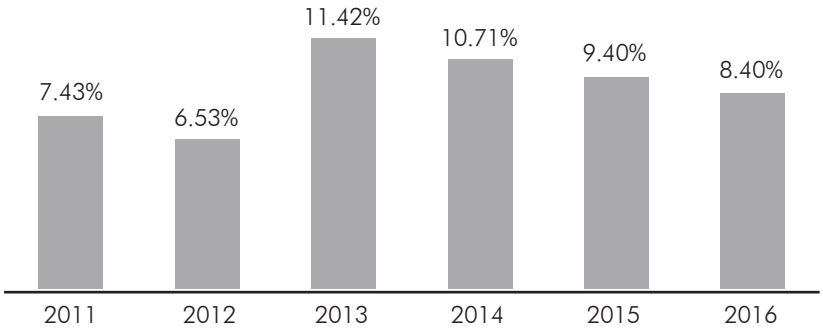
In India, real estate and infrastructure sector is the second largest employer after agriculture and is slated to grow at 30 percent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

India's real estate market is expected to reach US$ 180 billion by 2020 from US$ 93.8 billion in 2014. The housing sector alone contributes 5-6 percent to the country's Gross Domestic Product (GDP). In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 percent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

The private equity investments in real estate increased 26 percent to a nine-year high of nearly Rs. 40,000 crore (US$ 6.01 billion) in 2016.

### FDI in construction development sector as a percent of India's total FDI




Source: Dept of Industrial Policy & Promotion
Notes: Construction development sector includes townships, housing, built-up infrastructure and construction development projects

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. Below are some of the major Government Initiatives:

1. The Ministry of Housing and Urban Poverty Alleviation has sanctioned the construction of 84,460 more affordable houses for urban poor in five states, namely West Bengal, Jharkhand, Punjab, Kerala and Manipur under the Pradhan Mantri Awas Yojana (Urban) scheme with a total investment of Rs 3,073 crore (US$ 460 million).

2. The Cabinet Committee on Economic Affairs (CCEA) has approved various measures to revive the construction sector, putting in place a mechanism to release funds stuck in arbitration awards to revive stalled projects.

3. Brihanmumbai Municipal Corporation (BMC) has introduced a single-window clearance for construction which will cut the time taken for getting approvals for a building project and lead to correction in prices of residential property, thereby giving a fillip to Mumbai realty.

4. The Securities and Exchange Board of India (SEBI) has proposed easier regulations for real estate investment trusts (REITs), such as raising the cap of investment of REITs assets in under-construction projects from 10 percent to 20 percent, in order to attract the interest of developers.

5. SEBI has allowed Foreign Portfolio Investors (FPI) to invest in units of Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), category III alternative investment funds (AIFs), and also permitted them to acquire corporate bonds under default.

6. The Rajya Sabha or the upper house of the Parliament has passed the Real Estate (Regulation and Development) Bill, 2013, which aims to protect consumer interest, ensure efficiency in all property related transactions, improve accountability of real estate developers, increase transparency and attract more investments into the realty sector in India.

7. India's Prime Minister Mr Narendra Modi approved the launch of Housing for All by 2022. Under the Sardar Patel Urban Housing Mission, 30 million houses will be built in India by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP) and interest subsidy.

## Mumbai Real Estate

Except for the brief period of demonetisation, Mumbai real estate market has shown signs of improvement and increase in off-take of inventory. Further, customers have shown a clear preference to the developers with good track record of timely delivery, quality product and with sound financial stability. In these cases developers have seen regular demand throughout 2016-17.

## Opportunities and Challenges

### Opportunities

With policy reforms picking up speed and lower interest rate on home loans, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. Your Company's well accepted brand, contemporary architecture, well designed projects in strategic locations, strong balance sheet and stable financial performance even in testing times make it a preferred choice for customers and shareholders. Your company is ideally placed to further strengthen its development potential by acquiring new land parcels.

### Challenges

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges:

- Unanticipated delays in project approvals;
- Availability of accomplished and trained labour force;
- Increased cost of manpower;
- Rising cost of construction;
- Growth in auxiliary infrastructure facilities; and
- Over regulated environment.

## Company strengths

Your Company continues to capitalize on the market opportunities by leveraging its key strengths. These include:

1. Brand Reputation: Enjoys higher recall and influences the buying decision of the customer. Strong customer connects further results in higher premium realizations.

2. Execution: Possesses a successful track record of quality execution of projects with contemporary architecture.

3. Strong cash flows: Has built a business model that ensures continuous cash flows from their investment and development properties ensuring a steady cash flow even during the adverse business cycles.

4. Significant leveraging opportunity: Follows conservative debt practice coupled with enough cash balance which provides a significant leveraging opportunity for further expansions.

5. Outsourcing: Operates an outsourcing model of appointing globally renowned architects / contractors that allows scalability and emphasizes contemporary design and quality construction – a key factor of success.

6. Transparency: Follows a strong culture of corporate governance and ensures transparency and high levels of business ethics.

7. Highly qualified execution team: Employs experienced, capable and highly qualified design and project management teams who oversee and execute all aspects of project development.

## Key Developments in FY2017

During the year 2016-17, your company commenced sales of its prestigious project at Worli – Three Sixty West. This project is being developed by a joint venture entity, carrying out the mixed use development, located on the arterial Annie Besant Road, consisting of two high-rise towers consisting of The Ritz-Carlton, Mumbai and residences by the name Three Sixty West, to be managed by The Ritz-Carlton. Till March 2017, your company has been able to generate an order book of ₹ 1,291.93 crore, resulting from sale of 2,36,108 sq. ft of carpet area.

## Business overview

Despite the subdued performance of overall sector, your Company was able to sell nearly 3,59,446 sq.ft. carpet area in FY2017 as compared to approx. 8,02,833 sq.ft in FY2016.

A brief description of the update across each project is given below:

i) Oberoi Garden City (Goregaon)

Oberoi Garden City is the flagship mixed-use development of your Company. It is an integrated development on approximately 83 acres of land in Goregaon (East), in the western suburbs of Mumbai, adjacent to the arterial Western Express Highway and overlooking Aarey Milk Colony. The development is approximately eight kilometers from Mumbai's domestic airport and approximately five kilometres from the international airport.

Key FY2017 highlights for the various projects are given below:

| Oberoi Mall | |
|---|---|
| **Revenues** | **Occupancy** |
| ₹ 9,999.84 Lakh (₹ 9,851.52 Lakh in FY2016) | 95.32% (99.47% in FY2016) |

| Commerz (Office Space) | |
|---|---|
| **Revenues** | **Occupancy** |
| ₹ 4,816.38 Lakh (₹ 4,893.28 Lakh in FY2016) | 88.47% (88.47% in FY2016) |

| Commerz Two (Office Space) | |
|---|---|
| **Revenues** | **Occupancy** |
| ₹ 2,258.13 Lakh (₹ 933.48 Lakh in FY2016) | 20.33% (13.02% in FY2016) |

| The Westin Mumbai Garden City (Hospitality) | |
|---|---|
| **Revenues** | **Occupancy** |
| ₹ 12,912.77 Lakh (₹ 13,026.29 Lakh in FY2016) | 79.86% (77.47% in FY2016) |

| Exquisite (Residential) | |
|---|---|
| **Cumulative units sold** 743 units | **Total sales value** ₹ 2,19,854.00 Lakh, 100% of which has been recognized as revenue till FY2017 |

| Esquire (Residential) | |
|---|---|
| **Cumulative units sold** 507 units | **Total sales value** ₹1,75,835.38 Lakh, of which ₹ 1,25,459.14 Lakh has been recognized as revenue till FY2017 |

ii) Mulund (West)

Your Company, through its subsidiary, is developing two land parcels (adjacent to each other) of approximately 9 acres each situated at Mulund (West), Central suburbs, Mumbai, having a potential of approximately 1.9 million Sq. ft. of carpet area.

The project comprises of two premium high storey residential towers namely, Eternia and Enigma. The project site is situated on LBS Marg, overlooking Yeoor Hills and Borivali national park to the west and Eastern Express Highway to the east. The project is your Company's first development in the eastern suburbs of Mumbai and it offers configurations in various sizes of 3 BHK and 4 BHK. The pricing sets the target audience to include Upper Middle class and NRIs.

| Eternia (Residential) | |
|---|---|
| **Cumulative units sold** 294 units | **Total sales value**<br>₹ 71,345.81 Lakh, there is no revenue recognition from this project as it is yet to reach the requisite threshold limit |

| Enigma (Residential) | |
|---|---|
| **Cumulative units sold** 126 units | **Total sales value**<br>₹ 50,090.07 Lakh, there is no revenue recognition from this project as it is yet to reach the requisite threshold limit |

iii) Sky City (Borivali – East)

Your Company, through its subsidiary, is developing 25 acre land parcel at Borivali East with an estimated total carpet area of about 3.4 million sq.ft. The project site is situated at Borivali East, Off Western Express Highway overlooking Borivali National Park to the east. The surrounding infrastructure allows the site to be well connected to the rest of Mumbai.

| Sky City (Residential) | |
|---|---|
| **Cumulative units sold** 767 units | **Total sales value**<br>₹ 1,89,474.07 Lakh, there is no revenue recognition from this project as it is yet to reach the requisite threshold limit |

iv) Prisma

Your Company, through its subsidiary, is developing Prisma, a residential building with an estimated total carpet area of about 1,74,633 sq. ft., which is a part of the ongoing projects within the Splendor Complex. Prisma is conveniently located on the arterial Jogeshwari Vikhroli Link Road in the Western suburbs of Mumbai and overlooking Aarey Milk Colony.

| Prisma (Residential) | |
|---|---|
| **Cumulative units sold** 60 units | **Total sales value**<br>₹ 31,640.24 Lakh, of which ₹ 18,373.30 Lakh has been recognized as revenue till FY2017 |

v) Three Sixty West (Worli)

Three Sixty West is being developed by a joint venture entity carrying out development of a mix use project in Worli, located on the arterial Annie Besant Road, having two high-rise towers consisting of The Ritz-Carlton, Mumbai and residences by the name Three Sixty West, to be managed by The Ritz-Carlton. This development which aims to be a global icon for Mumbai will mark the entry of The Ritz-Carlton into India's financial capital. Strategically located in Worli, less than a kilometer from the prominent Bandra-Worli sea link, the development has been designed to be a luxury landmark adorning the Arabian Sea.

| Three Sixty West - Tower B (Residential) | |
|---|---|
| **Cumulative units sold** 37 units | **Total sales value**<br>₹ 1,29,192.78 Lakh, there is no revenue recognition from this project as it is yet to reach the requisite threshold limit |

## Financial performance overview

Analysis of consolidated financial statements for FY2017 is provided below.

**I. Balance sheet analysis**

7.21% Net Worth Growth

53.17% EBITDA Margin

48.43% PBT Margin

32.61% PAT Margin

6.14% Cash and Bank balance/Net Worth

A comparative table showing synopsis of FY2017 versus FY2016 Balance Sheet is provided below:

(₹ in Lakhs)

| Consolidated Balance Sheet as at March 31, | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Non-current assets | 2,89,908.70 | 2,64,545.76 | 25,362.94 | 9.59% |
| Current assets | 5,55,505.21 | 4,83,830.35 | 71,674.86 | 14.81% |
| **Total** | **8,45,413.91** | **7,48,376.11** | **97,037.80** | **12.97%** |
| **EQUITY AND LIABILITIES** | | | | |
| Equity | 5,72,596.05 | 5,34,112.70 | 38,483.35 | 7.21% |
| Non-current liabilities | 82,928.60 | 40,418.26 | 42,510.34 | 105.18% |
| Current liabilities | 1,89,889.26 | 1,73,845.15 | 16,044.11 | 9.23% |
| **Total** | **8,45,413.91** | **7,48,376.11** | **97,037.80** | **12.97%** |

i) Non-Current Assets

(₹ in Lakhs)

| | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| PPE, Investment properties, Intangible assets and CWIP | 1,05,445.56 | 1,02,576.86 | 2,868.70 | 2.80% |
| Financial assets | 1,60,178.05 | 1,37,664.74 | 22,513.31 | 16.35% |
| Deferred tax assets (net) | 9,974.06 | 10,294.88 | (320.82) | (3.12%) |
| Other non-current assets | 14,311.03 | 14,009.28 | 301.75 | 2.15% |
| **Total** | **2,89,908.70** | **2,64,545.76** | **25,362.94** | **9.59%** |

ii) Current Assets

(₹ in Lakhs)

| | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| Inventories | 3,76,636.72 | 3,33,924.39 | 42,712.33 | 12.79% |
| Financial assets | | | | |
| i) Investments | | | | |
| a) Investments in mutual fund | 14,253.36 | 7,446.02 | 6,807.34 | 91.42% |
| b) Investments - Others | 7,998.65 | - | 7,998.65 | 0.00% |
| ii) Cash and Bank balances | 35,166.25 | 31,186.51 | 3,979.74 | 12.76% |
| iii) Trade receivables | 10,578.83 | 11,224.49 | (645.66) | (5.75%) |
| iv) Others | 13,369.84 | 6,904.83 | 6,465.01 | 93.63% |
| Other current assets | 97,501.56 | 93,144.11 | 4,357.45 | 4.68% |
| **Total** | **5,55,505.21** | **4,83,830.35** | **71,674.86** | **14.81%** |

iii) Non-Current Liabilities

(₹ in Lakhs)

| | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| Financial liabilities | | | | |
| i) Borrowings | 74,937.77 | 34,943.38 | 39,994.39 | 114.45% |
| ii) Others | 719.48 | 713.33 | 6.15 | 0.86% |
| Provisions | 170.77 | 137.41 | 33.36 | 24.28% |
| Other non-current liabilities | 7,100.58 | 4,624.14 | 2,476.44 | 53.55% |
| **Total** | **82,928.60** | **40,418.26** | **42,510.34** | **105.18%** |

iv) Current Liabilities

(₹ in Lakhs)

| | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| Financial liabilities | | | | |
| i) Borrowings | 8,908.00 | 10,708.00 | (1,800.00) | (16.81%) |
| ii) Trade Payables | 5,410.18 | 4,246.41 | 1,163.77 | 27.41% |
| iii) Others | 3,442.68 | 2,086.76 | 1,355.92 | 64.98% |
| Other current liabilties | | | | |
| i) Advance from customers | 2,975.95 | 3,546.74 | (570.79) | (16.09%) |
| ii) Others | 1,68,951.60 | 1,52,967.31 | 15,984.29 | 10.45% |
| Provisions | 200.85 | 289.93 | (89.08) | (30.72%) |
| **Total** | **1,89,889.26** | **1,73,845.15** | **16,044.11** | **9.23%** |

**II. Profit and Loss Analysis**

A comparative table showing synopsis of FY2017 versus FY2016 of statement of Profit and Loss is provided below:

(₹ in Lakhs)

| | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| Revenue from Operations | 1,11,374.39 | 1,41,614.71 | (30,240.32) | (21.35%) |
| Other Income | 4,729.80 | 4,276.70 | 453.10 | 10.59% |
| **Total Revenue** | **1,16,104.19** | **1,45,891.41** | **(29,787.22)** | **(20.42%)** |
| Total Expenses | 54,367.74 | 73,984.37 | (19,616.63) | (26.51%) |
| Depreciation and amortisation | 4,949.54 | 4,899.50 | 50.04 | 1.02% |
| Interest and finance charges | 557.22 | 683.26 | (126.04) | (18.45%) |
| **Profit before Tax** | **56,229.69** | **66,324.28** | **(10,094.59)** | **(15.22%)** |
| **Profit after Tax** | **37,858.76** | **43,555.60** | **(5,696.84)** | **(13.08%)** |
| Basic and diluted EPS (₹) | 11.15 | 12.96 | (1.81) | (13.97%) |

i) Revenue from Operations

(₹ in Lakhs)

| | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| Revenue from projects | 74,638.28 | 1,06,329.06 | (31,690.78) | (29.80%) |
| Revenue from hospitality | 12,574.28 | 12,712.43 | (138.15) | (1.09%) |
| Rental and other related revenues | 19,389.58 | 17,886.01 | 1,503.57 | 8.41% |
| Property and management revenues | 3,849.53 | 3,849.64 | (0.11) | (0.00%) |
| Other operating revenue | 922.72 | 837.57 | 85.15 | 10.17% |
| **Total** | **1,11,374.39** | **1,41,614.71** | **(30,240.32)** | **(21.35%)** |

ii) Expenses

(₹ in Lakhs)

| | 2017 | 2016 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|---|---|---|---|
| Operating costs | 43,719.49 | 62,967.40 | (19,247.91) | (30.57%) |
| Employee benefits expense | 6,416.17 | 5,705.84 | 710.33 | 12.45% |
| Other expenses | 4,232.08 | 5,311.13 | (1,079.05) | (20.32%) |
| **Total** | **54,367.74** | **73,984.37** | **(19,616.63)** | **(26.51%)** |

**III. Cash Flow Analysis**

A comparative table of FY2017 versus FY2016 Cash Flows is provided below:

(₹ in Lakhs)

| Consolidated Cash Flow | For the year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Opening Cash & Cash equivalents | 28,583.21 | 15,779.00 |
| Net Cash Inflow/ (Outflow) from operating activities | 17,354.31 | 45,309.08 |
| Net Cash Inflow/ (Outflow) from investing activities | (43,892.84) | (12,081.93) |
| Net Cash Inflow/ (Outflow) from financing activities | 33,556.29 | (20,422.94) |
| Closing Cash & Cash Equivalents | 35,600.97 | 28,583.21 |
| Closing Cash & Cash Equivalents including Fixed Deposits having maturity of more than 3 months | 35,166.25 | 31,186.51 |

## Human resources

The objective of the Human Resources & Employee Services Department at your Company is to "attract the best talent, build the employee capability and nurture the right culture to deliver on the business goals".

This year as well, the focus largely remained on strategic hiring, capability building through developmental programs and providing talent with an environment that fosters continuous learning, recognition, innovation, leadership development and employee well-being. Being the prime custodian of the culture driven at your Company, this year the key initiatives undertaken were as follows: (1) Working on developing a strong second line of leadership; (2) Creating an influx of talent at the Junior Management level by targeting hiring across various engineering and management campus in Tier 1 and Tier 2 cities; and (3) Implementing the new Performance Management Process with emphasis on driving discussion between a manager and his/ her subordinate.

The other key highlights are as below:

**Hiring:** Hiring is an extremely critical function at your Company. The hiring process not only aims for talent that is a fit for the current role on offer but also someone who fits in the organization culture and has the capability to grow into the next level roles. Company's values & culture drive the characteristics that your Company seeks in from the prospective employees. Your Company has evolved into a multi-tier hiring process to assess compatibility level of an individual on the technical/ functional and cultural fit at an organizational level. This year the focus remained on identifying and hiring the second line of leadership. Also, there was extensive hiring done through campus with over 36 campus graduates joining us during this year at the junior and mid management level. Last year the employee hiring count touched 316 and the closing headcount for the financial year 2016-17 was 1080.

**Performance management system:** The focus of your company is to build a performance centric culture. Keeping this in mind, your Company redesigned the performance management process last year. This year the process was launched with focus on driving a goal based achievement culture that recognized merit based performance within the Company. Every individual developed their job description and annual goal sheet along with their line manager. This helped bridge any communication gap between the manager and his/ her subordinate in terms of expectations versus delivery. Performance against these goals was reviewed every quarter which helped in course correction, if required. This further helped in driving the individual's performance in turn driving the company performance on a holistic level.

**Capability building & employee development:** In your Company, there is a continuous focus on employee development. The employee development is primarily driven based on the developmental needs shared by the respective department head. Over the last year, 30 training programs were conducted for both technical and behavioral competencies. We have also institutionalized a training need identification process in the New Performance Management System from this year. This will help us assess the training needs across the organization and plan the required programs to build capabilities across the organization.

Apart from hiring a strong second line of leadership, it was also decided to focus and invest on the in-house talent. Few of our high potential employees were handpicked and sent for management developmental programs on the best of the campuses across the globe. We had these high potential employees attending Management programs at institutions like Harvard University and Indian School of Business.

**Building progressive culture through forward looking policies:** One of the key goals of your Company is to be one of the "Best Employers" thereby building a great organization which will last beyond an individual's lifetime. Keeping this in perspective, your Company introduced various changes in policies to evolve with the times and remain relevant in the changing time as well as motivate employees.

Also, to encourage fun & camaraderie among the employees there are several team/ organizational success celebrations, health initiatives & festivals organized across the organization. Both fun & CSR were organized across the organization.

**Relaunching the health initiative:** Your company believes in investing in its employee's well-being. Hence, this year it was decided to relaunch the employee wellness initiative. The program will provide your employees with services like comprehensive health checks which incorporates an effective 'All System Review' with the doctors, dietician and physical exam and over 60 parameters tested with quarterly check-ins in the form of measurable tests to track and monitor improvements in health, in-depth center consultations by family physicians, periodic doctor led annual health check-ups, emergency services and home visits.

**Prevention of sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013:** Your Company has a zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 and the rules there under for prevention and redressal of complaints of sexual harassment at workplace.

## Risks and Concerns

### Market price fluctuation

The performance of your Company may be affected by the sales and rental realizations of its projects. These prices are driven by prevailing market conditions, the nature and location of the projects, and other factors such as brand and reputation and the design of the projects. Your company follows a prudent business model and tries to ensure steady cash flow even during adverse pricing scenario.

### Sales volume

The volume of bookings depends on the ability to design projects that will meet customer preferences, getting various approvals in time, general market factors, project launch and customer trust in entering into sale agreements well in advance of receiving possession of the projects. Your Company sells its projects in phases from the time it launches the project, based on the type and scale of the project and depending on market conditions.

### Execution

Execution depends on several factors which include labour availability, raw material prices, receipt of approvals and regulatory clearances, access to utilities such as electricity and water, weather conditions and the absence of contingencies such as litigation. Your Company manages the adversities with cautious approach, meticulous planning and by engaging established and reputed contractors. As your Company imports various materials, at times execution is also dependent upon timely shipment and clearance of the material.

### Rental realizations

The rental realizations on the space leased depends upon the project location, design, tenant mix (this is relevant in the case of shopping malls), prevailing economic conditions and competition. Your Company has set up its retail property in prime location and maintains a fresh ambience resulting in crowd pull and attracting first time kind of retailers. As far as the office space rentals are concerned, the same depends on demand and supply, general economic conditions, business confidence and competition.

### Land / Development rights – costs and availability

The cost of land forms a substantial part of the project cost, particularly in Mumbai. It includes amounts paid for freehold rights, leasehold rights, fungible FSI, construction cost of area given to landlords in consideration for development rights, registration and stamp duty. Your Company acquires land / land development rights from the government and private parties. It ensures that the consideration paid for the land is as per the prevailing market conditions, reasonable and market timed. Your Company also enters into MOUs and makes advances for the land / land development rights prior to entering into definitive agreements. The ensuing negotiations may result in either a transaction for the acquisition of the land / land development rights or the Company getting a refund of the moneys advanced.

### Financing costs

The acquisition of land and development rights needs substantial capital outflow. Inadequate funding resources and high interest costs may impact regular business and operations. Your Company has always tried to build sufficient reserves resulting out of operating cash flows to take advantage of any land acquisition or development opportunity.

## Outlook

For the Indian real estate sector, 2017 will be a big year. The policy reforms like RERA, Benami Transaction Prohibition, REITs, GST and Demonetisation have considerable potential to change the way real estate sector works. The reforms are set to bring transparency and build a robust ecosystem. There will be a definite advantage to responsible developers and a game changer for others.

Interest rates are likely to remain steady in the short term and are expected to reduce in the long term. This will result in increase in demand and kick start the economy.

It is also seen that with the introduction of policies like RERA, unfair trade practices will reduce and professionalism will improve across all players.

Overall we see that the Real Estate sector will evolve into a more mature sector. Consequently, we believe that the Indian real estate sector will emerge stronger, healthier and capable of long periods of sustained growth, provided adequate policy/regulatory support.

## Focus on Mumbai and beyond

We shall continue to explore development opportunities in and around Mumbai and also explore hubs in the nearby regions on a case by case basis. Your Company is actively scouting for land parcels in NCR and Bangalore among other metro cities.

## Strengthen relationships with key service providers and develop multiple vendors

In order to continue delivering landmark offerings to our customer, we shall further strengthen our relationship with our key service providers, i.e. architects, designer and contractors. Your Company is also working on strategy to develop more and more vendors who can deliver product and services in line with Company's philosophy and product offerings.

## Internal Control Systems

The company has also focused on upgrading the IT infrastructure – both in terms of hardware and software. In addition to the existing ERP platform, the company has implemented project portfolio management software to monitor and plan the engineering expenses of each project. Further, the company is presently in the process of implementing Customer Relationship Management (CRM) software which helps company to better manage all interactions with customers and prospects.

## Cautionary Statement

This management discussion and analysis contain forward looking statements that reflects your Company's current views with respect to future events and financial performance. The actual results may differ materially from those anticipated in the forward looking statements as a result of many factors.

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

OBEROI REALTY

# CORPORATE GOVERNANCE

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2017

### CORPORATE GOVERNANCE PHILOSOPHY

Your Company firmly believes that maintaining the highest standards of Corporate Governance is the implicit rule that determines a management's ability to make sound decisions and to perform efficiently and ethically in the best interest of its shareholders and other stakeholders to create value for all.

The philosophy of Corporate Governance is a principle based approach as codified in Regulation 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), encompassing the fundamentals of rights and roles of various stakeholders of the Company, timely information, equitable treatment, role of stakeholders disclosure and transparency and board responsibility.

Your Company is in compliance with the requirements on Corporate Governance as they stood during FY2016-17.

A report on the compliances of Corporate Governance requirements under the Listing Regulations and the practices/ procedures followed by your Company for the year ended March 31, 2017 is detailed below:

### BOARD OF DIRECTORS AND ITS COMMITTEES

**1. Composition and Category of Directors /Attendance at Meetings/Directorships and Committee Memberships in other companies as on March 31, 2017**

Your Company has the combination of Executive and Non-Executive Directors in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present strength of the Board of Directors is a mix of five Non-Executive Directors including a woman director, and two Executive Directors. Of the five Non-Executive Directors, four Directors are Independent Directors.

The Chairman of the Board is an Executive Director.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the Listing Regulations. Further, disclosures have been made by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 26(1) of the Listing Regulations.

The composition of Board of Directors as on March 31, 2017 and other relevant details are as under:

| Name | Category | Attendance | | | Directorships[A] / Mandatory Committee[B] Memberships | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Board Meetings held during the year [1] | No. of Board Meetings attended | Last AGM attendance | Directorship in public companies [C] [D] | Directorship in private companies | Membership of mandatory committees [C] | Chairmanships of mandatory committees [C] |
| Mr. Vikas Oberoi (Chairman and Managing Director) | Executive, Non - Independent Director (Promoter) | 5 | 5 | Yes | 7 | 9 | 4 | 0 |
| Mr. Anil Harish | Non – Executive, Independent Director | 5 | 4 | Yes | 5 | 3 | 1 | 2 |
| Ms. Bindu Oberoi | Non-Executive, Non-Independent Director (Promoter Group) | 5 | 4 | Yes | 10 | 6 | 0 | 1 |
| Mr. Karamjit Singh Kalsi | Non – Executive, Independent Director | 5 | 2[E] | No | 1 | 1 | 0 | 0 |
| Mr. T.P. Ostwal | Non – Executive, Independent Director | 5 | 5 | Yes | 4 | 0 | 1 | 4 |
| Mr. Saumil Daru | Executive, Non-Independent Director | 5 | 5 | Yes | 5 | 2 | 0 | 1 |
| Mr. Venkatesh Mysore | Non – Executive, Independent Director | 5 | 3 | Yes | 3 | 3 | 2 | 0 |

1 Excluding the separate meeting of independent directors, in which non independent directors were not eligible to participate.

*A. Directorships in foreign companies and membership in governing councils, chambers and other bodies are not included.*
*B. Audit Committee and Stakeholders Relationship Committee of public companies are considered for this purpose.*

C. *Including Oberoi Realty Limited.*
D. *Private company which is a subsidiary of public company is considered as a public company.*
E. *Also attended one board meeting over phone call of August 19, 2016.*

Also, a separate meeting of Independent Directors was held on December 23, 2016, which was attended by the following Independent Directors:

1. Mr. Anil Harish,
2. Mr. T.P. Ostwal,
3. Mr. Venkatesh Mysore.

Except for Mr. Vikas Oberoi and Ms. Bindu Oberoi, no other Directors are related to each other in terms of the definition of 'relative' given under Companies Act, 2013. Ms. Bindu Oberoi is the sister of Mr. Vikas Oberoi.

None of the Independent Directors has any pecuniary relationship, transaction or association with the Company.

## 2. No. of Board Meetings and dates of Board Meetings

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis.

Your Board meets at least four times a year and the interval between any such two meetings has not been more than 120 days. The Company Secretary under the direction of the Chairman and in consultation with Chief Financial Officer prepares the agenda for the meetings along with the notes thereto and circulates it to the Directors, along with the notice of the meeting. During FY2016-17, meetings of the Board of Directors were held on:

- April 29, 2016
- June 25, 2016
- August 19, 2016
- October 21, 2016
- January 25, 2017

Additionally a separate meeting of Independent Directors was held on December 23, 2016.

## 3. Procedure of Board/ Committee Meeting

The agenda papers with relevant notes and material documents relating to matters for perusal of the Board/ Committee are circulated in advance, so as to facilitate discussion and informed decision-making in the meeting.

The routine business brought to the relevant meetings include, inter alia, the following:

- Annual business plans, budgets and strategy.
- Quarterly results and update on operations.
- Financial results for the relevant period along with limited review / audit report thereon.
- Minutes of various committee meetings of the Company and minutes of board meetings of subsidiary companies.
- Statement of investments made by unlisted subsidiaries.
- Review of Internal Audit Report/s.
- Shareholding pattern as per Regulation 31 of the Listing Regulations.
- Statement of shareholder grievance received/ disposed during each quarter.
- The information on recruitment and remuneration of senior officers just below the board level.
- Approval of related party transactions.

## 4. Shareholding of Directors in the Company as on March 31, 2017

| Name | Number of equity shares | % of total paid up share capital |
|---|---|---|
| Mr. Vikas Oberoi | 21,28,73,614 | 62.70 |
| Ms. Bindu Oberoi | 111 | 0.00 |
| Mr. Saumil Daru | 47,960* | 0.01 |
| **Total** | 21,29,21,685 | 62.71 |

*Including shares held jointly with his relatives.

Additionally, Mr. Vikas Oberoi holds 99.999% shares of R. S. Estate Developers Private Limited, which holds 3,33,00,000 (i.e. 9.81%) equity shares of the Company as on March 31, 2017.

The Company has not issued any convertible securities.

**5. Familiarization Programme for Independent Directors**

The Independent Directors are familiarized, inter alia, with the Company, their rights, roles and responsibilities, the nature of the industry, the business model of the Company. The details of the same can be viewed at http://www.oberoirealty.com/pdf/Familiarisation_programe_IDs.pdf

**6. Subsidiary Monitoring Mechanism**

The minutes of board meetings of the subsidiary companies are placed before the meeting of Board of Directors of the Company.

In compliance of the Regulation 24(1) of the Listing Regulations, Mr. T.P. Ostwal, Independent Director of the Company is also a Director on the Board of Directors of Oberoi Constructions Limited, which is an unlisted material subsidiary of the Company. Mr. Venkatesh Mysore, an Independent Director is also a Director on the Board of Directors of Oberoi Constructions Limited.

As per the requirement of the Listing Regulations, the Company has formulated a policy for determining 'Material Subsidiaries' and the same has been posted on Company's website at http://www.oberoirealty.com/pdf/Policy_on_Material_subsidiaries.pdf

**7. AUDIT COMMITTEE**

The composition of the Audit Committee as on March 31, 2017 is as under:

| Name of Members | Category |
|---|---|
| Mr. T.P. Ostwal (Chairman) | Independent Director |
| Mr. Anil Harish | Independent Director |
| Mr. Venkatesh Mysore | Independent Director |
| Mr. Vikas Oberoi | Non- Independent Director |

The Chief Financial Officer, Internal Auditor and the Statutory Auditors are invitees to the relevant meetings of the Audit Committee in respect of businesses related to them. The Company Secretary acts as Secretary to the Audit Committee.

During the year under review, the Audit Committee met four times on:

- April 29, 2016
- August 19, 2016
- October 21, 2016
- January 25, 2017

The attendance of members of the Audit Committee at the committee meetings held during the year ended March 31, 2017 is as under:

| Name of Members | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. T.P. Ostwal (Chairman) | 4 | 4 |
| Mr. Anil Harish | 4 | 4 |
| Mr. Venkatesh Mysore | 4 | 3 |
| Mr. Vikas Oberoi | 4 | 4 |

The Audit Committee met four times in a year and the time interval between any two Audit Committee meetings was not more than 120 days.

The terms of reference and powers of the Audit Committee are in accordance with the requirements of Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 and includes overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements/ results and, reviewing with the management the adequacy of the internal audit function, recommending the appointment/ reappointment of statutory auditor, cost auditor and internal auditor and recommending/ fixation of audit fees, reviewing the significant internal audit findings, related party transactions, reviewing the Management Discussions and Analysis of financial condition and results of operations, scrutiny of inter-corporate loans and investments.

The Committee discusses with the auditors their audit methodology, audit planning and significant observations /suggestions made by them and management responses and action taken by them.

## 8. NOMINATION, REMUNERATION, COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE

The composition of this Committee as on March 31, 2017 is as under:

| Name of Members | Category |
|---|---|
| Mr. Anil Harish (Chairman) | Non-Executive, Independent Director |
| Ms. Bindu Oberoi | Non-Executive, Non-Independent Director |
| Mr. T.P. Ostwal | Non-Executive, Independent Director |
| Mr. Vikas Oberoi | Executive, Non-Independent Director |
| Mr. Venkatesh Mysore | Non-Executive, Independent Director |

During the year under review, the Committee meetings were held four times on:

- April 29, 2016
- August 19, 2016
- October 21, 2016
- January 25, 2017

The attendance of members of Nomination, Remuneration, Compensation and Management Development Committee at the committee meetings held during the year ended March 31, 2017 is as under:

| Name of Members | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. Anil Harish (Chairman) | 4 | 4 |
| Ms. Bindu Oberoi | 4 | 4 |
| Mr. T.P. Ostwal | 4 | 4 |
| Mr. Vikas Oberoi | 4 | 4 |
| Mr. Venkatesh Mysore | 4 | 3 |

This Committee also discharges the functions of the 'Compensation Committee' as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014.

The terms of reference and power of the Nomination, Remuneration, Compensation and Management Development Committee is in accordance with the requirements of Regulation 19 read with Part D of Schedule II of Listing Regulations, Section 178 the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014.

The role of the Committee, inter alia, is to approve/ recommend the remuneration/ packages of the Executive and Non-Executive Directors and of Senior Management Personnel and to lay down the criteria for performance evaluation of Board of Directors as a whole, individual directors and the committees of the Board. Under the said performance evaluation framework, the Committee has identified the criteria upon which every Director every Committee and the Board as a whole shall be evaluated.

## 9. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of this Committee as on March 31, 2017 is as under:

| Name of Members | Category |
|---|---|
| Ms. Bindu Oberoi (Chairperson) | Non-Executive Director |
| Mr. T.P. Ostwal | Non-Executive Director |
| Mr. Vikas Oberoi | Executive Director |

Mr. Bhaskar Kshirsagar, the Company Secretary, is the Compliance Officer under the Listing Regulations.

During the year under review, four meetings of the Committee were held on:

- April 29, 2016
- August 19, 2016
- October 21, 2016
- January 25, 2017

The attendance of members at the committee meetings held during the year ended March 31, 2017 is as under:

| Name of Members | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| Ms. Bindu Oberoi (Chairperson) | 4 | 4 |
| Mr. T.P. Ostwal | 4 | 4 |
| Mr. Vikas Oberoi | 4 | 4 |

The Committee has been constituted to specifically look into the matter of the redressal of stakeholders', security holders' and investors' complaints and grievances, including but not limited, those relating to transfer/transmission of shares, non-receipt of dividends, non-receipt of Annual Report and any other grievance that a shareholder or investor may have against the Company.

The details of shareholders' complaints received and disposed of during the year under review are as under:

| Number of Investor Complaints | |
|---|---|
| - pending at the beginning of the financial year | Nil |
| - received during the financial year | 1 |
| - disposed off during the financial year | 1 |
| - pending at the end of the financial year | Nil |

| Nature of Complaint | |
|---|---|
| - Non receipt of annual report | 1 |

## 10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition of this Committee as on March 31, 2017 is as under:

| Name of Members | Category |
|---|---|
| Mr. Vikas Oberoi (Chairman) | Non-Independent Director |
| Ms. Bindu Oberoi | Non-Independent Director |
| Mr. Venkatesh Mysore | Independent Director |

The Company Secretary, is the Secretary to the Committee.

During the year under review, two meetings of the said Committee were held on:

- April 29, 2016
- January 25, 2017

The attendance of members of the Committee at the meetings held during the year ended March 31, 2017 is as under:

| Name of Members | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. Vikas Oberoi (Chairman) | 2 | 2 |
| Ms. Bindu Oberoi | 2 | 2 |
| Mr. Venkatesh Mysore | 2 | 1 |

The role of the Committee is to formulate and recommend to the Board a Corporate Social Responsibility Policy, recommend the amount of yearly CSR expenditure and also monitor the implementation and functioning of Corporate Social Responsibility Policy.

## 11. OPERATIONS COMMITTEE

The composition of this Committee as on March 31, 2017 is as under:

| Name of Members | Category |
|---|---|
| Mr. Vikas Oberoi (Chairman) | Non-Independent Director |
| Ms. Bindu Oberoi | Non-Independent Director |
| Mr. Saumil Daru | Non-Independent Director |

During the year under review, five meetings of the said Committee were held on:

- May 20, 2016
- September 13, 2016
- December 22, 2016
- February 6, 2017
- March 23, 2017

The attendance of members of the Committee at the meetings held during the year ended March 31, 2017 is as under:

| Name of Members | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. Vikas Oberoi (Chairman) | 5 | 5 |
| Ms. Bindu Oberoi | 5 | - |
| Mr. Saumil Daru | 5 | 5 |

The terms of reference of the Operations Committee includes business development (which *inter alia*, involves the acquisition of land), borrowing of funds and approving/ monitoring operational activities.

## 12. INVESTMENT COMMITTEE

The composition of this Committee as on March 31, 2017 is as under:

| Name of Members | Category |
|---|---|
| Mr. Venkatesh Mysore (Chairman) | Independent Director |
| Mr. Anil Harish | Independent Director |
| Mr. T.P. Ostwal | Independent Director |
| Mr. Vikas Oberoi | Non-Independent Director |

During the year under review, a meeting of the said Committee was held on January 25, 2017.

The attendance of members of the Committee at the said meeting held during the year ended March 31, 2017 is as under:

| Name of Members | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. Venkatesh Mysore (Chairman) | 1 | - |
| Mr. Anil Harish | 1 | 1 |
| Mr. T.P. Ostwal | 1 | 1 |
| Mr. Vikas Oberoi | 1 | 1 |

The terms of reference of this Committee includes formulation of guidelines based upon which the investment/ divestment of surplus funds of the Company shall be made.

### DIRECTORS' APPOINTMENT, TENURE AND REMUNERATION

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013, Mr. Vikas Oberoi is liable to retire by rotation. The said Director has offered himself for reappointment and resolution for his reappointment, is incorporated in the Notice of the ensuing Annual General Meeting. The brief profile and other information as required under Regulation 36(3) of the Listing Regulations relating to Mr. Vikas Oberoi forms part of the Notice of ensuing Annual General Meeting.

The remuneration paid for the financial year ended March 31, 2017 to Mr. Vikas Oberoi as the Managing Director of the Company (for his term of appointment upto December 3, 2019) is in accordance with the terms and conditions contained in the employment contract entered into with the Company.

The Independent Directors are paid sitting fees for attending meetings of Board / Board Committees and an annual commission (subject to availability of profits and if so decided by the Board).

The details of the remuneration/ compensation of the Executive and Non-Executive Directors for the year ended March 31, 2017 is as follows:

(₹ in Lakh)

| Name | Basic Salary | Allowances | Performance incentive | Perquisite | Sitting fee | Commission |
|---|---|---|---|---|---|---|
| **Executive Director** | | | | | | |
| Mr. Vikas Oberoi [A] | 0.00 | - | - | - | - | - |
| Mr. Saumil Daru [A] | 62.04 | 136.44 | 475.00 | 22.94 | - | - |
| **Non Executive Director** | | | | | | |
| Mr. Anil Harish | - | - | - | - | 4.00 | 11.00 |
| Ms. Bindu Oberoi | - | - | - | - | - | - |
| Mr. T.P. Ostwal | - | - | - | - | 4.90 | 11.00 |
| Mr. Venkatesh Mysore | - | - | - | - | 3.15 | 11.00 |
| Mr. Karamjit Singh Kalsi | - | - | - | - | 1.00 | 11.00 |

A. Excluding defined benefit plan.

Further, during the year under review, commission pertaining to FY2015-16 of ₹ 10 Lakh each was paid to Mr. Anil Harish, Mr. T.P. Ostwal, Mr. Venkatesh Mysore and Mr. Karamjit Singh Kalsi within the prescribed limits.

As on March 31, 2017, none of the Directors hold any stock options under the employee stock option scheme of the Company.

**Brief about Remuneration Policy:**

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel and the major points relating to Remuneration policy are as follows:

A. Remuneration structure of Directors:

i. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) and commission as recommended by the Nomination, Remuneration, Compensation and Management Development Committee and approved by the Board and shareholders (wherever required) subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

ii. The total commission payable to the Independent Directors shall not exceed 1% of the net profit of the Company.

iii. The remuneration/ compensation/ commission etc. to be paid to Managing Director/Whole-time Director(s)/Executive Director(s) etc. shall be as per their employment contract/ terms of appointment, subject to the limits and conditions under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approval of the shareholders.

B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management Personnel is as detailed hereunder:

i. The compensation of KMP and Senior Management Personnel shall be approved by the Nomination, Remuneration, Compensation and Management Development Committee.

ii. The Compensation of a KMP and Senior Management Personnel is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.

iii. The remuneration structure to KMPs and Senior Management Personnel may include a variable performance linked component.

The payments to non- executive directors are in the nature of sitting fees and commission. The level and composition of such remuneration are determined so as to be reasonable and sufficient to attract, retain and motivate directors. Additionally, every Director is evaluated on performance evaluation framework as formulated by the Nomination, Remuneration Compensation and Management Development Committee and is paid Commission basis the achieving of performance benchmarks.

**Service contract / notice period / severance fees**

As per the employment contract entered into by the Company with the Managing Director, either party can terminate the contract by giving 3 (three) months' notice in writing to the other party. The employment contract does not contain any provisions for payment of any severance fees in case of cessation of employment of the Managing Director.

The employment of Mr. Saumil Daru is governed by the employment policy of the Company, under which both the Company and Mr. Saumil Daru can terminate the employment of the office of the Director- Finance by giving one month notice.

## DISCLOSURES

1. There is no Material Related Party transaction in terms of Regulation 23 of the Listing Regulations, in respect of which shareholders approval is sought. As per the Listing Regulations a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. The disclosure of all related party transactions are set out in notes forming part of the financial statements. The policy framed by your Company on dealing with Related Party Transactions same is posted on the Company's website at http://www.oberoirealty.com/pdf/Policy_on_RPT.pdf.

2. Neither there were any non- compliances, nor any penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

3. Your Company has a Whistleblower Policy in place. During the year under review no personnel have either approached the Audit Committee or been denied access to the Audit Committee.

4. Your Company has complied with all the mandatory requirements of the Listing Regulations relating to corporate governance. Further, your Company has adopted two non-mandatory corporate governance requirements relating to (i) endeavor to have unmodified financial statements, and (ii) direct reporting of the Internal Auditor to the Audit Committee.

5. The CEO/CFO certification in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms part of this Report.

6. Disclosure of commodity price risks and commodity hedging activities: The Company is subject to commodity price risk like any other industry. Moreover, since the Company procures all the input commodities used in the production of goods and generation of services from third parties, it is all the more subject to risk and rewards of price variations.

The Company is, to a certain extent, able to manage the risks of adverse price movements by giving all inclusive construction contracts, with a built in mechanism for moderation of any substantial price movement of key components of the contract. In respect of contracts for finishing material and façade items, the commodity/ hedging market for these items is not fully developed and the Company keeps on evaluating on continuous basis opportunities for price risk minimisations.

**DECLARATION ON CODE OF CONDUCT**

This is to certify that your Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY2016-17.

**Vikas Oberoi**
Chairman & Managing Director

Mumbai, May 4, 2017

## DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS UNDER REGULATIONS 17 TO 27 AND REGULATION 46(2)(B) TO (I)

All complied with except Regulation 25(6) and Regulation 21(1),(2),(3),(4) which were not applicable to the Company during FY 2016-17.

## GENERAL SHAREHOLDERS INFORMATION

### 1. General Body Meeting

| Financial Year ended | Date | Time | Venue |
|---|---|---|---|
| March 31, 2016 | August 19, 2016 | 3.00 PM | The Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 |
| March 31, 2015 | July 1, 2015 | 3.00 PM | The Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 |
| March 31, 2014 | August 27, 2014 | 3.00 PM | The Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 |

**The following Special Resolutions were passed in the last three Annual General Meetings:**

*Annual General Meeting held on August 19, 2016:*

- Approval of offer or invitation to subscribe non-convertible debentures on private placement.
- Approval of issue of equity shares and/or any other securities convertible into equity by way of public offer or private placement.

*Annual General Meeting held on July 1, 2015:*

- Approval of borrowings from Mr. Vikas Oberoi, a related party (a Material Related Party Transaction).
- Approval of alteration of Articles of Association of the Company.
- Approval of offer or invitation to subscribe non-convertible debentures on private placement.
- Approval of issue of equity shares and/or any other securities convertible into equity by way of public offer or private placement.

*Annual General Meeting held on August 27, 2014:*

- Authority to borrow moneys in excess of paid up capital and free reserves of the Company in terms of Section 180(1)(c) of the Companies Act, 2013.
- Authority to create security in terms of Section 180(1)(a) of the Companies Act, 2013.
- Approval of offer or invitation to subscribe Non-Convertible Debentures on private placement.

**Postal Ballot**

During FY2016-17, no ordinary or special resolutions were passed through postal ballot. No special resolution is proposed to be conducted through postal ballot.

## 2. Company's Means of Communication

| | |
|---|---|
| Website | Your Company maintains a website www.oberoirealty.com, wherein there is a dedicated section 'Investor Corner'. The website provides details, *inter alia,* about the Company, its performance including quarterly financial results, annual reports, press release, transcript of analyst conference call, investor presentation, share price data, unpaid dividend details, shareholding pattern, contact details etc. |
| Quarterly/ Annual Financial Results | Generally published in Financial Express (all editions) and Loksatta, Mumbai edition.<br><br>The results are also uploaded by BSE and NSE on their website www.bseindia.com and www.nseindia.com respectively |
| Stock exchanges | All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE.<br><br>The filings required to be made under the Listing Regulations, including the Shareholding Pattern and Corporate Governance Report for each quarter are also filed on BSE Listing Centre and NSE Electronic Application Processing System (NEAPS). |
| Investor servicing | A separate e-mail id cs@oberoirealty.com has been designated for the purpose of registering complaints by shareholders or investors. |

## 3. Other Information

| | |
|---|---|
| CIN | L45200MH1998PLC114818 |
| Registered office and address | Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai 400 063 |
| Date, Time and Venue of Annual General Meeting | Kindly refer notice of 19th Annual General Meeting. |
| Financial Year | The financial year of the Company starts from April 1st and ends on March 31st of the succeeding year |
| Rate of dividend and dividend declaration date | 2/- per Equity Share i.e. 20% dividend as recommended by the Board is subject to the approval of the shareholders at the 19th Annual General Meeting.<br><br>The NECS upload/ dispatch of dividend warrants / demand drafts shall start from fifth day from the conclusion of the 19th Annual General Meeting.<br><br>Kindly refer the notice of 19th Annual General Meeting for the record date for the purpose of determining eligibility for the said dividend. |

| | | | |
|---|---|---|---|
| Dividend History | Financial Year | Rate of Dividend | Dividend (in ₹) per share of ₹ 10 each |
| | 2015-16 | 20% | 2.00 |
| | 2014-15 | 20% | 2.00 |
| | 2013-14 | 20% | 2.00 |
| Listing on stock exchanges | The Equity Shares of the Company are listed on BSE and NSE | | |
| Listing fees | The listing fees of BSE and NSE for FY2017-18 has been paid | | |
| Stock code | The BSE scrip code of equity shares is 533273<br>The NSE scrip symbol of equity shares is OBEROIRLTY<br>The Bloomberg code of equity shares is OBER:IN<br>The Reuters code of equity shares is OEBO.NS and OEBO.BO | | |
| ISIN Number | INE093I01010 | | |
| Custodian fees | The custodian fees is payable to each of the depositories based on the number of folios as on March 31, 2017. The custodian fees to CDSL has been paid while that of NSDL will be paid on or before its due date of May 31, 2017. | | |
| Suspension of trading in securities | There was no suspension of trading in securities of the Company during the year under review. | | |
| Registrar and Transfer agents | Link Intime India Private Limited<br>C 101, 247 Park, L B S Marg,<br>Vikhroli West, Mumbai 400 083<br>Email: rnt.helpdesk@linkintime.co.in<br>Tel: (022) 4918 6270<br>Fax: (022) 4918 6060 | | |
| Share Transfer system | For shares held in physical form, all requisite documents for share transfer should be sent to the Registrar and Transfer agents of the Company. The share transfers in physical form will be generally approved within 10 days from the date of receipt subject to all documents being in order.<br><br>For shares held in dematerialised form, kindly contact your depository participant with whom your demat account is held. | | |
| Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their impact on Equity | As on March 31, 2017, the Company does not have any outstanding GDRs / ADRs /Warrants / Convertible Instruments (other than stock options).<br><br>For details of options granted under the employee stock option scheme ESOP 2009, kindly refer the Annexure II to the Directors' Report. The vesting of options granted under ESOP 2009 is in a phased manner over a period of 4 years from the date of grant and the options may be exercised within a period of 3 years from the respective date of vesting. 20%, 20%, 30% and 30% of the options granted have got vested on May 4, 2011, May 4, 2012, May 4, 2013 and May 4, 2014 respectively, on completion of one, two, three and four year respectively from the date of grant of options. As on March 31, 2017, the unexercised portion from options that were vested on May 4, 2011, May 4, 2012 and May 4, 2013 have lapsed on expiry of the Exercise Period. | | |

| | |
|---|---|
| Commodity price risk or foreign exchange risk and hedging activities | The Company is subject to commodity price risk like any other industry. Moreover, since the Company procures all the input commodities used in the production of goods and generation of services from third parties, it is all the more subject to risk and rewards of price variations. The Company is, to a certain extent, able to manage the risks of adverse price movements by giving all inclusive construction contracts, with a built in mechanism for moderation of any substantial price movement of key components of the contract. In respect of contract for finishing material and façade items, the commodity/ hedging market for these items is not fully developed and the Company keeps on evaluating on continuous basis opportunities for price risk minimisations. In respect of inward remittances from eligible overseas buyers of the residential units constructed by the Company and recipient of services from Hotel, all billing is in INR and hence the Company is immune to foreign exchange risk on this account. |
| Plant locations | The Company do not have any plants |
| Tentative calendar of the Board Meetings for FY2017-18 | For the quarter ended June 30, 2017 – by end of July 2017<br>For the quarter and half year ended September 30, 2017 - by end of October 2017<br>For the quarter ended December 31, 2017 - by end of January 2018<br>For the quarter and year ended March 31, 2018 - by the end of May 2018. |

## 4. Market Price Data

The market price data and the volume of your Company's shares traded on BSE and NSE during the year ended March 31, 2017 are as follows:

**BSE Limited**

| Month | Oberoi Realty share price on BSE | | | S&P BSE Sensex Index | |
|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Average Volume (Nos) | High | Low |
| Mar -17 | 395.90 | 318.60 | 68,674 | 29,824.62 | 28,716.21 |
| Feb - 17 | 352.70 | 311.50 | 75,066 | 29,065.31 | 27,590.10 |
| Jan - 17 | 320.40 | 297.95 | 9,372 | 27,980.39 | 26,447.06 |
| Dec -16 | 331.25 | 277.30 | 27,728 | 26,803.76 | 25,753.74 |
| Nov- 16 | 377.85 | 255.60 | 1,45,203 | 28,029.80 | 25,717.93 |
| Oct - 16 | 363.00 | 290.60 | 1,04,668 | 28,477.65 | 27,488.30 |
| Sep -16 | 318.60 | 283.00 | 13,704 | 29,077.28 | 27,716.78 |
| Aug - 16 | 322.40 | 282.60 | 14,437 | 28,532.25 | 27,627.97 |
| July - 16 | 316.00 | 271.50 | 29,740 | 28,240.20 | 27,034.14 |
| June -16 | 298.85 | 262.05 | 10,753 | 27,105.41 | 25,911.33 |
| May - 16 | 288.00 | 261.50 | 22,091 | 26,837.20 | 25,057.93 |
| Apr - 16 | 295.20 | 231.00 | 49,365 | 26,100.54 | 24,523.20 |

**National Stock Exchange of India Limited**

| Month | Oberoi Realty share price on NSE | | | NSE Nifty 50 Index | |
|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Average Volume (Nos) | High | Low |
| Mar -17 | 396.40 | 317.60 | 2,82,827 | 9,218.40 | 8,860.10 |
| Feb - 17 | 353.00 | 309.95 | 2,25,379 | 8,982.15 | 8,537.50 |
| Jan - 17 | 321.65 | 298.00 | 96,434 | 8,672.70 | 8,133.80 |
| Dec -16 | 333.00 | 278.05 | 3,05,463 | 8,274.95 | 7,893.80 |
| Nov- 16 | 377.90 | 248.30 | 4,27,974 | 8,669.60 | 7,916.40 |
| Oct - 16 | 362.90 | 290.15 | 5,48,093 | 8,806.95 | 8,506.15 |
| Sep -16 | 319.35 | 283.00 | 2,50,291 | 8,968.70 | 8,555.20 |
| Aug - 16 | 322.95 | 282.15 | 2,51,447 | 8,819.20 | 8,518.15 |
| July - 16 | 316.25 | 271.00 | 4,75,850 | 8,674.70 | 8,287.55 |
| June -16 | 299.00 | 261.25 | 1,59,950 | 8,308.15 | 7,927.05 |
| May - 16 | 305.00 | 261.00 | 1,53,126 | 8,213.60 | 7,678.35 |
| Apr - 16 | 295.60 | 230.00 | 4,09,500 | 7,992.00 | 7,516.85 |

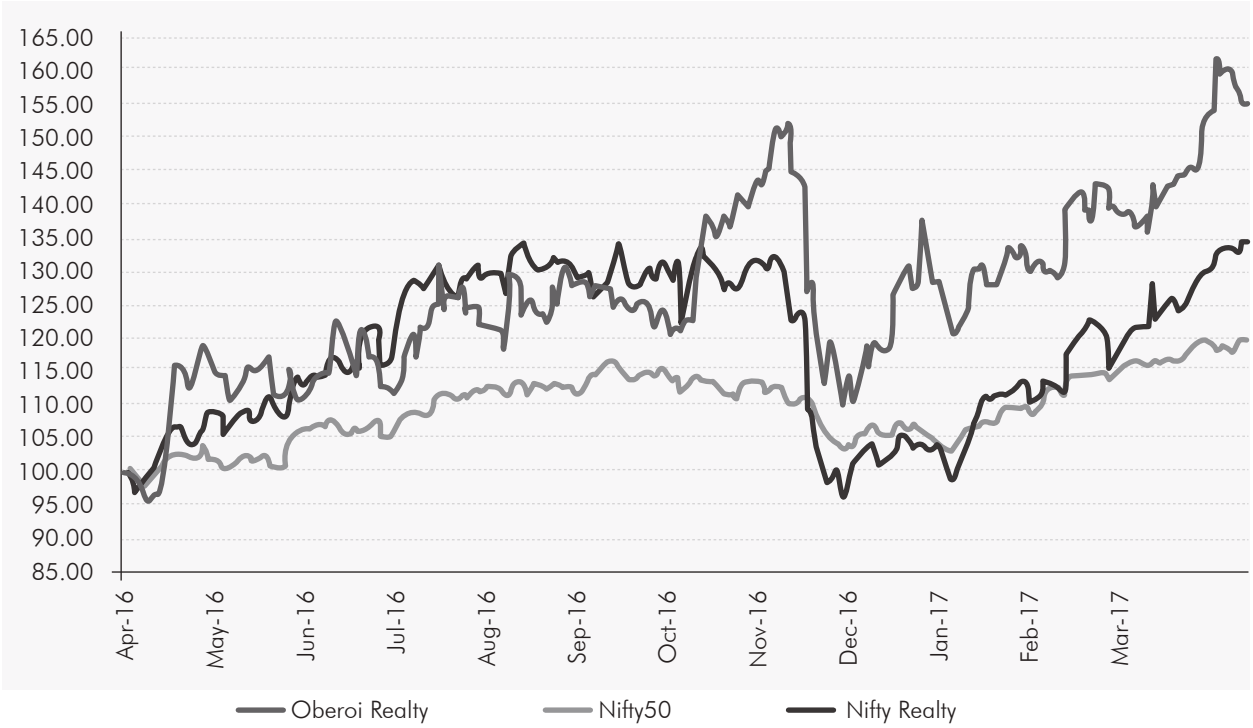
**5. Performance of Oberoi Realty Limited (ORL) scrip in comparison to broad–based indices, viz. S&P BSE Sensex, S&P BSE Realty Index, Nifty 50 Index and Nifty Realty Index**

I) Movement of ORL vs. S&P BSE Sensex vs S&P BSE Realty Index




Closing value of ORL scrip, S&P BSE Sensex Index and S&P BSE Realty Index as of April 1, 2016 has been indexed to 100.

II) Movement of ORL vs. Nifty 50 Index vs. Nifty Realty Index




Closing value of ORL scrip, Nifty 50 Index and Nifty Realty Index as of April 1, 2016 has been indexed to 100.

**6. Distribution of Shareholding as on March 31, 2017**

| Shareholding of Nominal Value (₹) | Number of shareholders | Percentage (%) | Number of shares held | Percentage (%) |
|---|---|---|---|---|
| 1 – 5,000 | 13,644 | 92.90 | 13,01,779 | 0.38 |
| 5,001 - 10,000 | 396 | 2.70 | 3,13,688 | 0.09 |
| 10,001 - 20,000 | 215 | 1.46 | 3,29,218 | 0.10 |
| 20,001 - 30,000 | 74 | 0.50 | 1,85,596 | 0.05 |
| 30,001 - 40,000 | 43 | 0.29 | 1,55,498 | 0.05 |
| 40,001 - 50,000 | 29 | 0.20 | 1,36,489 | 0.04 |
| 50,001 – 1,00,000 | 75 | 0.51 | 5,44,442 | 0.16 |
| 1,00,001 and above | 210 | 1.43 | 33,65,68,716 | 99.13 |
| **Total** | **14,686** | **100.00** | **33,95,35,426** | **100.00** |

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**7. Shareholding pattern as on March 31, 2017**

| Category | Category of shareholder | Number of shareholders | Total number of shares | Total shareholding as a percentage of total number of shares |
|---|---|---|---|---|
| **PROMOTER & PROMOTER GROUP** | | | | |
| *Indian* | Promoter | 1 | 21,28,73,614 | 62.70 |
| | Promoter Group | 4 | 3,33,01,332 | 9.81 |
| | **Total (Promoter & Promoter Group)** | **5** | **24,61,74,946** | **72.50** |
| **PUBLIC** | | | | |
| *Institutions* | Mutual Funds | 9 | 19,22,733 | 0.57 |
| | Financial Institutions/ Banks | 2 | 20,225 | 0.01 |
| | Foreign Portfolio Investor/ Foreign Institutional Investors | 175 | 8,60,88,472 | 25.35 |
| | **Total (Institutions)** | **186** | **8,80,31,430** | **25.93** |
| *Non-institutions* | Bodies Corporate | 239 | 11,64,566 | 0.34 |
| | Individuals | 13,332 | 36,13,419 | 1.06 |
| | Clearing Members | 107 | 1,97,197 | 0.06 |
| | Non Resident Indian (Repat) | 304 | 1,42,388 | 0.04 |
| | Non Resident Indian (Non Repat) | 140 | 38,070 | 0.01 |
| | Hindu Undivided Family | 368 | 1,64,535 | 0.05 |
| | Foreign Nationals | 1 | 325 | 0.00 |
| | Trusts | 4 | 8,550 | 0.00 |
| | **Total (Non-Institutions)** | **14,495** | **53,29,050** | **1.57** |
| | **Total (Public)** | **14,681** | **9,33,60,480** | **27.50** |
| | **GRAND TOTAL** | **14,686** | **33,95,35,426** | **100.00** |

**8. Status of dematerialization of shares**

As on March 31, 2017, all except 42 Equity Shares of the Company are held in dematerialized form. The break up of the equity shares held in dematerialized and physical form as on March 31, 2017 is as follows:

| Particulars | No. of shareholders | No. of shares | Percent of Equity |
|---|---|---|---|
| NSDL | 10,446 | 33,74,47,084 | 99.38 |
| CDSL | 4,237 | 20,88,300 | 0.62 |
| Physical | 3 | 42 | 0.00 |
| **Total** | **14,686** | **33,95,35,426** | **100.00** |

**9. Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital

to reconcile the total capital held with the National Security Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form vis a vis the total issued capital and the listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the number of shares issued, that listed on stock exchanges and that held in Demat and physical mode are in agreement with each other.

## 10. Unclaimed Dividend

As on March 31, 2017 following amounts of dividends remained unclaimed:

| | (Amount in ₹) |
|---|---|
| FY 2010-11 | 15,099 |
| FY 2011-12 | 18,640 |
| FY 2012-13 | 38,836 |
| FY 2013-14 | 39,654 |
| FY 2014-15 | 56,486 |
| FY 2015-16 | 44,618 |

In accordance with Section 125 of the Companies Act, 2013, the amounts of dividend that remain unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Members can claim the unclaimed dividend from the Company before transfer to the IEPF by making their claim to the Company at its registered office or by contacting the Registrar and Transfer Agents. It may be noted that no claim shall lie against the Company in respect of amounts of dividends remaining unpaid or unclaimed for a period of seven years after being transferred to the account maintained by IEPF. After transfer of such amounts to the separate account maintained by IEPF, the member can claim their amounts from IEPF.

In accordance with sub-section 6 of Section 125 of the Companies Act, 2013, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years will be transferred to IEPF. The members can claim the transfer of such shares from IEPF in accordance with the procedure and on submission of the documents as prescribed from time to time.

In accordance with Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012, your Company has filed Form 5INV with the Ministry of Corporate Affairs, containing the details of unclaimed/ unpaid amount of dividends as of the date of last Annual General Meeting. Additionally, the details have also been uploaded on the website of the Company.

## 11. Address for correspondence

For query relating to financial statements / investor relations, please contact:

Investor Relations Department:
Oberoi Realty Limited
Commerz, 3rd Floor, International Business Park,
Oberoi Garden City, Off Western Express Highway,
Goregaon (East), Mumbai- 400 063
Email: ir@oberoirealty.com
Phone No.: (022) 6677 3333
Fax No.: (022) 6677 3334

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

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# MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

In accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed financial statements and the cash flow statement of Oberoi Realty Limited for the year ended March 31, 2017 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit committee

   i. the significant changes in internal control over financial reporting during the year, if any;

   ii. significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and

   iii. that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Mumbai, May 4, 2017

**Vikas Oberoi**
Chairman & Managing Director

**Saumil Daru**
Chief Financial Officer

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To The Members of **Oberoi Realty Limited,**

We have examined all the relevant records of Oberoi Realty Limited (**''the Company''**) for the financial year ended on 31st March, 2017 as stipulated in Regulation 17 to 27, 46 (2) (b) to (i) and Para C, D and E of the Schedule V of Chapter IV of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR"**). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the above referred Corporate Governance Requirement.

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

P S. Shah
Partner
Membership No. 44611
Mumbai, May 4, 2017

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | |
|---|---|
| **1 Corporate Identity Number (CIN) of the Company** | L45200MH1998PLC114818 |
| **2 Name of the company** | Oberoi Realty Limited ("We/ the Company") |
| **3 Registered Address** | Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai 400 063, India |
| **4 Website** | www.oberoirealty.com |
| **5 E-mail ID** | corporate@oberoirealty.com |
| **6 Financial year reported** | April 2016- March 2017 |
| **7 Sector(s) that the Company is engaged in (industrial activity code-wise)** | Real Estate Development and Hospitality |
| **8 List three key products/services that the Company manufactures/provides.** | Construction, leasing and hospitality |
| **9 Number of locations where business activities are undertaken by the Company** | |
| 1) Total number of International locations | Nil |
| 2) Total number of National locations | One |
| **10 Markets served by the Company: Local/State/ National/International** | Local |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | |
|---|---|
| **1 Paid Up Capital (₹)** | 33,953.54 Lakh |
| **2 Total Turnover (₹)** | 89,071.20 Lakh |
| **3 Total Profit after Taxes (₹)** | 32,085.49 Lakh |
| **4 Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)** | 0.13% |

**5 List of activities in which the expenditure in 4 above has been incurred.**

a. Promotion of irrigation and agriculture facilities

b. Maintenance and promotion of green belts and environmental preservation

c. Promotion of education

## SECTION C: OTHER DETAILS

**1. Does the Company have any subsidiary company/companies?**

Yes, the Company has 9 subsidiary companies.

**2. Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

All subsidiaries participate in the BR initiatives of the parent company, to the extent possible and relevant. Oberoi Mall Limited and Oberoi Constructions Limited actively engage in BR initiatives, more particularly those involving CSR. Majority of their initiatives are aligned with those of ours, however because of the nature of business, they additionally engage into and undertake certain initiatives independently as well.

Additionally, all the new projects across the group are pre-LEED (Leadership in Energy and Environment Design) certified. In fact, the Oberoi Mall owned by Oberoi Mall Limited is the first operational mall in Asia to be LEED certified.

**3. Do any other entity / entities (e.g Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, indicate the percentage of such entities? (less than 30%, 30 – 60% and More than 60%)**

The Company actively engages with its suppliers for development of their capacities and creating awareness on BR. A majority of the raw material for the projects of the Company are sourced locally, giving the local suppliers an opportunity to scale up their business. Additionally, the construction contractors' staff are trained in new construction technologies, wherever necessary, enabling them to upgrade and enhance their skills. Also, the Company, through its contractual arrangements with the contractors and suppliers, ensures implementation of employee/ labour welfare measures, including, but not restricted to, those statutorily prescribed.

The Company takes ownership for ensuring that all entities it does business with, follow its guidelines. It has stringent contractual terms that are rigorously followed and checked, to ensure compliance.

The Westin Mumbai Garden City' ("Westin MGC/ WMGC") is the hospitality division of Oberoi Realty Limited. It is branded and managed by international hospitality group Starwood. The operational policies and practices at Westin MGC are guided by the policies and practices of Starwood.

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# SECTION D: BR INFORMATION

**1. Details of Director/Directors responsible for BR**

| **Details of Director/Directors responsible for Business Responsibility** | | |
|---|---|---|
| Name | DIN Number | Designation |
| Mr. Saumil Daru | 03533268 | Director - Finance |

| **Details of the Business Responsibility Head** | |
|---|---|
| DIN Number (if applicable) | 03533268 |
| Name | Mr. Saumil Daru |
| Designation | Director – Finance |
| Telephone number | (022) 6677 3333 |
| E-mail id | saumil.daru@oberoirealty.com |

**2 Principle-wise (as per NVGs) BR Policy/Policies**

**a) Details of compliance**

| **NVG Principle-wise BR Policies** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** |
| | Ethics, transparency & Sustainability accountability | Sustainability in life-cycle of products | Employee wellbeing | Stakeholder engagement | Promotion of human rights | Environmental protection | Responsible public policy advocacy | Inclusive growth | Customer value |
| Do you have a policy/ policies for | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Has the policy been formulated in consultation with relevant stakeholders? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Does the policy conform to any national/ international standards? Specify if Yes | ✓* | ✓* | ✓* | ✓* | ✓* | ✓* | ✓* | ✓* | ✓* |
| Has the policy been approved by the Board? Has it been signed by MD/Owner/CEO/ Appropriate Board Director? | ✓** | ✓** | ✓** | ✓** | ✓** | ✓** | ✓** | ✓** | ✓** |
| Indicate the link for the policy to be viewed online | ✓*** | ✓*** | $ | ✓*** | ✓*** | ✓*** | ✓*** | ✓*** | ✓*** |
| Has the policy been formally communicated to all relevant internal and external stakeholders? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Does the Company have in-house structure to implement the policy/policies? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Does the Company have a grievance redressal mechanism to address stakeholders' grievance related to the policy/policies? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

* The policies are developed and aligned with following standards prescribed by /under;
  - Securities and Exchange Board of India
  - Ministry of Corporate Affairs National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
  - Applicable legal requirements
  - The Company's internal requirements, detailed consultations and research on the practices adopted by organizations

** The policies are approved by the board and signed by the heads of the respective department responsible for the implementation of the policies.

*** The policies are available on our internet portal which can be viewed at http://www.oberoirealty.com

$ available on intranet.

**b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable**

| Sr No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The Company has not understood the principles | Not applicable | | | | | | | | |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done in the next 6 months | | | | | | | | | |
| 5 | It is planned to be done in the next year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

**3 Governance related to BR**

**a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.**

The Board of Directors meets annually to assess BR related performance of the Company.

**b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the first Business Responsibility Report of the Company, published as a part of the annual report. The annual report is available on the website of the Company www.oberoirealty.com.

# SECTION E: PRINCIPLE WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Policies related to ethics, bribery and corruption are part of the defined code of conduct of the Company and are applicable to all employees and directors of the Company, employees of other agencies deployed for the Company's / its subsidiary's/ joint venture's activities, whether working from any of the Company's / subsidiary's/ joint venture's offices or any other location.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   Nil

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. **List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   As a Real Estate Development Company, we understand the importance of reducing the impact on the environment caused due to our operations and creating a positive impact instead. Given below are 3 significant ways we have devised to reduce the environmental footprint.

   I. Use of Drywall for interior walls/partitions

   II. Use of Gypsum plaster for building interiors

   III. Use of Tiling Adhesive over conventional cement method for Tiling

2. **For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**

   **(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   I. Advantages of Drywall construction over conventional construction

   - Drywalls consumes 95% less water than masonry construction.
   - They are environment-friendly and are made of gypsum plasterboard, which is 100% recyclable and has low embodied energy.
   - The thermal insulation provided by drywalls is five times better than brick or block walls because of their low thermal conductivity (K-Value). This delivers huge energy savings in terms of heating/cooling requirements.
   - They are eight to ten times lighter than masonry walls, thereby reducing the dead load of the structure.
   - Drywalls are very flexible when it comes to creating and dividing spaces, allowing easy customization of interiors with less wastage of material.
   - These can be mold-resistant and moisture-resistant

   II. Advantages of Gypsum plaster.

   - Gypsum plaster reduces water consumption by 60%, has high insulation properties for thermal and acoustic, promotes low electricity consumption on account of less use of air conditioning systems.
   - It is highly efficient fire-resistant material.

III. Advantages of Tiling Adhesive.

- Tile adhesive is ready-mixed and specially formulated from OPC, selected fine sand, and additives to improve its essential properties for laying tiles.
- It saves water, cement and sand consumption over the traditional method by delivering better efficacy and less wastage of construction materials.

**(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Since the above products and technologies are largely introduced in the ongoing projects, there exists no corresponding data of the previous year. Wherever such data is available, it is not strictly comparable, on account of the difference in stages of lifecycle of the projects. Hence the reduction in usage cannot be quantified.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**

Sourcing is based on the project requirements and differs for every site. We try to source through local vendors wherever possible and feasible.

In respect of our last completed residential project, 100% of the top 3 raw materials/ inputs directly procured by us (by value), were sourced locally/ domestically.

As part of sustainable sourcing, we try to minimize the dependency on external water sources through concentrated efforts on ground water replenishment by rain water harvesting and planned borewell digging.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

As stated earlier, we try to source goods through local vendors wherever possible and feasible. We resort to import of raw materials only in case there does not exist a perfect substitute of the said material in domestic market. For our last completed residential project, 100% of the top 3 raw materials/ inputs directly procured by us (by value), were sourced locally/ domestically.

We believe in development of the entire ecosystem connected with us. We support the development of our suppliers and vendors by providing relevant technical help, logistics and commercial negotiation support, wherever necessary. We follow a fair, transparent and non–discriminatory process for vendor selection to ensure equal opportunity.

**5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

With a focus on generating wealth from waste, we have initiated certain steps towards waste management.

- Via Green's branded bins that are placed in the office premises for collection of dry paper waste. In return of the dry waste generated, recycled office stationary products are sent, which are used for office purposes.
- Used frame work from construction sites are recycled and used as tool boxes.
- Waste water is used for dust suspension at construction sites.
- Broken down pieces of excavated rock is used for surfacing and landscaping.
- Waste from dry wall construction is used as fillers of planters.
- Installation of Sewage Treatment Plants (STP) in recent projects have reduced the dependency on external water sourcing requirement to a large extent. The water from STP is used in watering of plants and other non-potable purposes.
- At one of our recently completed residential project and also at Oberoi Mall, we have commissioned organic waste convertor/ compost which convert wet and garden waste into manure. This manure is used for gardening as well as maintaining the green belt in and around our projects.

**Principle 3: Businesses should promote the wellbeing of all employees**

**1. Please indicate the total number of employees-**

| Company/ Unit | Total permanent employees | | | | |
|---|---|---|---|---|---|
| | Female | | Male | | Total |
| | No. | % | No. | % | |
| Oberoi Realty Limited | 112 | 26.86 | 305 | 73.14 | 417 |
| Westin MGC | 57 | 13.26 | 373 | 86.74 | 430 |
| **Total** | **169** | **19.95** | **678** | **80.05** | **847** |

**2. Please indicate the total number of employees hired on temporary/ contractual/casual basis –**

| Company/ Unit | Total temporary/ contractual/casual employees |
|---|---|
| Oberoi Realty Limited | 9 |
| Westin MGC | 119 |
| **Total** | **128** |

**3. Please indicate the number of permanent women employees –**

| Company/ Unit | Total permanent women employees |
|---|---|
| Oberoi Realty Limited | 112 |
| Westin MGC | 57 |
| **Total** | **169** |

**4. Please indicate the number of permanent employees with disability –**

| Company/ Unit | Total permanent employees with disability |
|---|---|
| Oberoi Realty Limited | - |
| Westin MGC | 2 |
| **Total** | **2** |

**5. Do you have an employee association that is recognized by management?**

| Company/ Unit | Employee association recognized by the management |
|---|---|
| Oberoi Realty Limited | Nil |
| Westin MGC | Yes, "Bhartiya Kamgar Sena" |

6. **What percentage of your permanent employees are a member of this recognized employee association?**

   42.32% of the employees at Westin MGC are members of Bhartiya Kamgar Sena.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

   During the year under review four complaints of workplace harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 were reported at Westin MGC, of which one was pending as on the end of the financial year.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(%)

| Sr. No. | Category | Safety Trainings Provided | Skill Upgradation Trainings Provided |
|---|---|---|---|
| 1 | Permanent Employees | 100 | 94.81 |
| 2 | Permanent Women Employees | 100 | 66.27 |
| 3 | Casual/Temporary/Contractual Employees | # | # |
| 4 | Employees with Disabilities | 100 | - |

# While we provide regular trainings to casual/temporary/contractual employees, given the highly transient nature of such workforce, the data is not available in required format.

**Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.**

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   We have identified our internal and external stakeholders, the major ones being employees, contractors, contract laborer's, suppliers, customers, tenants, shareholders, investors, directors, banks and government authorities.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, we have identified the disadvantaged, vulnerable and marginalized stakeholders

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Westin MGC conducts YCI training initiatives under which needy and worthy students are provided training on hospitality sector. Depending on their performance and readiness, permanent jobs are offered to them.

   Additionally, the security staff at our projects and the housekeeping staff at Oberoi Mall, who generally come from the underprivileged strata of the society, are given training to hone their soft skills, which would further help them to move up in the social and professional ladder.

**Principle 5: Businesses should respect and promote human rights**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The policy on human rights not only covers the Company but also extends to the group, joint ventures, suppliers, contractors and other stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Nil

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint/Ventures/ Suppliers/Contractors/NGOs/others.**

   The policy related to sustainability extends to the group, joint ventures, suppliers, contractors and other stakeholders. Some partners have their own policies which are aligned to the Company's environmental policies.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   At Oberoi Realty Limited, we believe that every step counts. Hence, we have a host of initiatives which, put together, contribute immensely in reducing our environmental footprint. A few such initiatives are listed below:

   - We relocate trees from construction site even where we have permission to cut them, thereby saving the city's green cover. We have initiated plantation of around 650 plants in and around Westin MGC.
   - We have an internal commitment to get certified all the new projects under Leadership in environment design (LEED).
   - All our projects endeavor to achieve zero waste, carbon neutrality and positive water balance along with reduction in specific energy consumption, to have a minimal impact on the available resources in our surroundings.
   - All the projects of the Company developed in the recent past have Sewage Treatment Plants installed.
   - We use eco-friendly fertilizers/ organic manure in the gardening and cleansing products in house-keeping activities at our offices/ sites.
   - Part of the power requirement for construction of buildings as well as for operations of commercial building, hotel and Oberoi Mall is green (solar/ wind) energy.
   - Rain water is harvested by using surface runoff from the site to replenish the underground water table.
   - The terrace water is used after treatment for domestic usage purpose.
   - We work towards efficient transportation and packaging of cement bags. Cement is procured in bulk instead of individual cement bags, which though adds an extra cost to our process, reduce air pollution by lowering the particles being released in environment.
   - We have promoted initiatives to reduce the power and water consumption such as changes in the pumping systems, use of sensors in lighting areas, use of pre-heated boilers for better efficiency, and installation of VRVs for cooling tower.
   - We have also reduced our consumption of natural gas, which has helped in minimizing our emissions.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   The Company has a mechanism to identify and assess potential environmental risks across all our locations. We have a disaster management plan for all our projects which covers potential environmental risks and an action plan to mitigate the risk.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   We are committed to the development of green buildings and have achieved LEED gold certificate in this process for almost all our newer developments. To consistently deliver green buildings, we have integrated goals and implemented LEED measures across all our business, design and construction partners, including suppliers and contractors.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   - We have initiated use of LED lights, energy efficient motors, pumps, which saves overall energy in the range of 14-20%.
   - Sewage Treatment Plant (STP) has been installed for all commercial buildings. In STP the MEMPAC technology has resulted in energy reduction in the range of 10-15%.
   - We promote use of water cooled chillers over air cooled chillers which saves energy by 30%.
   - In commercial buildings, High tension (HT) transformers are given preference over Low tension (LT) transformers to reduce energy losses.
   - We use variable frequency drive (VFD) for the ventilation in commercial buildings.
   - We also use destination control dispatch in elevators which have resulted in energy savings.
   - Organic waste convertor is installed in one of the project premises to convert wet and garden waste into manure. This manure is used for gardening and maintaining the green belt around our projects.
   - We have installed energy saving devices in guest rooms to control the AC & lights, which saves electricity if room is not in use.

- We have replaced insulation system of chilled water & hot water distribution line to reduce the heat loss.
- We have installed daylight sensor in Ball Room at WMGC to use the natural light & also installed Motion Sensors in the lights of low occupancy area.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

We are very particular about curbing energy wastage and our reports show that all the emissions generated by the Company are within permissible limits.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

Yes, we (including Westin MGC) are associated with various trade bodies, the major ones being:

a) Confederation of Indian Industry (CII)
b) The Associated Chambers of Commerce (ASSOCHAM)
c) Federation of Indian Chamber of Commerce and Industry (FICCI)
d) Maharashtra Chamber of Housing Industry - Confederation of Real Estate Developers' Associations of India (MCHI-CREDAI).

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No.

**Principle 8: Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

We have been involved in various Corporate Social Responsibility initiatives like provision/ advancements in irrigation facilities and maintenance and promotion of green belts.

Additionally, we make monetary contributions to several bodies engaged in social welfare. Also we associate ourselves with various drives and initiatives that have a larger public and social welfare objective.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

We conduct our CSR activities through in-house teams to ensure a stricter control and enforcement of our policies.

**3. Have you done any impact assessment of your initiative?**

Since majority of the CSR activities are handled internally, the same is subject to our monitoring, review and assessment. We have assessed the impact of our CSR initiatives by seeing the acceptability of the gardens maintained by us amongst the local community.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

| Sl. No. | Particulars | (₹ in Lakh) |
|---|---|---|
| 1 | Maintenance of Green Belt at Worli and Borivali East, Mumbai | 31.06 |
| 2 | Contribution to Dindayal Bahuuddeshiya Prasarak Mandal for promotion of irrigation and agriculture facilities | 10.00 |
| 3 | Contribution to Green Health Foundation for environment preservation and sustainability | 2.00 |
| 4 | Contribution to CREDAI CSR Foundation for promotion of education | 0.10 |
| | **TOTAL** | **43.16** |

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The gardens we maintain as part of our CSR activities, are open for all and are widely used by the local community. In addition to bringing some much-needed open space to the community, they also act as the green lungs of the ecosystem.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

There are seven cases against the Company filed by customers of a project developed by a subsidiary company, all of which are pending as on the end of the financial year. Also refer point 3 below. Accordingly the percentage of customer complaints/consumer cases pending as on the end of financial year is 100%.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

Unlike the manufacturing industry, there is no labeling requirements for the products generated by the Company.

However, in the context of our Real Estate Development activities, for every new project, brochures are prepared with all the relevant information regarding the project. These brochures include floor plan of the building and other specifications and additional information like roadmap for nearest railway station, bus station and highway etc.

Potential buyers are informed of the terms and conditions of the sale upfront at the time of booking.

Moreover, in the show apartments, the area of each room and the specific amenities that are provided as part of standard product are listed out clearly.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

A complaint had been filed in 2014 before the National Consumer Disputes Redressal Commission for allegedly carrying of unfair trade practice at a project developed by the Company. The complaint is being contested.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

We take feedback from our customers which eventually helps us to enhance our products and services. We also encourage them to give their feedback as and when they want to, ensuring a continuous feedback mechanism is in place.

We offer an inspection of the flats to our flat buyers prior to the handing over of possession of the flat. The satisfaction of the buyer is ensured prior to handing over of possession of the flats.

**For and on behalf of the Board**

**Vikas Oberoi**
Chairman & Managing Director
DIN: 00011701

Mumbai, May 4, 2017

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# FINANCIAL STATEMENTS

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

**To the Members of Oberoi Realty Limited**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Oberoi Realty Limited ("the Holding Company"), its subsidiaries and its joint arrangements (collectively referred to as "the Company" or "the Group") which comprise of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the other auditor's report on financial statements of the joint arrangement, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial

position of the Group as at March 31, 2017 and its consolidated financial performance (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

**Other Matters**

We did not audit the financial statements of one of the joint arrangements included in the consolidated financial results, whose financial statements reflect total assets of ₹ 947.99 lakh as at March 31, 2017, total revenue of ₹ 32.46 lakh for the year ended March 31, 2017 and reflects Group's share of net profit of ₹ 8.47 lakh for the year ended on March 31, 2017. This financial statement have been audited by other auditors whose reports have been furnished to us by the management, and our opinion so far as it relates to this joint arrangement is based solely on the report of other auditor.

The financial statements of two joint arrangements included in the consolidated financial results is on the basis of unaudited management accounts whose financial statement reflects total assets of ₹ 20,541.35 lakh as at March 31, 2017, total revenue of ₹ Nil for the year ended March 31, 2017 and reflects Group's share of net loss of ₹ 0.52 lakh for the year ended on March 31, 2017. These financial statements have not been audited and our opinion so far it relates to these joint arrangements is based solely on such unaudited management accounts.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of other auditor;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group are disqualified as on March 31, 2017 from being appointed as a Director of that Company in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 38.A.(4) to the consolidated Ind AS financial statements;

ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and

iv. the Holding Company and its subsidiaries incorporated in India have provided for requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016.

Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiaries incorporated in India and as produced to us by the management of the Holding Company - Refer Note 40 to the consolidated Ind AS financial statements.

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No. 44611
Mumbai, May 4, 2017

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# ANNEXURE - A TO THE AUDITORS' REPORT

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Oberoi Realty Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Oberoi Realty Limited ("the Holding Company") and its subsidiary companies incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies incorporated in India, internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No. 44611
Mumbai, May 4, 2017

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## CONSOLIDATED BALANCE SHEET

(₹ in Lakh)

| AS AT | NOTE | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **I) Non-current assets** | | | | |
| a) Property, plant and equipments | 2 | 22,750.90 | 24,400.28 | 26,269.15 |
| b) Investment properties | 3 | 71,536.86 | 73,042.70 | 75,047.75 |
| c) Intangible assets | 4 | 206.92 | 257.73 | 149.15 |
| d) Capital work in progress | 5 | 10,950.88 | 4,876.15 | 1,664.59 |
| e) Financial assets | | | | |
| i) Investments | 6 | 1,60,178.05 | 1,37,664.74 | 1,20,730.67 |
| f) Deferred tax assets (net) | 7 | 9,974.06 | 10,294.88 | 10,223.09 |
| g) Other non-current assets | 8 | 14,311.03 | 14,009.28 | 14,298.78 |
| | | **2,89,908.70** | **2,64,545.76** | **2,48,383.18** |
| **II) Current assets** | | | | |
| a) Inventories | 9 | 3,76,636.72 | 3,33,924.39 | 2,99,697.89 |
| b) Financial assets | | | | |
| i) Investments | 10 | 22,252.01 | 7,446.02 | - |
| ii) Trade receivables | 11 | 10,578.83 | 11,224.49 | 7,529.25 |
| iii) Cash and cash equivalents | 12 | 21,347.61 | 21,137.19 | 15,779.01 |
| iv) Bank balances other than (iii) above | 13 | 13,818.64 | 10,049.32 | 12,902.40 |
| v) Loans | 14 | 13,369.84 | 6,904.83 | 3,987.20 |
| c) Current tax assets (net) | 15 | 1,783.85 | 1,908.26 | 3,743.51 |
| d) Other current assets | 8 | 95,717.71 | 91,235.85 | 97,334.91 |
| | | **5,55,505.21** | **4,83,830.35** | **4,40,974.17** |
| **TOTAL ASSETS (I+II)** | | **8,45,413.91** | **7,48,376.11** | **6,89,357.35** |
| **EQUITY AND LIABILITIES** | | | | |
| **I) Equity** | | | | |
| a) Equity share capital | 16 | 33,953.55 | 33,930.39 | 32,823.80 |
| b) Other equity | 17 | 5,38,642.50 | 5,00,182.31 | 4,41,250.23 |
| | | **5,72,596.05** | **5,34,112.70** | **4,74,074.03** |
| **II) Liabilities** | | | | |
| **i) Non-current liabilities** | | | | |
| a) Financial liabilities | | | | |
| i) Borrowings | 18 | 74,937.77 | 34,943.38 | 59,864.54 |
| ii) Trade payables | 19 | 713.29 | 375.49 | 101.08 |
| iii) Other financial liabilities | 20 | 6.19 | 337.84 | 727.86 |
| b) Provisions | 21 | 170.77 | 137.41 | 118.36 |
| c) Other non-current liabilities | 22 | 7,100.58 | 4,624.14 | 7,220.07 |
| | | **82,928.60** | **40,418.26** | **68,031.91** |
| **ii) Current liabilities** | | | | |
| a) Financial liabilities | | | | |
| i) Borrowings | 18 | 8,908.00 | 10,708.00 | 10,708.00 |
| ii) Trade payables | 19 | 5,410.18 | 4,246.41 | 3,488.81 |
| iii) Other financial liabilities | 20 | 3,442.68 | 2,086.76 | 8,635.56 |
| b) Other current liabilities | 22 | 1,71,927.55 | 1,56,514.05 | 1,24,035.04 |
| c) Provisions | 21 | 200.85 | 289.93 | 384.00 |
| | | **1,89,889.26** | **1,73,845.15** | **1,47,251.41** |
| **TOTAL LIABILITIES (i+ii)** | | **2,72,817.86** | **2,14,263.41** | **2,15,283.32** |
| **TOTAL EQUITY AND LIABILITIES (I+II)** | | **8,45,413.91** | **7,48,376.11** | **6,89,357.35** |

Significant accounting policies 1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

| FOR THE YEAR ENDED | | NOTE | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Revenue from operations | | 23 | 1,11,374.39 | 1,41,614.71 |
| Other income | | 24 | 4,729.80 | 4,276.70 |
| **Total revenue** | **(A)** | | **1,16,104.19** | **1,45,891.41** |
| **EXPENSES** | | | | |
| Operating costs | | 25 | 43,707.13 | 62,953.69 |
| Excise duty | | 26 | 12.36 | 13.71 |
| Employee benefits expense | | 27 | 6,416.17 | 5,705.84 |
| Other expenses | | 28 | 4,232.08 | 5,311.13 |
| Depreciation and amortisation | | 29 | 4,949.54 | 4,899.50 |
| Interest and finance charges | | 30 | 557.22 | 683.26 |
| **Total expenses** | **(B)** | | **59,874.50** | **79,567.13** |
| **Profit before tax** | **(A-B)** | | **56,229.69** | **66,324.28** |
| **Tax expense** | | | | |
| Current tax | | 15 | 18,677.95 | 21,653.27 |
| Deferred tax | | | 6.91 | 1,229.09 |
| Short / (excess) provision of tax in earlier years | | | (0.00) | 45.82 |
| **Net profit / (loss) after taxes and before share of profit (loss) of associates / joint ventures** | | | **37,544.83** | **43,396.10** |
| Share of Profit / (loss) of associates / joint ventures (net) | | | 313.93 | 159.50 |
| **Net profit / (loss) after taxes and share of profit / (loss) of associates / joint ventures** | **(C)** | | **37,858.76** | **43,555.60** |
| **Other comprehensive income** | | | | |
| Re - measurement gains / (losses) on defined benefit plans | | | 30.95 | (39.95) |
| Income tax effect | | | (10.78) | 13.45 |
| *Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit / (loss)* | | | | |
| Re - measurement gains / (losses) on defined benefit plans | | | 3.35 | (2.24) |
| Income tax effect | | | (1.04) | 0.69 |
| **Total comprehensive income / (expenses) for the year net of tax** | **(D)** | | **22.48** | **(28.05)** |
| **Total comprehensive income for the year (Comprising profit / (loss) and other comprehensive income for the year)** | **(C+D)** | | **37,881.24** | **43,527.55** |
| **Earnings per equity share (face value of ₹ 10)** | | 31 | | |
| - Basic (in ₹) | | | 11.15 | 12.96 |
| - Diluted (in ₹) | | | 11.15 | 12.96 |

Significant accounting policies 1

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**A. Equity Share Capital**

(₹ in Lakh)

| Particular | Note | Amount |
|---|---|---|
| As at April 1, 2015 | 16 | 32,823.80 |
| Change in equity share capital | | 1,106.59 |
| As at March 31, 2016 | 16 | 33,930.39 |
| Change in equity share capital | | 23.16 |
| **As at March 31, 2017** | **16** | **33,953.55** |

**B. Other Equity**

(₹ in Lakh)

| Particulars | Note | Reserves and Surplus | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Retained earnings | Securities premium account | General reserve | Capital redemption reserve | Capital reserve | Capital redemption reserve on consolidation | |
| **A. Balance as at April 1, 2015** | **17** | **2,65,944.84** | **1,35,144.38** | **23,275.82** | **5,710.00** | **3,590.00** | **7,585.19** | **4,41,250.23** |
| **Changes during the year** | | | | | | | | |
| Exercise of stock options | | - | 164.69 | - | - | - | - | 164.69 |
| Issue of fresh shares on preferential basis | | - | 31,350.00 | - | - | - | - | 31,350.00 |
| Amounts utilized for issue of fresh shares on preferential basis | | - | (40.47) | - | - | - | - | (40.47) |
| Remeasurement of the net defined benefit liability/asset, net of taxes | | (28.05) | - | - | - | - | - | (28.05) |
| Dividends (including corporate dividend tax) | | (16,069.69) | - | - | - | - | - | (16,069.69) |
| Profit for the year | | 43,555.60 | - | - | - | - | - | 43,555.60 |
| **B. Total changes during the year** | | **27,457.86** | **31,474.22** | **-** | - | - | - | **58,932.08** |
| **(A+B) Balance as at March 31, 2016** | **17** | **2,93,402.70** | **1,66,618.60** | **23,275.82** | **5,710.00** | **3,590.00** | **7,585.19** | **5,00,182.31** |

(₹ in Lakh)

| Particulars | Note | Reserves and Surplus | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Retained earnings | Securities premium account | General reserve | Capital redemption reserve | Capital reserve | Capital redemption reserve on consolidation | |
| **A. Balance as at April 1, 2016** | **17** | **2,93,402.70** | **1,66,618.60** | **23,275.82** | **5,710.00** | **3,590.00** | **7,585.19** | **5,00,182.31** |
| **Changes during the year** | | | | | | | | |
| Exercise of stock options | | - | 578.95 | - | - | - | - | 578.95 |
| Remeasurement of the net defined benefit liability/asset, net of taxes | | 22.48 | - | - | - | - | - | 22.48 |
| Profit for the year | | 37,858.76 | - | - | - | - | - | 37,858,76 |
| **B. Total changes during the year** | | **37,881.24** | **578.95** | - | - | - | - | **38,460.19** |
| **(A+B) Balance as at March 31, 2017** | **17** | **3,31,283.94** | **1,67,197.55** | **23,275.82** | **5,710.00** | **3,590.00** | **7,585.19** | **5,38,642.50** |

As per our report of even date

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakh)

| FOR THE YEAR ENDED | | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | |
| **Profit before tax as per statement of profit and loss** | | **56,229.69** | **66,324.28** |
| **Adjustments for** | | | |
| Depreciation and amortisation | | 4,949.54 | 4,899.50 |
| Interest income (including fair value change in financial instruments) | | (3,741.85) | (2,768.17) |
| Interest expenses (including fair value change in financial instruments) | | 7,177.01 | 6,085.55 |
| Re - measurement gains / (losses) on defined benefit plans | | 33.26 | (41.50) |
| Dividend income | | (163.73) | (110.85) |
| Loss / (profit) on sale of investments (net) | | (817.85) | (1,395.60) |
| Loss / (gain) from foreign exchange fluctuation (net) | | (8.21) | 11.63 |
| (Gain) / loss on sale / discarding of investment properties (net) | | 117.05 | 0.73 |
| (Gain) / loss on sale / discarding of property, plant and equipment (net) | | (2.42) | (0.13) |
| Share of profit of an associate and a joint venture | | 313.93 | 159.50 |
| Sundry balances written off / (back) | | (30.51) | (109.91) |
| **Operating cash profit before working capital changes** | | **64,055.91** | **73,055.03** |
| **Movement for working capital** | | | |
| Increase / (decrease) in trade payables | | 1,096.78 | 796.64 |
| Increase / (decrease) in other liabilities | | 17,331.15 | 29,107.75 |
| Increase / (decrease) in provisions | | (55.71) | (75.03) |
| (Increase) / decrease in loans and advances | | (4,681.51) | 1,444.52 |
| (Increase) / decrease in trade receivables | | 645.67 | (3,695.24) |
| (Increase) / decrease in inventories | | (42,787.57) | (34,173.32) |
| **Cash generated from operations** | | **35,604.72** | **66,460.35** |
| Direct taxes (paid) / refund | | (18,250.41) | (21,151.27) |
| **Net cash inflow / (outflow) from operating activities** | **(A)** | **17,354.31** | **45,309.08** |
| **CASH FLOW FROM INVESTING ACTIVITIES:** | | | |
| (Acquisition) / (adjustments) / sale of property, plant and equipment, investment properties, intangible assets / addition to capital work in progress (net) | | (7,625.20) | (3,977.46) |
| Interest received | | 2,293.09 | 1,756.71 |
| Dividend received | | 163.73 | 110.85 |
| Decrease / (increase) in loans and advances to / for joint ventures (net) | | (5,633.21) | 2,389.51 |
| Decrease / (increase) in investment in joint ventures | | (30,137.55) | (16,613.31) |
| (Acquisition) / sale of investments (net) | | 817.85 | 1,395.61 |
| (Increase) / decrease in other assets | | (3,771.55) | 2,856.16 |
| **Net cash inflow / (outflow) from investing activities** | **(B)** | **(43,892.84)** | **(12,081.93)** |
| **CASH FLOW FROM FINANCING ACTIVITIES:** | | | |
| Increase in equity share capital (including share premium) | | 602.11 | 32,580.81 |
| Repayment of borrowings | | (1,800.00) | - |
| Proceeds from issue of debentures | | 75,000.00 | - |
| Prepayment of debentures | | (35,000.00) | (25,000.00) |
| Repayment of debentures | | - | (5,100.00) |
| Interest paid | | (5,245.82) | (6,834.06) |
| Dividend paid (including dividend distribution tax) | | - | (16,069.69) |
| **Net cash inflow / (outflow) from financing activities** | **(C)** | **33,556.29** | **(20,422.94)** |
| **Net increase / (decrease) in cash and cash equivalents** | **(A+B+C)** | **7,017.76** | **12,804.21** |
| Add: cash and cash equivalents at the beginning of the year | | 28,583.21 | 15,779.00 |
| **Cash and cash equivalents at the end of the year** | | **35,600.97** | **28,583.21** |

OBEROI REALTY

## CONSOLIDATED CASH FLOW STATEMENT

### COMPONENTS OF CASH AND CASH EQUIVALENTS

(₹ in Lakh)

| AS AT | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Cash on hand | 39.86 | 16.67 |
| Balance with banks | 3,659.44 | 4,049.94 |
| Fixed deposits with banks, having original maturity of three months or less | 3,558.57 | 4,793.94 |
| Fixed deposit with banks, having original maturity of more than three months but less than twelve months | 14,089.74 | 12,276.64 |
| Add: Short term liquid investment | 14,253.36 | 7,446.02 |
| **Cash and cash equivalents at the end of the year** | **35,600.97** | **28,583.21** |

### RECONCILIATION STATEMENT OF CASH AND BANK BALANCES

(₹ in Lakh)

| AS AT | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Cash and cash equivalents at the end of the year as per above | 35,600.97 | 28,583.21 |
| Add: Balance with banks in dividend / unclaimed dividend accounts | 2.13 | 4.37 |
| Add: Fixed deposits with banks, having original maturity of more than twelve months | 7,541.42 | 4,724.70 |
| Add: Fixed deposits with banks (lien marked) | 6,275.09 | 5,320.25 |
| Less: Short term liquid investment (out of the same investment of ₹ 3,446.77 lakh (₹ 989.86 lakh) is lien marked) | (14,253.36) | (7,446.02) |
| **Cash and bank balance as per balance sheet (refer note 12 and 13)** | **35,166.25** | **31,186.51** |

Significant accounting policies (refer note 1)
The accompanying notes form an integral part of the financial statements

As per our report of even date
**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

## 1. NATURE OF OPERATIONS

Oberoi Realty Limited (the 'Company' or 'ORL'), a public limited company is incorporated in India under the Companies Act 1956. The consolidated financial statement comprises financial statements of the Company, together with its subsidiaries and joint arrangements (collectively referred to as the 'Group') for the year ended March 31, 2017. The Group is engaged primarily in the business of real estate development and hospitality.

The Company is headquartered in Mumbai, India. The shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited. Its registered office is situated at Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai- 400 063.

The consolidated financial statements for the year ended March 31, 2017 were authorized and approved for issue by the Board of Directors on May 04, 2017.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA') as amended by the Companies (Indian Accounting Standards) Rules, 2016.

For all periods up to and including the year ended March 31, 2015 the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended from time to time.

The financial statements for the year ended March 31, 2017 are the Group's first Ind AS financial statements. The Group has adopted Ind AS standards effective from April 01, 2016 with comparatives for year ending March 31, 2016 and April 01, 2015 being restated and the adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. All applicable Ind AS have been applied consistently and retrospectively wherever required. Please refer to note 4.2 for information on how the Group has adopted Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

### 2.2 Basis of consolidation

The consolidated financial statements comprise of financial statements of the Company and its subsidiaries and joint arrangements for which the Company fulfils the criteria pursuant to Ind AS 110 and joint arrangements within the scope of Ind AS 111.

#### 2.2.1 Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists if and only if all of the following conditions are satisfied–

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(b) Exposure, or rights to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect the amount of the investors' returns

Subsidiaries are consolidated from the date control commences until the date control ceases.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

The financial statements of the subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All the subsidiaries are wholly owned subsidiaries and therefore there is no Non-controlling interest.

Details of subsidiaries considered in the consolidated financial statements are as under:

| Name of the company | Country of Incorporation | % of ownership as on March 31, 2017, March 31, 2016 and April 01, 2015 | Principal activities |
|---|---|---|---|
| Oberoi Constructions Limited | India | 100% | Real Estate |
| Oberoi Mall Limited | India | 100% | Real Estate |
| Expressions Realty Private Limited | India | 100% | Real Estate |
| Incline Realty Private Limited | India | 100% | Real Estate |
| Integrus Realty Private Limited | India | 100% | Real Estate |
| Sight Realty Private Limited | India | 100% | Real Estate |
| Kingston Hospitality and Developers Private Limited | India | 100% | Real Estate |
| Kingston Property Services Limited | India | 100% | PMS* |
| Buoyant Realty LLP | India | 100% | Real Estate |
| Astir Realty LLP | India | 100% | Real Estate |
| Perspective Realty Private Limited | India | 100% | Real Estate |
| Pursuit Realty LLP** | India | 100% | Real Estate |

* Property Management Services

**incorporated on February 10, 2017

### 2.2.2 Joint arrangements

#### (i) Joint ventures

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the arrangement. Joint Control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of joint ventures are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

For details of joint venture considered in the consolidated financial statements as at March 31, 2017 please refer note 33.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**(ii) Joint operation**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

For details of joint operation considered in the consolidated financial statements as at March 31, 2017, please refer note 33.

All Subsidiaries and joint arrangements have a reporting date of March 31.

**2.2.3 Business combinations and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2015. As such, previous Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The first time adoption exemption is applied across consolidated financial statement including Joint Arrangement.

Business Combinations are accounted for using the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are recognised in the statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstance, operating or accounting policies and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**2.3 Current / non-current classification**

The Group's normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and hospitality business is based on 12 months period. Assets and liabilities have been classified into current and non-current based on their respective operating cycle.

**2.4 Foreign currencies**

**Initial recognition**

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**Conversion**

All monetary items outstanding at year end denominated in foreign currency are converted into Indian Rupees at the reporting date exchange rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange differences**

The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

**2.5 Property, plant and equipment (PPE)**

**Transition to Ind AS**

Under the previous Indian GAAP, property plant and equipment were carried in the balance sheet at cost less accumulated depreciation/amortisation and impairment losses, if any. The Group has elected to regard those values of property, plant and equipment as deemed cost at the date of transition to Ind AS (April 01, 2015).

**Recognition and initial measurement**

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses. Revenue earned, if any, during trial run of assets is adjusted against cost of the assets. Cost also includes the cost of replacing part of the plant and equipment.

Borrowing costs relating to acquisition / construction / development of tangible assets, which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**Subsequent measurement (depreciation and useful lives)**

When significant components of property and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation, if these components are initially recognised as separate asset. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

| | |
|---|---|
| Building | 60 years |
| Temporary structures | 3 years |
| Plant and machinery | 15 years |
| Furniture and fixtures | 10 years |
| Electrical installations and equipments | 10 years |
| Office equipments* | 5 years |
| Computers | 3 years |
| Vehicles | 8 years |
| Aircraft | 20 years |

*Mobile handsets - 3 years

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

Depreciation method, useful life and residual value are reviewed periodically.

Leasehold land and improvements are amortised on the basis of duration and other terms of lease.

The carrying amount of PPE is reviewed periodically for impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

**De-recognition**

PPE are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

## 2.6 Intangible assets

**Transition to Ind AS**

Under the previous Indian GAAP, intangible assets, were carried in the balance sheet at cost less accumulated depreciation / amortisation and impairment losses, if any. The Group has elected to regard those values of intangible assets as deemed cost at the date of transition to Ind AS (April 01, 2015).

**Recognition and initial measurement**

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

**Subsequent measurement (Amortization)**

All intangible assets with definite useful life are amortized on a straight line basis over the estimated useful lives not exceeding 5 years.

The carrying amount of intangible asset is reviewed periodically for impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

## 2.7 Investment properties

**Transition to Ind AS**

Under the previous Indian GAAP, investment properties were carried in the balance sheet at cost less accumulated depreciation / amortisation and impairment losses, if any. The Group has elected to regard those values of investment properties as deemed cost at the date of transition to Ind AS (April 01, 2015).

**Recognition and initial measurement**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has experience in the category of the investment property being valued.

**Subsequent measurement (depreciation and useful lives)**

Investment Properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any, subsequently. Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the following class of assets where the management has estimated useful life which differs from the useful life prescribed under the Act.

| | |
|---|---|
| Lessee specific assets and improvements | Over lease period or useful life as prescribed in Schedule II, whichever is lower |

For above classes of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

Leasehold land and improvements are amortised on the basis of duration and other terms of lease.

The carrying amount of Investment Property is reviewed periodically for impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

When significant components of Investment Properties are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation, if these components are initially recognised as separate asset. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

**De-recognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

## 2.8 Capital work in progress

Capital work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditures incurred in respect of capital projects under development and includes any attributable / allocable cost and other incidental expenses. Revenues earned, if any, from such capital project before capitalisation are adjusted against the capital work in progress.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

## 2.9 Revenue recognition

### 2.9.1 Revenue from real estate projects

The Group follows the percentage of project completion method for its projects.

The Group recognises revenue in proportion to the actual project cost incurred (including land cost) as against the total estimated project cost (including land cost), subject to achieving the threshold level of project cost (excluding land cost) as well as area sold, in line with the "Revised Guidance Note on Accounting for Real Estate Transaction" (for entities to whom Ind AS is applicable) and depending on the type of project.

Revenue is recognised net of indirect taxes and on execution of either an agreement or a letter of allotment.

The estimates relating to percentage of completion, costs to completion, area available for sale etc. being of a technical nature are reviewed and revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined.

Land cost includes the cost of land, land related development rights and premium.

### 2.9.2 Revenue from hospitality

Room revenue is recognised based on occupancy. Revenue from sale of food and beverages and other allied services is recognised as and when the services are rendered. Revenue includes excise duty and the same is recognised net of trade discounts and sales tax / value added tax (VAT), if any.

### 2.9.3 Revenue from lease rentals and related income

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rentals is disclosed net of indirect taxes, if any.

Revenue from property management service is recognised at value of service and is disclosed net of indirect taxes, if any.

### 2.9.4 Interest income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the statement of profit and loss.

### 2.9.5 Dividend income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 2.9.6 Other income

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Group's claim.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

## 2.10 Leases

### 2.10.1 Where the group entity is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as prepaid rent and recognised over the lease term. Unwinding of discount is treated as finance income and recognised in the profit & loss account.

### 2.10.2 Where the group entity is the lessor

Assets given under operating leases are included in Investment Properties. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Lease deposits received are financial instruments (financial liability) and need to be measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

## 2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 2.11.1 Financial assets

**Initial measurement**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

**Subsequent measurement**

**(i) Financial assets at amortised cost**

Financial assets are measured at the amortised cost, if both of the following criteria are met:

a. These assets are held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**(ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI if both of the following criteria are met:

a. These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss.

**(iii) Financial assets at fair value through profit or loss (FVTPL)**

Any financial assets, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, are classified as at FVTPL. Gain or losses are recognised in the statement of profit and loss.

**(iv) Equity instruments**

Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as FVTPL, and measured at fair value with all changes recognised in the statement of profit and loss.

**De-recognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition.

**Impairment of financial assets**

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

a. Trade receivables; and

b. All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

### 2.11.2 Financial liabilities

**Initial measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

**Subsequent measurement**

Financial liabilities are subsequently carried at amortized cost using the EIR method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**De-recognition**

A financial liability (or a part of a financial liability) is derecognised from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Loan and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Intercompany loans are discounted to its present value using incremental borrowing rate applicable to the borrower entity. The difference between the carrying value of the loan and its present value is accounted based on the relationship with the borrower for e.g. in case of subsidiary, the difference is shown as further equity infusion in the subsidiary. The unwinding of discount from the date of loan to the transition date is shown as an income and recognised in "Retained earnings" of the Lender.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

### 2.11.3 Fair value measurement

The Group measures financial instruments at fair value on initial recognition and uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### 2.12 Derivative financial instruments

**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, (forward currency contracts) to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### 2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management process.

### 2.14 Income taxes

#### 2.14.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are in force at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets current tax assets and current tax liabilities where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

#### 2.14.2 Deferred tax

Deferred income tax is recognised using the balance sheet approach.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognized outside the statement of profit and loss is recognised outside the statement of profit and loss. Such deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the entity will pay normal income tax during the specified period. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT Credit Entitlement" asset at each reporting date and reduces to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the MAT to be utilised.

### 2.15 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted market prices or other available fair value indicators.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**2.16 Inventories**

**2.16.1 Construction materials and consumables**

The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased for construction work issued to the construction work in progress are treated as consumed.

**2.16.2 Construction work in progress**

The construction work in progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

**2.16.3 Finished stock of completed projects (ready units)**

Finished stock of completed projects and stock in trade of units is valued at lower of cost or net realisable value.

**2.16.4 Food and beverages**

Stock of food and beverages are valued at lower of cost (computed on a moving weighted average basis, net of taxes) or net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition.

**2.16.5 Hospitality related operating supplies**

Hospitality related operating supplies such as guest amenities and maintenance supplies are expensed as and when purchased.

**2.17 Share based payments - Equity-settled transactions**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**2.18 Provisions and contingent liabilities**

**(i)** A provision is recognised when:

- The Group has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

**(ii)** A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources. A contingent liability also arises in extreme cases where there is a probable liability that cannot be recognised because it cannot be measured reliably.

**(iii)** Where there is a possible obligation or a present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

### 2.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets or for long - term project development are capitalised as part of their costs.

Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the assets for their intended use are in progress.

Borrowing costs consist of interest and other costs that Group incurs in connection with the borrowing of funds. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

### 2.20 Segment reporting

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Operating Decision Maker evaluates the Group's performance based on an analysis of various performance indicators by business segment. Segment revenue and expense include amounts which can be directly attributable to the segment and allocable on reasonable basis. Segment assets and liabilities are assets / liabilities which are directly attributable to the segment or can be allocated on a reasonable basis. Income / expenses / assets / liabilities relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated income / expenses / assets / liabilities.

### 2.21 Employee benefits

#### 2.21.1 Defined contribution plans

Retirement benefits in the form of contribution to provident fund and pension fund are charged to the statement of profit and loss.

#### 2.21.2 Defined benefit plans

Gratuity is in the nature of a defined benefit plan.

Provision for gratuity is calculated on the basis of actuarial valuations carried out at reporting date and is charged to the statement of profit and loss. The actuarial valuation is computed using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

#### 2.21.3 Other employee benefits

Leave encashment is recognised as an expense in the statement of profit and loss account as and when they accrue. The Group determines the liability using the projected unit credit method, with actuarial valuations carried out as at balance sheet date. Actuarial gains and losses are recognised in the statement of other comprehensive income.

### 2.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

## 3 USE OF JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

### 3.1 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have a significant effect on the financial statements.

#### 3.1.1 Significant management judgements

Revenue is recognised using the percentage of completion method as construction progresses. The percentage of completion is estimated by reference to the stage of the projects determined based on the proportion of costs incurred to date and the total estimated costs to complete.

#### 3.1.2 Classification of property

The Group determines whether a property is classified as investment property or as inventory:

**(i)** Investment property comprises land and buildings that are not occupied for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are rented to tenants and are not intended to be sold in the ordinary course of business.

**(ii)** Inventory comprises property that is held for sale in the ordinary course of business. Principally these are properties that the Group develops and intends to sell before or on completion of construction.

#### 3.1.3 Operating lease contracts – the Group as lessor

The Group has entered into leases of its investment properties. The Group has determined based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

#### 3.1.4 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

### 3.2 Estimates and assumptions

#### 3.2.1 Classification of assets and liabilities into current and non-current

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

### 3.2.2 Impairment of assets

In assessing impairment, management estimates the recoverable amounts of each asset or CGU (in case of non-financial assets) based on expected future cash flows and uses an estimated interest rate to discount them. Estimation relates to assumptions about future cash flows and the determination of a suitable discount rate.

### 3.2.3 Useful lives of depreciable / amortisable assets (Property, plant and equipment, intangible assets and investment property)

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected usage of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the usage of certain assets.

### 3.2.4 Inventories

Inventory is stated at the lower of cost or net realisable value (NRV).

NRV for completed inventory property is assessed including but not limited to market conditions and prices existing at the reporting date and is determined by the Group based on net amount that it expects to realise from the sale of inventory in the ordinary course of business.

NRV in respect of inventories under construction is assessed with reference to market prices (reference to the recent selling prices) at the reporting date less estimated costs to complete the construction, and estimated cost necessary to make the sale. The costs to complete the construction are estimated by management.

### 3.2.5 Defined benefit obligation (DBO)

The cost of defined benefit gratuity plan and the present value of the gratuity obligation along with leave salary are determined using actuarial valuations. An actuarial valuation involves making various assumptions such as standard rates of inflation, mortality, discount rate, attrition rates and anticipation of future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 3.2.6 Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument / assets. Management bases its assumptions on observable data as far as possible but this may not always be available. In that case management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

## 4 FIRST TIME ADOPTION OF IND AS

The date of transition to Ind AS is April 01, 2015. The Group applied Ind AS 101 'First-time Adoption of Indian Accounting Standards' in preparing these first Ind AS consolidated financial statements. The effects of the transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the accompanying notes.

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016 and April 01, 2015 being restated as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made and exemptions applied by the Group in restating its previous Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**4.1 First-time adoption exemptions applied**

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Group has applied the mandatory exceptions and certain optional exemptions, in preparing these financial statements, as set out below:

**4.1.1 Mandatory exemptions applied by the Group**

**(i)** As per Ind AS 109, financial assets and liabilities that had been de-recognised before the date of transition to Ind AS under previous Indian GAAP have not been recognised under Ind AS.

**(ii)** As per Ind AS 109, impairment of financial assets needs to be applied retrospectively. The Group has reasonable and supportable information to determine the credit risk and it has concluded that the credit risk remains the same on the date of transition which was assessed to such instrument on the date of its initial recognition. Hence there is no impairment which is to be given effect retrospectively.

**4.1.2 Optional exemptions applied by the Group**

**(i) Business combinations**

Ind AS 101 provides optional exemption not to apply Ind AS 103 to any past Business combinations. Accordingly all the past Business combinations (acquisition of certain interests in joint arrangements) prior to April 01, 2015 have been accounted in accordance with previous Indian GAAP. Goodwill arising from business combination has been stated at the carrying amount of investment under Ind AS.

**(ii) Share based payment transactions**

Ind AS 101 provides optional exemption not to apply Ind AS 102 to all equity instruments that vested before that date of transition. Company has issued Stock Options under Employee Stock Option Plan (ESOP 2009). However, all the options have been vested before the transition date i.e. April 01, 2015. Therefore, Company has availed the exemption.

**(iii) Property, plant and equipment (PPE), Intangible assets (IA) and Investment properties (IP)**

Ind AS 101 provides optional exemption to have a deemed cost as a starting point for the items of PPE, IA and IP instead of cost determined as per the requirement of Ind AS 16. Group has opted to carry forward the PPE, IA and IP under Ind AS at deemed costs i.e. carrying value under previous Indian GAAP as on April 01, 2015.

**(iv) Investments in subsidiaries and joint arrangements**

Ind AS 101 provides optional exemption to use a deemed cost when measuring an investment in a subsidiary, joint venture or associate in the separate opening statement of financial position instead of cost determined as per the requirement of Ind AS 27. In its separate financial statements, Group has measured investments in subsidiaries and joint arangements at deemed cost i.e. carrying value under previous Indian GAAP as on April 01, 2015.

**(v) Joint ventures**

Ind AS 111 provides optional exemption to recognise the investment in the joint venture at transition date as aggregate of the carrying amounts of the assets and liabilities previously proportionately consolidated and goodwill arising from acquisition, if any, when the entity changes from proportionate consolidation to the equity method. Group has measured investments in joint venture at deemed cost i.e.carrying value under previous Indian GAAP as on April 01, 2015.

**(vi) Fair value measurement of financial assets or financial liabilities at initial recognition**

Ind AS 101 provides optional exemption to apply Ind AS 109 prospectively. Group has availed the said exemption.

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# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**4.2 Reconciliations**

**The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:**

1 Equity as at April 1, 2015 and March 31, 2016
2 Net profit for the year ended March 31, 2016

**1 Reconciliation Statement of equity as previously reported under IGAAP to Ind AS**

(₹ in Lakh)

| Particulars | Explanation | Balance Sheet as at March 31, 2016 | | | Opening Balance Sheet as at April 1, 2015 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP | Effects of transition to Ind AS | Ind AS | IGAAP | Effects of transition to Ind AS | Ind AS |
| **ASSETS** | | | | | | | |
| **I) Non-current assets** | | | | | | | |
| a) Property, plant and equipment | 1,2 | 97,452.71 | (73,052.43) | 24,400.28 | 1,01,327.73 | (75,058.58) | 26,269.15 |
| b) Investment property | 1,2 | - | 73,042.70 | 73,042.70 | - | 75,047.75 | 75,047.75 |
| c) Intangible assets | 1,2 | 257.75 | (0.02) | 257.73 | 149.27 | (0.12) | 149.15 |
| d) Capital work in progress | 2 | 5,394.69 | (518.54) | 4,876.15 | 2,177.34 | (512.75) | 1,664.59 |
| e) Goodwill on consolidation | 2 | 26,538.27 | (26,538.27) | - | 26,538.27 | (26,538.27) | - |
| f) Financial assets | | | | | | | |
| i) Investments | 2,6,7,9 | 62,862.79 | 74,801.95 | 1,37,664.74 | 56,400.90 | 64,329.77 | 1,20,730.67 |
| g) Deferred tax assets (net) | 12 | 10,629.41 | (334.53) | 10,294.88 | 10,491.76 | (268.67) | 10,223.09 |
| h) Other non-current assets | 2,3,10 | 17,466.22 | (3,456.94) | 14,009.28 | 17,964.67 | (3,665.89) | 14,298.78 |
| | | **2,20,601.84** | **43,943.92** | **2,64,545.76** | **2,15,049.94** | **33,333.24** | **2,48,383.18** |
| **II) Current assets** | | | | | | | |
| a) Inventories | 2,4,5 | 3,93,059.06 | (59,134.67) | 3,33,924.39 | 3,48,174.74 | (48,476.85) | 2,99,697.89 |
| b) Financial assets | | | | | | | |
| i) Investments | 2,8 | 7,441.12 | 4.90 | 7,446.02 | - | - | - |
| ii) Trade receivables | 2 | 11,702.91 | (478.42) | 11,224.49 | 8,281.35 | (752.10) | 7,529.25 |
| iii) Cash and cash equivalents | 2 | 21,763.53 | (626.34) | 21,137.19 | 16,157.22 | (378.21) | 15,779.01 |
| iv) Bank balances other than (iii) above | 2 | 10,322.38 | (273.06) | 10,049.32 | 13,211.27 | (308.87) | 12,902.40 |
| v) Loans | 2,9 | 9,227.55 | (2,322.72) | 6,904.83 | 1,635.36 | 2,351.84 | 3,987.20 |
| c) Current tax assets (net) | 2 | 1,966.91 | (58.65) | 1,908.26 | 3,782.69 | (39.18) | 3,743.51 |
| d) Other current assets | 2,3,10 | 97,604.64 | (6,368.79) | 91,235.85 | 1,03,278.55 | (5,943.64) | 97,334.91 |
| | | **5,53,088.10** | **(69,257.75)** | **4,83,830.35** | **4,94,521.18** | **(53,547.01)** | **4,40,974.17** |
| **TOTAL ASSETS (I+II)** | | **7,73,689.94** | **(25,313.83)** | **7,48,376.11** | **7,09,571.12** | **(20,213.77)** | **6,89,357.35** |
| **EQUITY AND LIABILITIES** | | | | | | | |
| **I) Equity** | | | | | | | |
| a) Equity share capital | 2,13 | 33,930.38 | 0.01 | 33,930.39 | 32,823.80 | - | 32,823.80 |
| b) Other equity | | 4,96,497.93 | 3,684.38 | 5,00,182.31 | 4,30,604.83 | 10,645.40 | 4,41,250.23 |
| | | **5,30,428.31** | **3,684.39** | **5,34,112.70** | **4,63,428.63** | **10,645.40** | **4,74,074.03** |
| **II) Liabilities** | | | | | | | |
| **i) Non-current liabilities** | | | | | | | |
| a) Financial liabilities | | | | | | | |
| i) Borrowings | 4 | 48,444.88 | (13,501.50) | 34,943.38 | 72,991.61 | (13,127.07) | 59,864.54 |
| ii) Trade payables | 2 | 700.95 | (325.46) | 375.49 | 645.59 | (544.51) | 101.08 |
| iii) Other financial liabilities | 11 | - | 337.84 | 337.84 | - | 727.86 | 727.86 |
| b) Provisions | 2,14 | 138.53 | (1.12) | 137.41 | 119.09 | (0.73) | 118.36 |
| c) Other non-current liabilities | 2,3,10 | 5,031.03 | (406.89) | 4,624.14 | 7,824.42 | (604.35) | 7,220.07 |
| | | **54,315.39** | **(13,897.13)** | **40,418.26** | **81,580.71** | **(13,548.80)** | **68,031.91** |
| **i) Current liabilities** | | | | | | | |
| a) Financial liabilities | | | | | | | |
| i) Borrowings | 4 | 10,814.17 | (106.17) | 10,708.00 | 10,814.17 | (106.17) | 10,708.00 |
| ii) Trade payables | 2 | 4,642.81 | (396.40) | 4,246.41 | 3,532.37 | (43.56) | 3,488.81 |
| iii) Other financial liabilities | 4,11 | 4,896.75 | (2,809.99) | 2,086.76 | 6,351.29 | 2,284.27 | 8,635.56 |
| b) Other current liabilities | 2,3,10 | 1,68,295.41 | (11,781.36) | 1,56,514.05 | 1,35,575.03 | (11,539.99) | 1,24,035.04 |
| c) Provisions | 13 | 297.10 | (7.17) | 289.93 | 8,288.92 | (7,904.92) | 384.00 |
| | | **1,88,946.24** | **(15,101.09)** | **1,73,845.15** | **1,64,561.78** | **(17,310.37)** | **1,47,251.41** |
| **TOTAL LIABILITIES (i+ii)** | | **2,43,261.63** | **(28,998.22)** | **2,14,263.41** | **2,46,142.49** | **(30,859.17)** | **2,15,283.32** |
| **TOTAL EQUITY AND LIABILITIES (I+II)** | | **7,73,689.94** | **(25,313.83)** | **7,48,376.11** | **7,09,571.12** | **(20,213.77)** | **6,89,357.35** |

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS**

(₹ in Lakh)

| Particulars | Explanation | Year Ended March 31, 2016 | | |
|---|---|---|---|---|
| | | IGAAP | Effects of transition to Ind AS | Ind AS |
| **INCOME** | | | | |
| Revenue from operations | 2,3,10 | 1,40,809.00 | 805.71 | 1,41,614.71 |
| Other income | 2,4,5,6,7,8,9,11 | 3,620.60 | 656.10 | 4,276.70 |
| **Total revenue** | | **1,44,429.60** | **1,461.81** | **1,45,891.41** |
| **EXPENSES** | | | | |
| Operating costs | 2 | 62,956.61 | (2.92) | 62,953.69 |
| Excise duty | | 13.71 | - | 13.71 |
| Employee benefits expense | 2,14 | 5,763.37 | (57.53) | 5,705.84 |
| Other expenses | 2 | 5,330.10 | (18.97) | 5,311.13 |
| Depreciation and amortisation | | 4,899.49 | 0.01 | 4,899.50 |
| Interest and finance charges | 4,6,7 | 16.11 | 667.15 | 683.26 |
| **Total expenses** | | **78,979.39** | **587.74** | **79,567.13** |
| **Profit before Exceptional items and tax** | | 65,450.21 | 874.07 | 66,324.28 |
| Prior period income / (expenses) | | - | - | - |
| Add/Less: Exceptional items | | - | - | - |
| **Profit before share of profit/(loss) from joint ventures and taxes** | | **65,450.21** | **874.07** | **66,324.28** |
| Share of Profit / (loss) of associates / joint ventures (net) | 2 | - | 159.50 | 159.50 |
| **Profit before taxes** | | **65,450.21** | **1,033.57** | **66,483.78** |
| **Tax expense** | 2 | | | |
| Current tax | 2,12 | 21,663.25 | (9.98) | 21,653.27 |
| Deferred tax | 2 | 1,149.89 | 79.20 | 1229.09 |
| (Excess) / short provision of tax in earlier years | | 45.87 | (0.05) | 45.82 |
| **Profit/ loss for the period** | | **42,591.20** | **964.40** | **43,555.60** |
| **Other comprehensive income** | | | | |
| Re - measurement gains / (losses) on defined benefit plans | 14 | - | (39.95) | (39.95) |
| Income tax effect | 12 | - | 13.45 | 13.45 |
| *Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit / (loss)* | 14 | - | (1.55) | (1.55) |
| **Total comprehensive income / (expenses) for the year net of tax** | | - | **(28.05)** | **(28.05)** |
| **Total comprehensive income for the year (Comprising profit/ (loss) and other comprehensive income for the year)** | | **42,591.20** | **936.35** | **43,527.55** |

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**Explanations for the reconciliation of the Balance Sheet and Profit and Loss Statement as previously reported under IGAAP to Ind AS:**

**1. Property Plant and Equipment, Investment Properties and Intangibles Assets**

Under the previous Indian GAAP, investment property were presented as part of Fixed Asset, whereas under Ind AS, investment properties are required to be shown separately under the head "Investment Property". The Group has elected to measure property, plant and equipment, intangible assets and investment properties at deemed cost at the date of transition to Ind AS.

**2. Joint Venture**

The Group holds as on March 31, 2016 50% (April 01, 2015: 50%) interest in Aion Realty LLP, in Saldanha Realty And Infrastructure LLP, in I-Ven Realty Limited, in Siddhivinayak Realties Private Limited, 31.67% (April 01, 2015: 31.67%) in Sangam City Township Private Limited, 33% (April 01, 2015: 33%) in Metropark Infratech And Realty Developments Private Limited, 27% (April 01, 2015: 25%) in Oasis Realty and 50% in Shri Siddhi Avenues LLP. Under previous Indian GAAP, the Group had proportionately consolidated its interest in the said entities in the Consolidated Financial Statement. On transition to Ind AS, the Group has assessed and determined that the said entities are its Joint Ventures (JV's) under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the Group had previously proportionately consolidated including any goodwill arising on acquisition. Derecognition of proportionately consolidated JVs has resulted in change in balance sheet, statement of profit and loss and cash flow statement.

**3. Lease straight lining**

On the transition date, the group has recognised operating lease rentals on a straight line basis retrospectively from the date of commencement of lease, including fit-out (rent free) period.

**4. Redeemable non convertible debenture (NCDs)**

NCDs are measured at amortised cost. Transaction costs incurred towards origination of borrowing have been deducted from the carrying amount of borrowing as part of interest expenses by applying the EIR method. Under previous Indian GAAP, these transaction cost were charged to statement of profit and loss as and when incurred.

**5. Foreign currency derivative**

Under the previous Indian GAAP, forward premium is required to be amortised over the forward contract period. Under Ind AS, the fair value (mark to market gains and losses) of forward foreign exchange contracts is to be recognised in statement of profit and loss.

**6. 0% Optionally convertible debentures (OCD)**

Under the previous Indian GAAP, OCDs have been classified as investment measured at cost. Under Ind AS, OCDs are measured at fair value on initial recognition. The discounting rate to be used is the borrowing rate applicable to the borrower on the date of issue of OCDs. The difference between the fair value and the nominal value is considered as investment in other equity of joint ventures, since OCDs satisfies SPPI criteria, subsequent recognition has been measured at amortised costs using the EIR method. The unwinding of discount is treated as finance income and recognised in statement of profit and loss.

**7. Non cumulative non convertible preference shares (NCPS)**

Under the previous Indian GAAP, NCPS has been classified as a long term investments and are carried at cost. Under Ind AS, initially the same been measured at fair value. Subsequently it has been measured at amortised costs using the EIR method. The unwinding of discount is treated as finance income and recognised in statement of profit and loss. The excess of carrying amount over the fair value of NCPS after discounting has been shown as Investment in other equity of joint venture.

**8. Fair Value of Investments**

Under the previous Indian GAAP, investment in mutual funds were classified as current investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earning / statement of profit and loss.

**9. Inter-company loans**

Under the previous Indian GAAP, the interest free inter-company loans were carried at nominal amount. Under Ind AS such loans are measured at fair value on initial recognition. The discounting rate to be used is the borrowing rate applicable to the borrower on the date of the loan. The difference between the fair value and the nominal value of loan is considered as investment in subsidiaries / joint ventures. Subsequently such loans are measured at amortised costs. The unwinding of discount is treated as interest income and is accrued as per the EIR method.

# NOTES FORMING PART OF CONSOLIDATED FINANCIALS STATEMENTS

**10. Security deposits**

Under the previous Indian GAAP, the interest free security deposits both received and paid were carried at nominal amount. Under Ind AS, Lease/Security deposits received and paid are measured at fair value on initial recognition. Unwinding of discount is treated as interest expense/income and is accrued as per the EIR method. The difference between the fair value and the nominal value of deposits is considered as rent in advance/prepaid rent and recognised over the lease term on a straight line basis.

**11. Corporate guarantee**

Under Ind AS, corporate financial guarantee given are measured at their fair value on initial recognition. Subsequently these contracts are measured at the higher of amount of impairment loss allowance as per Ind AS 109 and amount initially recognised less, where appropriate, cumulative amortisation recognised.

**12. Deferred Tax**

Under the previous Indian GAAP, tax expenses in consolidated financial statements were computed by performing line by line addition of tax expenses of the parent and its subsidiaries. Under Ind AS, deferred tax has been recognised on the adjustment made on transition to Ind As. Previous Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous Indian GAAP.

**13. Proposed dividend**

Under the previous Indian GAAP, proposed dividend including dividend distribution tax (DDT), were recognised as liability in the period to which they relate, irrespective of when they were declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meeting or paid.

**14. Defined benefit liabilities**

Both under previous Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous Indian GAAP, the entire cost, including remeasurements, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**15.** Figures for the previous year have been regrouped, re-arranged, reclassified wherever necessary.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 2 : PROPERTY, PLANT AND EQUIPMENTS**

(₹ in Lakh)

| Particulars | Aircraft* | Residential building# | Buildings | Furniture and fixtures* | Office equipments* | Plant and machinery* | Electrical installations and equipments* | Vehicles* | Computers* | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2016 | 505.34 | 62.54 | 17,410.68 | 2,536.92 | 69.32 | 3,990.75 | 1,514.01 | 479.79 | 216.47 | 26,785.82 |
| Additions | - | - | 1.90 | 223.73 | 28.51 | 67.80 | - | 355.51 | 141.33 | 818.78 |
| (Deductions) / (Disposals) | - | - | (0.46) | (0.53) | (1.23) | (11.25) | - | (4.71) | (0.52) | (18.70) |
| **Gross carrying value as at March 31, 2017** | **505.34** | **62.54** | **17,412.12** | **2,760.12** | **96.60** | **4,047.30** | **1,514.01** | **830.59** | **357.28** | **27,585.90** |
| Accumulated depreciation and amortisation as at April 1, 2016 | 39.37 | 1.21 | 320.71 | 649.30 | 28.12 | 909.29 | 292.62 | 77.63 | 67.29 | 2,385.54 |
| Depreciation for the year | 39.37 | 1.21 | 320.57 | 668.30 | 20.64 | 913.42 | 292.73 | 117.02 | 79.79 | 2,453.05 |
| (Deductions) / (Disposals) | - | - | (0.31) | (0.04) | (0.64) | (2.18) | - | - | (0.42) | (3.59) |
| **Closing accumulated depreciation and amortisation as at March 31, 2017** | **78.74** | **2.42** | **640.97** | **1,317.56** | **48.12** | **1,820.53** | **585.35** | **194.65** | **146.66** | **4,835.00** |
| **Net carrying value as at March 31, 2017** | **426.60** | **60.12** | **16,771.15** | **1,442.56** | **48.48** | **2,226.77** | **928.66** | **635.94** | **210.62** | **22,750.90** |

(₹ in Lakh)

| Particulars | Aircraft* | Residential building# | Buildings | Furniture and fixtures* | Office equipments* | Plant and machinery* | Electrical installations and equipments* | Vehicles* | Computers* | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2015 (Deemed cost) | 505.34 | 62.54 | 17,408.05 | 2,290.83 | 48.35 | 3,864.42 | 1,512.99 | 480.29 | 96.34 | 26,269.15 |
| Additions | - | - | 2.63 | 246.50 | 21.03 | 128.10 | 1.02 | 1.35 | 120.17 | 520.80 |
| (Deductions) / (Disposals) | - | - | - | (0.41) | (0.06) | (1.77) | - | (1.85) | (0.04) | (4.13) |
| **Gross carrying value as at March 31, 2016** | **505.34** | **62.54** | **17,410.68** | **2,536.92** | **69.32** | **3,990.75** | **1,514.01** | **479.79** | **216.47** | **26,785.82** |
| Accumulated depreciation and amortisation as at April 1, 2015 | - | - | - | - | - | - | - | - | - | - |
| Depreciation for the year | 39.37 | 1.21 | 320.71 | 649.61 | 28.13 | 909.37 | 292.62 | 77.89 | 67.30 | 2,386.21 |
| (Deductions) / (Disposals) | - | - | - | (0.31) | (0.01) | (0.08) | - | (0.26) | (0.01) | (0.67) |
| **Closing accumulated depreciation and amortisation as at March 31, 2016** | **39.37** | **1.21** | **320.71** | **649.30** | **28.12** | **909.29** | **292.62** | **77.63** | **67.29** | **2,385.54** |
| **Net carrying value as at March 31, 2016** | **465.97** | **61.33** | **17,089.97** | **1,887.62** | **41.20** | **3,081.46** | **1,221.39** | **402.16** | **149.18** | **24,400.28** |

Note:

* The above includes Gross Block of ₹ 510.74 lakh (PY ₹ 510.74 lakh) held in the name of AOP on co-ownership basis.

# Residential building includes 5 shares of ₹10 each of a housing society, which is pending for transfer.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**A**

**NOTE 3 : INVESTMENT PROPERTIES**

(₹ in Lakh)

| Particulars | Land - freehold | Buildings | Furnitures and fixtures | Office equipments | Plant and machinery | Electrical installations and equipments | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2016 | 11,102.41 | 50,947.15 | 936.20 | 9.09 | 10,434.97 | 2,046.05 | 5.26 | 75,481.13 |
| Additions | - | 351.76 | 87.90 | 0.46 | 549.11 | 39.02 | - | 1,028.25 |
| (Deductions) / (Disposals) | - | (110.97) | (14.69) | - | (2.89) | (2.58) | - | (131.13) |
| **Gross carrying value as at March 31, 2017** | **11,102.41** | **51,187.94** | **1,009.41** | **9.55** | **10,981.19** | **2,082.49** | **5.26** | **76,378.25** |
| Opening Accumulated depreciation and amortisation as at April 1, 2016 | - | 902.91 | 282.87 | 3.28 | 912.82 | 334.73 | 1.82 | 2,438.43 |
| Depreciation for the year | - | 906.41 | 242.08 | 2.41 | 929.46 | 336.54 | 1.72 | 2,418.62 |
| (Deductions) / (Disposals) | - | (3.03) | (10.70) | - | (0.59) | (1.34) | - | (15.66) |
| **Closing accumulated depreciation and amortisation as at March 31, 2017** | - | **1,806.29** | **514.25** | **5.69** | **1,841.69** | **669.93** | **3.54** | **4,841.39** |
| **Net carrying value as at March 31, 2017** | **11,102.41** | **49,381.65** | **495.16** | **3.86** | **9,139.50** | **1,412.56** | **1.72** | **71,536.86** |

(₹ in Lakh)

| Particulars | Land - freehold | Buildings | Furnitures and fixtures | Office equipments | Plant and machinery | Electrical installations and equipments | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2015 (Deemed cost) | 11,102.41 | 50,783.07 | 916.03 | 6.79 | 10,194.65 | 2,041.21 | 3.59 | 75,047.75 |
| Additions | - | 164.08 | 20.17 | 2.30 | 240.52 | 4.84 | 1.67 | 433.58 |
| (Deductions) / (Disposals) | - | - | - | - | (0.20) | - | - | (0.20) |
| **Gross carrying value as at March 31, 2016** | **11,102.41** | **50,947.15** | **936.20** | **9.09** | **10,434.97** | **2,046.05** | **5.26** | **75,481.13** |
| Opening Accumulated depreciation and amortisation as at April 1, 2015 | - | - | - | - | - | - | - | - |
| Depreciation for the year | - | 902.91 | 282.87 | 3.28 | 912.83 | 334.73 | 1.82 | 2,438.44 |
| (Deductions) / (Disposals) | - | - | - | - | (0.01) | - | - | (0.01) |
| **Closing accumulated depreciation and amortisation as at March 31, 2016** | **-** | **902.91** | **282.87** | **3.28** | **912.82** | **334.73** | **1.82** | **2,438.43** |
| **Net carrying value as at March 31, 2016** | **11,102.41** | **50,044.24** | **653.33** | **5.81** | **9,522.15** | **1,711.32** | **3.44** | **73,042.70** |

OBEROI REALTY

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 3 : INVESTMENT PROPERTIES (contd.)**

**(i) Amounts recognised in profit and loss for investment properties**

(₹ in Lakh)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Rental income derived from investment properties | 19,389.58 | 17,886.01 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 1,583.04 | 1,255.80 |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | - | - |
| **Profit arising from investment properties before depreciation** | **17,806.54** | **16,630.21** |
| Depreciation for the year | 2,418.62 | 2,438.44 |
| **Profit arising from investment properties** | **15,387.92** | **14,191.77** |

**(ii) Contractual obligations**

Refer Note 38 for disclosure of contractual obligations to purchase, construct or develop investment property or its repairs, maintenance or enhancements.

**(iii) Leasing arrangements**

The Group's investment properties consist of four commercial properties in Mumbai. The management has determined that the investment properties consist of - Commerz, Commerz II phase I, Oberoi International School and Oberoi Mall based on the nature, characteristics and risks of each property.

(₹ in Lakh)

| Particulars | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|
| Not later than one year | 10,390.73 | 4,929.57 | 8,314.22 |
| Later than one year and not later than five years | 17,932.16 | 5,497.43 | 6,060.37 |
| Later than five years | - | - | - |
| Lease income recognised during the year in profit and loss | 18,638.12 | 17,391.59 | - |

**(iv) Fair value**

As at March 31, 2017, March 31, 2016 and April 1, 2015, the fair values of the properties are ₹ 3,12,840 lakh, ₹ 2,56,340 lakh and ₹ 2,48,500 lakh respectively. These valuations are based on valuations performed by independent valuer. All fair value estimates for investment propertries are included in level 3.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 4 : INTANGIBLE ASSETS**

(₹ in Lakh)

| Particulars | Computer Software |
|---|---|
| Gross carrying value as at April 1, 2016 | 332.58 |
| Additions | 27.06 |
| (Deductions) / (Disposals) | - |
| **Gross carrying value as at March 31, 2017** | **359.64** |
| Accumulated depreciation and amortisation as at April 1, 2016 | 74.85 |
| Amortisation for the year | 77.87 |
| (Deductions) / (Disposals) | - |
| **Closing accumulated depreciation and amortisation as at March 31, 2017** | **152.72** |
| **Net carrying value as at March 31, 2017** | **206.92** |

(₹ in Lakh)

| Particulars | Computer Software |
|---|---|
| Gross carrying value as at April 1, 2015 (Deemed cost) | 149.15 |
| Additions | 183.43 |
| (Deductions) / (Disposals) | - |
| **Gross carrying value as at March 31, 2016** | **332.58** |
| Accumulated depreciation and amortisation as at April 1, 2015 | - |
| Amortisation for the year | 74.85 |
| (Deductions) / (Disposals) | - |
| **Closing accumulated depreciation and amortisation as at March 31, 2016** | **74.85** |
| **Net carrying value as at March 31, 2016** | **257.73** |

Note: Addition to intangible assets mainly comprises of purchases of software licenses.

**NOTE 5 : CAPITAL WORK IN PROGRESS**

(₹ in Lakh)

| AS AT | Property, Plant and Equipments | Investment Property | Intangible assets | Total |
|---|---|---|---|---|
| March 31, 2017 | 7.39 | 10,896.23 | 47.26 | 10,950.88 |
| March 31, 2016 | 342.30 | 4,533.85 | - | 4,876.15 |
| April 1, 2015 | 13.89 | 1,591.75 | 58.95 | 1,664.59 |

Note : Capital work in progress as at March 31, 2017 mainly comprises of expenditure towards social infrastructure (School) and office space building.

OBEROI REALTY

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 6 : INVESTMENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Non-current** | | | |
| **Unquoted** | | | |
| **Investment in equity of joint ventures** | | | |
| 4,18,26,070 (March 31, 2016: 4,18,26,070, April 1, 2015: 4,18,26,070) equity shares of ₹ 10 each fully paid up of Siddhivinayak Realties Private Limited | 4,187.75 | 4,190.20 | 4,193.42 |
| 9,500 (March 31, 2016: 9,500, April 1, 2015: 9,500) equity shares of ₹ 10 each fully paid up of Sangam City Township Private Limited | 2,765.24 | 2,858.94 | 2,944.03 |
| 5,00,000 (March 31, 2016: 5,00,000, April 1, 2015: 5,00,000) equity shares of ₹ 10 each fully paid up of I-Ven Realty Limited | 29,176.80 | 29,540.92 | 29,811.21 |
| 15,121 (March 31, 2016: 15,121, April 1, 2015: 15,121) equity shares of ₹ 100 each fully paid up of Metropark Infratech and Realty Developments Private Limited | 149.11 | 139.65 | 151.78 |
| **Investment in partnership firms of joint ventures** | | | |
| Saldanha Realty And Infrastructure LLP [1] | 4,571.94 | 4,458.41 | 4,320.55 |
| Aion Realty LLP [2] | - | 4.35 | 4.28 |
| Shri Siddhi Avenues LLP [3] | 672.72 | 988.94 | - |
| Schematic Estate LLP [4] | 0.00 | - | - |
| **Investment in joint venture** | | | |
| Oasis Realty (AOP) | 1,18,036.99 | 88,251.65 | 73,150.24 |
| **Investment carried at amortised cost** | | | |
| **Investment in preference shares of joint venture** | | | |
| 3,62,500 (March 31, 2016: 3,62,500, April 1, 2015: 3,62,500) 1% non cumulative non convertible Preference Shares of ₹ 10 each fully paid up of I-Ven Realty Limited | 616.68 | 558.01 | 504.67 |
| **Investment in debentures of joint ventures** | | | |
| 0% optionally convertible debenture of ₹ 100 each fully paid up of I-Ven Realty Limited | | | |
| Nil (March 31, 2016: 47,95,000, April 1, 2015: 47,95,000) 2011-Series-1 to 5 | - | 4,215.00 | 3,800.67 |
| Nil (March 31, 2016: 18,31,000, April 1, 2015: 18,31,000) 2012-Series-1 to 9 | - | 1,606.62 | 1,446.58 |
| Nil (March 31, 2016: 10,000, April 1, 2015: 10,000) 2013-Series-1 to 4 | - | 8.81 | 7.96 |
| Nil (March 31, 2016: 3,89,500, April 1, 2015: 3,89,500) 2014-Series-1 to 9 | - | 342.04 | 308.17 |
| Nil (March 31, 2016: 4,42,875, April 1, 2015: 7,500) 2015-Series-1 to 8 | - | 391.79 | 5.95 |
| Nil (March 31, 2016: 14,000, April 1, 2015: Nil) 2016-Series-1and 2 | - | 12.43 | - |
| 0% optionally convertible debentures of ₹100 each fully paid up of Siddhivinayak Realties Private Limited | | | |
| Nil (March 31, 2016: 5,950, April 1, 2015: 5,950) 2012-Series-1 and 2 | - | 4.95 | 4.46 |
| Nil (March 31, 2016: 52,620, April 1, 2015: 52,620) 2013-Series-1 to 16 | - | 43.94 | 39.64 |
| Nil (March 31, 2016: 48,000, April 1, 2015: 48,000) 2014-Series-1 to 11 | - | 39.86 | 35.85 |
| Nil (March 31, 2016: 8,250, April 1,2015: Nil) 2015-Series-1 and 2 | - | 6.96 | - |
| Nil (March 31, 2016: 1,500, April 1, 2015: Nil) 2015-Series-1 | - | 1.27 | - |
| **Investment in government securities** | | | |
| National saving certificate (in the name of employee of the Company) | 0.82 | - | 1.21 |
| | **1,60,178.05** | **1,37,664.74** | **1,20,730.67** |

(₹ in Lakh)

| Investments in partnership firms as at | Partners Name | Share of partner | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|---|---|
| 1) Capital in Saldanha Realty And Infrastructure LLP | Allwyn Saldanha | 25.00% | 12.50 | 12.50 | 12.50 |
| | Geraldine Saldanha | 25.00% | 12.50 | 12.50 | 12.50 |
| | Expressions Realty Private Limited | 50.00% | 25.00 | 25.00 | 25.00 |
| | **Total** | **100.00%** | **50.00** | **50.00** | **50.00** |
| 2) Capital in Aion Realty LLP | Oberoi Constructions Limited | 50.00% | - | 5.00 | 5.00 |
| | Allwyn Saldanha | 50.00% | - | 5.00 | 5.00 |
| | **Total** | **100.00%** | **-** | **10.00** | **10.00** |
| 3) Capital in Shri Siddhi Avenues LLP | Integrus Realty Private Limited | 50.00% | 1,000.00 | 1,000.00 | - |
| | Kishor R`athod | 17.50% | 0.18 | 0.18 | - |
| | Mahendra Rathod | 15.00% | 0.15 | 0.15 | - |
| | Raju Rathod | 14.00% | 0.14 | 0.14 | - |
| | Jignesh Kothari | 3.50% | 0.04 | 0.04 | - |
| | **Total** | **100.00%** | **1,000.51** | **1,000.51** | **-** |
| 4) Capital in Schematic Estate LLP | Shri Siddhi Avenues LLP | 99.90% | 1.00 | - | - |
| | Integrus Realty Private Limited | 0.10% | 0.00 | - | - |
| | **Total** | **100.00%** | **1.00** | **-** | **-** |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 7 : DEFERRED TAX ASSETS (NET) | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Deferred tax assets** | | | |
| On other expenses | 69.56 | 92.05 | 51.23 |
| On carried forward losses | 97.94 | 98.26 | - |
| **Deferred tax liabilities** | | | |
| On depreciation | 2,358.25 | 2,479.10 | 2,477.48 |
| On lease equalisation reserve | 443.44 | 332.02 | 267.18 |
| On fair valuation of investments | 5.15 | 0.83 | - |
| | **(2,639.34)** | **(2,621.64)** | **(2,693.43)** |
| Add: MAT credit entitlement | 12,613.40 | 12,916.52 | 12,916.52 |
| **Deferred tax assets (net)** | **9,974.06** | **10,294.88** | **10,223.09** |

**Movement in deferred tax**

(₹ in Lakh)

| Particular | Total |
|---|---|
| **As at April 1, 2015** | **10,223.09** |
| - to profit or loss | (71.79) |
| - to other comprehensive income | - |
| **As at March 31, 2016** | **10,294.88** |
| - to profit or loss | 320.82 |
| - to other comprehensive income | - |
| **As at March 31, 2017** | **9,974.06** |

(₹ in Lakh)

| NOTE : 8 OTHER ASSETS | LONG TERM (NON CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Unsecured and considered good** | | | | | | |
| Capital advances | 223.39 | 87.52 | 122.72 | - | - | - |
| **Advances other than capital advances** | | | | | | |
| Security deposits | 13,150.16 | 13,020.39 | 12,898.19 | 35,694.21 | 35,686.69 | 36,584.27 |
| Other advances | | | | | | |
| Advances to vendors | 63.00 | 63.00 | 63.73 | 38,053.09 | 34,728.42 | 34,356.39 |
| Advances recoverable in cash or kind | 186.75 | 86.38 | 727.64 | 12,839.95 | 10,989.55 | 6,380.35 |
| Revenue in excess of billing | - | - | - | 5,073.51 | 6,365.04 | 19,048.80 |
| **Others** | | | | | | |
| Prepaid expenses | 54.95 | 42.01 | 9.76 | 578.15 | 449.31 | 423.69 |
| Accrued income | - | - | - | 253.45 | 194.12 | 233.58 |
| Advance against flats | - | - | - | 2,579.60 | 2,579.60 | - |
| Lease equilisation reserve | 632.78 | 709.98 | 476.74 | 645.75 | 243.12 | 307.83 |
| | **14,311.03** | **14,009.28** | **14,298.78** | **95,717.71** | **91,235.85** | **97,334.91** |

(₹ in Lakh)

| NOTE : 9 INVENTORIES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL1, 2015 |
|---|---|---|---|
| Plots of land | 514.91 | 514.91 | 514.91 |
| Works in progress | 3,60,244.99 | 3,17,855.83 | 2,72,443.94 |
| Finished goods | 14,324.06 | 13,578.09 | 22,198.16 |
| Food and beverages etc. | 116.98 | 153.93 | 136.80 |
| Assets held for sale | 161.18 | - | - |
| Others (transferrable development rights) | 1,274.60 | 1,821.63 | 4,404.08 |
| | **3,76,636.72** | **3,33,924.39** | **2,99,697.89** |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 10 : INVESTMENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL1, 2015 |
|---|---|---|---|
| **Current** | | | |
| **Unquoted** | | | |
| **Investment carried at amortised cost** | | | |
| **Investment in debentures of joint ventures** | | | |
| 0% optionally convertible debenture of ₹ 100 each fully paid up of I-Ven Realty Limited | | | |
| 47,95,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2011-Series-1 to 5 | 4,673.20 | - | - |
| 18,31,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2012-Series-1 to 9 | 1,783.85 | - | - |
| 10,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2013-Series-1 to 4 | 9.75 | - | - |
| 3,89,500 (March 31, 2016: Nil, April 1, 2015: Nil) 2014-Series-1 to 9 | 379.53 | - | - |
| 4,42,875 (March 31, 2016: Nil, April 1, 2015: Nil) 2015-Series-1 to 8 | 432.17 | - | - |
| 3,49,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2016-Series-1 to 26 | 341.14 | - | - |
| 2,44,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2017-Series-1 to 12 | 238.97 | - | - |
| 0% optionally convertible debentures of Siddhivinayak Realties Private Limited of ₹ 100 each fully paid up | | | |
| 5,950 (March 31, 2016: Nil, April 1, 2015: Nil) 2012-Series-1 and 2 | 5.50 | - | - |
| 52,620 (March 31, 2016: Nil, April 1, 2015: Nil) 2013-Series-1 to 16 | 48.70 | - | - |
| 48,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2014-Series-1 to 11 | 44.32 | - | - |
| 8,250 (March 31, 2016: Nil, April 1, 2015: Nil) 2015-Series-1 and 2 | 7.67 | - | - |
| 36,200 (March 31, 2016: Nil, April 1, 2015: Nil) 2016-Series-1 to 7 | 33.85 | - | - |
| **Quoted** | | | |
| **Investment carried at fair value through profit or loss** | | | |
| **Investment in mutual funds** | | | |
| 7,174 (March 31, 2016: Nil, April 1, 2015: Nil) units of ₹ 1,000 each of Axis Liquid Fund - Direct Plan - Growth Option | 129.37 | - | - |
| 13,058 (March 31, 2016: 11,229, April 1, 2015: Nil) units of ₹ 100 Birla Sun Life Cash Plus Direct Plan - Growth Option (March 31, 2017: 954 units having market value of ₹ 2.49 lakh is lien marked) | 34.12 | 27.32 | - |
| 2,67,649 (March 31, 2016: Nil, April 1, 2015: Nil) units of ₹ 1,000 each of BOI AXA Liquid Fund - Direct - Growth Option | 5,015.07 | - | - |
| 19,02,479 (March 31, 2016: 75,395, April 1, 2015: Nil) units of ₹ 100 each of DHFL Pramerica Insta Cash Plus Fund -Direct Plan - Growth Option (March 31, 2017: 16,29,606 units having market value of ₹ 3,444.28 lakh is lien marked) | 4,021.02 | 148.43 | - |
| 1,20,141 (March 31, 2016: 1,09,751, April 1, 2015: Nil) units of ₹ 1,000 each of Kotak Floater Short Term Fund - Direct Plan - Growth Option | 3,207.02 | 2,728.78 | - |
| 44,244 (March 31, 2016: Nil, April 1, 2015: Nil) units of ₹ 1,000 each of L&T Liquid Fund - Direct - Growth Option | 986.66 | - | - |
| 46,081 (March 31, 2016: Nil, April 1, 2015: Nil) units of ₹ 1,000 each of Principal Cash Management Fund - Direct Plan - Growth Option | 729.95 | - | - |
| 3,280 (March 31, 2016: 1,632, April 1, 2015: Nil) units of ₹ 1000 each of Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Option | 130.15 | 60.28 | - |
| Nil (March 31, 2016: 264, April 1, 2015: Nil) units of ₹ 1,000 each of Kotak Liquid Scheme Plan A - Direct Plan - Growth Option | - | 8.12 | - |
| Nil (March 31, 2016: 386, April 1, 2015: Nil) units of ₹ 1,000 each of HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option | - | 12.20 | - |
| Nil (March 31, 2016: 15,56,948, April 1, 2015: Nil) units of ₹ 100 each of ICICI Prudential Liquid -Direct Plan - Growth Option (March 31, 2016: 4,41,336 units having book value of ₹ 989.86 lakh is lien marked) | - | 3,492.03 | - |
| Nil (March 31, 2016: 24,340, April 1, 2015: Nil) units of ₹ 1,000 each of Reliance Liquidity Fund - Direct Plan - Growth Option | - | 555.85 | - |
| Nil (March 31, 2016: 17,346, April 1, 2015: Nil) units of ₹ 1,000 each of SBI Premier Liquid Fund - Direct Plan - Growth Option | - | 413.01 | - |
| | **22,252.01** | **7,446.02** | - |
| **Aggregate amount of** | | | |
| Book value of quoted investments | 14,235.21 | 7,437.12 | - |
| Market value of quoted investments | 14,253.36 | 7,446.02 | - |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 11 : TRADE RECEIVABLES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Unsecured and considered good | 10,578.83 | 11,224.49 | 7,529.25 |
| | **10,578.83** | **11,224.49** | **7,529.25** |

(₹ in Lakh)

| NOTE 12 : CASH AND CASH EQUIVALENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Balances with banks | 3,659.44 | 4,049.94 | 3,562.18 |
| Cash on hand | 39.86 | 16.67 | 39.22 |
| Fixed deposits with banks, having original maturity of three months or less | 3,558.57 | 4,793.94 | 12,177.61 |
| Fixed deposit with banks, having original maturity of more than three months but less than twelve months | 14,089.74 | 12,276.64 | - |
| | **21,347.61** | **21,137.19** | **15,779.01** |

(₹ in Lakh)

| NOTE 13 : OTHER BANK BALANCES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Balance with banks in dividend / unclaimed dividend accounts | 2.13 | 4.37 | 1.29 |
| Fixed deposits with banks, having original maturity of more than twelve months | 7,541.42 | 4,724.70 | 2,865.24 |
| Fixed deposits with banks (lien marked) | 6,275.09 | 5,320.25 | 10,035.87 |
| | **13,818.64** | **10,049.32** | **12,902.40** |

(₹ in Lakh)

| NOTE 14 : LOANS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Current** | | | |
| **Unsecured and considered good** | | | |
| **Loans to related parties (refer note 34)** | | | |
| Loan to joint ventures | 12,208.60 | 5,778.71 | 2,879.38 |
| **Other loans and advances** | | | |
| Loan to others | 1,105.25 | 1,105.25 | 1,105.25 |
| Loans to employees | 55.99 | 20.87 | 2.57 |
| | **13,369.84** | **6,904.83** | **3,987.20** |
| **Loans / advances due by directors or other officers, etc.** | | | |
| **Advances to related parties include** | | | |
| Due from the private limited company (JV) in which the Company's director is a director | 3,118.81 | 2,824.03 | 2,556.48 |

(₹ in Lakh)

| NOTE 15 : CURRENT TAX ASSETS (NET) | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Income tax (net of provisions) | 1,783.85 | 1,908.26 | 3,743.51 |
| | **1,783.85** | **1,908.26** | **3,743.51** |

**Note: Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:**

(₹ in Lakh)

| Particular | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **Accounting Profit before Income Tax** | **56,229.69** | **66,324.28** |
| Tax on Accounting Profit at statutory income tax rate of 34.608% (March 31, 2016: 34.608%) | 19,459.97 | 22,953.51 |
| Adjustment for disallowable expenses | 1,718.89 | 1,876.10 |
| Change in tax rate in respect of subsidiaries in consolidation | (4.22) | (4.01) |
| Adjustment for expenses / deductions allowable under Income Tax Act | (2,133.03) | (2,019.98) |
| Adjustment for exempt income | (138.35) | (36.40) |
| Adjustment for Computation as per Income Computation and Disclosure Standards | (225.32) | (1,115.95) |
| **Tax expense reported in the Statement of profit & loss (Current Tax)** | **18,677.95** | **21,653.27** |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 16 : SHARE CAPITAL | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Authorised share capital** | | | |
| 42,50,00,000 (42,50,00,000) equity shares of ₹ 10 (Rupees ten only) each | 42,500.00 | 42,500.00 | 42,500.00 |
| | **42,500.00** | **42,500.00** | **42,500.00** |
| **Issued, subscribed and paid up share capital** | | | |
| 33,95,35,426 (33,93,03,845) equity shares of ₹ 10 (Rupees ten only) each fully paid up | 33,930.39 | 32,823.80 | 32,823.80 |
| Add: Issue of fresh shares on preferential basis | - | 1,100.00 | - |
| Add: Issue of fresh shares on exercise of options vested under Employee Stock Option Scheme | 23.16 | 6.59 | - |
| | **33,953.55** | **33,930.39** | **32,823.80** |

**A. Reconciliation of shares outstanding at the beginning and at the end of the year**

**Equity shares**

| Particulars | March 31, 2017 | | March 31, 2016 | |
|---|---|---|---|---|
| | in No. | ₹ in Lakh | in No. | ₹ in Lakh |
| At the beginning of the year | 33,93,03,845 | 33,930.39 | 32,82,37,969 | 32,823.80 |
| Add: Issue of fresh shares on preferential basis | - | - | 1,10,00,000 | 1,100.00 |
| Add: Issue of fresh shares on exercise of options vested under Employee Stock Option Scheme | 2,31,581 | 23.16 | 65,876 | 6.59 |
| **At the end of the year** | **33,95,35,426** | **33,953.55** | **33,93,03,845** | **33,930.39** |

**B. Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of the Company has proposed dividend of ₹ 2 per equity share for the financial year 2016-2017. The payment of dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. For the previous year, the Board of Directors of the Company recommended and shareholders approved dividend of ₹ 2 per equity share.

**C. Details of shareholders holding more than 5% shares in the Company**

**Equity shares**

| Name | March 31, 2017 | | March 31, 2016 | | April 1, 2015 | |
|---|---|---|---|---|---|---|
| | in No. | % Holding | in No. | % Holding | in No. | % Holding |
| i) Vikas Oberoi | 21,28,73,614 | 62.70% | 21,28,72,504 | 62.74% | 21,28,72,504 | 64.85% |
| ii) R S Estate Developers Private Limited | 3,33,00,000 | 9.81% | 3,33,00,000 | 9.81% | 3,33,00,000 | 10.15% |

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**D. Shares reserved for issue under options**

The Company instituted an Employees Stock Option Scheme ('ESOP 2009') pursuant to the Board and Shareholders' resolution dated December 04, 2009. As per ESOP 2009, the Company is authorised to grant 14,43,356 (14,43,356) options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The employee will have the option to exercise the right within three years from the date of vesting of options. Under ESOP 2009, 13,49,553 (13,49,553) options have been granted, out of which as on date of balance sheet 94,739 (5,15,751) options are outstanding.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 16 : SHARE CAPITAL (contd.)**

**The following information relates to the Employee Stock Options as on March 31, 2017**

| Particulars | Number of options | Exercise price (₹) | Weighted average exercise price (₹) | Weighted average contractual life of options as on the date of grant (Years) |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 5,15,751 | 260 | 260 | 4.20 |
| Less: Lapsed / forfeited / cancelled during the year | 1,89,431 | - | - | - |
| Less: Exercised during the year | 2,31,581 | 260 | 260 | - |
| Outstanding at the end of the year | 94,739 | 260 | 260 | 4.20 |
| Exercisable at the end of the year | 94,739 | 260 | 260 | 4.20 |

**The following information relates to the Employee Stock Options as on March 31, 2016**

| Particulars | Number of options | Exercise price (₹) | Weighted average exercise price (₹) | Weighted average contractual life of options as on the date of grant (Years) |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 7,32,534 | 260 | 260 | 4.20 |
| Less: Lapsed / forfeited / cancelled during the year | 1,50,907 | - | - | - |
| Less: Exercised during the year | 65,876 | 260 | 260 | - |
| Outstanding at the end of the year | 5,15,751 | 260 | 260 | 4.20 |
| Exercisable at the end of the year | 5,15,751 | 260 | 260 | 4.20 |

The employee share based payments have been accounted using the intrinsic value method measured by a difference between the market price of the underlying equity shares as at the date of grant and the exercise price. Since the market price of the underlying equity shares on the grant date is same as exercise price of the option, the intrinsic value of option is determined as ₹ Nil (₹ Nil). Hence no compensation expense has been recognised. Under the fair value method, there would have been no impact on the basic and diluted EPS for the year.

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 17 : OTHER EQUITY | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **General reserve** | | | |
| Balance in General reserve | 23,275.82 | 23,275.82 | 23,275.82 |
| | **23,275.82** | **23,275.82** | **23,275.82** |
| **Capital redemption reserve** | | | |
| Balance in Capital redemption reserve | 5,710.00 | 5,710.00 | 5,710.00 |
| | **5,710.00** | **5,710.00** | **5,710.00** |
| **Capital reserve** | | | |
| Balance in Capital reserve | 3,590.00 | 3,590.00 | 3,590.00 |
| | **3,590.00** | **3,590.00** | **3,590.00** |
| **Securities premium account** | | | |
| Opening balance | 1,66,618.60 | 1,35,144.38 | 1,35,144.38 |
| Add: receipt during the year | 578.95 | 31,514.69 | - |
| Less: share issue expenses | - | (40.47) | - |
| Balance in Securities premium account | **1,67,197.55** | **1,66,618.60** | **1,35,144.38** |
| **Capital reserve on consolidation** | | | |
| Balance in Capital reserve on consolidation | 7,585.19 | 7,585.19 | 7,585.19 |
| | **7,585.19** | **7,585.19** | **7,585.19** |
| **Retained earnings** | | | |
| Opening balance | 2,93,402.70 | 2,65,944.84 | 2,65,944.84 |
| Profit during the year as per statement of profit and loss | 37,858.76 | 43,555.60 | - |
| *Items of other comprehensive income recognised directly in retained earnings* | | | |
| Transfer to retained earnings of re - measurement gains / (losses) on defined benefit plans, net of taxes | 22.48 | (28.05) | - |
| Dividend (including dividend distribution tax) | - | (16,069.69) | - |
| | **3,31,283.94** | **2,93,402.70** | **2,65,944.84** |
| | **5,38,642.50** | **5,00,182.31** | **4,41,250.23** |

(₹ in Lakh)

| NOTE 18 : BORROWINGS | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **i) Loan from related party (refer note 34)** | | | | | | |
| **Unsecured** | | | | | | |
| From director* | - | - | - | 8,908.00 | 10,708.00 | 10,708.00 |
| | - | - | - | 8,908.00 | 10,708.00 | 10,708.00 |
| *Interest free and repayable on demand | | | | | | |
| **ii) Debentures** | | | | | | |
| **Secured** | | | | | | |
| **10.85% Redeemable Non-Convertible Debenture** | | | | | | |
| Nil (Nil) - Series I (Face value of ₹ Nil (₹ Nil) each fully paid up), redeemable on April 21, 2015 | - | - | - | - | - | 5,345.30 |
| Nil (Nil) - Series II (Face value of ₹ Nil (₹ Nil) each fully paid up), redeemable on April 21, 2016 | - | - | 24,964.81 | - | - | 1,203.90 |
| Nil (250) - Series III (Face value of ₹ Nil (₹ 100.00 lakh) each fully paid up), redeemable on April 21, 2017 | - | 24,962.92 | 24,931.56 | - | 1,209.49 | 1,203.90 |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 18 : BORROWINGS (contd.) | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| Nil (100) - Series IV (Face value of ₹ Nil (₹ 100.00 lakh) each fully paid up), redeemable on August 21, 2017 | - | 9,980.46 | 9,968.17 | - | 483.80 | 481.56 |
| **9.25% Redeemable Non-Convertible Debenture** | | | | | | |
| 250 (Nil) - Series V (Face value of ₹ 100.00 lakh (Nil) each fully paid up), redeemable on April 23, 2019 | 24,986.04 | - | - | 1,006.17 | - | - |
| 250 (Nil) - Series VI (Face value of ₹ 100.00 lakh (Nil) each fully paid up), redeemable on April 23, 2020 | 24,979.24 | - | - | 1,006.17 | - | - |
| 250 (Nil) - Series VII (Face value of ₹ 100.00 lakh (Nil) each fully paid up), redeemable on April 23, 2021 | 24,972.49 | - | - | 1,006.17 | - | - |
| | 74,937.77 | 34,943.38 | 59,864.54 | 3,018.51 | 1,693.29 | 8,234.66 |
| **Total (i+ii)** | **74,937.77** | **34,943.38** | **59,864.54** | **11,926.51** | **12,401.29** | **18,942.66** |
| Less: Amount included under 'other financial liabilities' | - | - | - | (3,018.51) | (1,693.29) | (8,234.66) |
| | **74,937.77** | **34,943.38** | **59,864.54** | **8,908.00** | **10,708.00** | **10,708.00** |

**Terms of Redeemable Non-Convertible Debentures**

During the year ended March 31, 2017, the Company has issued 750 number 9.25% Redeemable Non-Convertible Debentures (NCDs) (Series V, VI, VII) of ₹ 100.00 lakh each amounting to ₹ 75,000.00 lakh through private placement. The entire issue proceeds have been utilised in accordance with the objects of the issue.

The coupon rate is 9.25% p.a., payable semi-annually. The Company has an option to redeem the Series VI and Series VII NCDs prior to the scheduled redemption date mentioned above in one or more tranches, subject to payment of early redemption premium.

During the year ended March 31, 2017, debentures (Series III and IV) amounting to ₹ 35,000.00 lakh has been redeemed by the Company prior to its scheduled redemption date.

**Security**

The Debentures are secured by (i) mortgage of the unsold identified residential units (inventories) in one of the project of the subsidiary company, (ii) charge on receivables and Escrow Account into which receivables are deposited from the sale of flats in one of the project of the subsidiary company and (iii) further secured by way of an irrevocable and unconditional corporate guarantee of the Company. The security cover as required under the terms of the issue of the said Debentures is maintained.

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 19 : TRADE PAYABLES | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Trade payables** | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | 32.62 | 12.05 | 2,820.10 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 659.41 | 319.56 | 101.08 | 4,654.26 | 3,956.63 | 668.71 |
| **Others** | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | 42.76 | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 53.88 | 55.93 | - | 680.54 | 277.73 | - |
| | **713.29** | **375.49** | **101.08** | **5,410.18** | **4,246.41** | **3,488.81** |

Terms and conditions of the above :
Trade payables are non-interest bearing and are settled in accordance with the contract terms with the vendors.
For explanations on the Company's credit risk management processes, please refer to note 39.

(₹ in Lakh)

| NOTE 20 : OTHER FINANCIAL LIABILITIES | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Financial liabilities measured at amortised cost** | | | | | | |
| Current portion of long term borrowings (refer note 18) | - | - | - | 3,018.51 | 1,693.29 | 8,234.66 |
| Guarantee liability | 6.19 | 337.84 | 727.86 | 422.04 | 389.10 | 399.61 |
| **Others** | | | | | | |
| Dividend payout account | - | - | - | - | 2.64 | - |
| Unclaimed dividend | - | - | - | 2.13 | 1.73 | 1.29 |
| | **6.19** | **337.84** | **727.86** | **3,442.68** | **2,086.76** | **8,635.56** |

(₹ in Lakh)

| NOTE 21 : PROVISIONS | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Provision for employee benefits** | | | | | | |
| Provision for gratuity (refer note 32) | - | - | - | 169.18 | 257.66 | 351.49 |
| Provision for leave salary (refer note 32) | 170.77 | 137.41 | 118.36 | 31.67 | 32.27 | 32.51 |
| | **170.77** | **137.41** | **118.36** | **200.85** | **289.93** | **384.00** |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 22 : OTHER LIABILITIES | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| Billing in excess of revenue recognised | - | - | - | 1,42,706.71 | 1,25,404.44 | 1,03,586.74 |
| Rent received in advance | 756.14 | 299.68 | 366.87 | 609.19 | 373.12 | 563.17 |
| Advances from customers | - | - | - | 2,975.95 | 3,546.74 | - |
| Trade deposits | 6,344.44 | 4,324.46 | 6,853.20 | 11,098.15 | 10,769.01 | 7,748.01 |
| Other payables | | | | | | |
| Other deposits | - | - | - | 16.71 | 0.21 | - |
| Provision for expenses | - | - | - | 10,070.12 | 10,769.44 | - |
| Statutory dues | - | - | - | 937.84 | 825.96 | - |
| Others | - | - | - | 3,512.88 | 4,825.13 | 12,137.12 |
| | **7,100.58** | **4,624.14** | **7,220.07** | **1,71,927.55** | **1,56,514.05** | **1,24,035.04** |

(₹ in Lakh)

| NOTE 23 : REVENUE FROM OPERATIONS | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Revenue from operations | | |
| Revenue from projects | 74,638.28 | 1,06,329.06 |
| Revenue from hospitality | 12,574.28 | 12,712.43 |
| Rental and other related revenues | 19,389.58 | 17,886.01 |
| Property and management revenues | 3,849.53 | 3,849.64 |
| Other operating revenue | 922.72 | 837.57 |
| | **1,11,374.39** | **1,41,614.71** |

(₹ in Lakh)

| NOTE 24 : OTHER INCOME | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Interest income on | | |
| Bank fixed deposits | 2,256.30 | 1,645.26 |
| Financial assets measured at amortised cost | 1,448.76 | 1,011.46 |
| Others | 36.79 | 111.45 |
| Dividend income on investments | 163.73 | 110.85 |
| Profit on sale of investments (net) | 808.61 | 1,386.71 |
| Profit / (loss) of investments in mutual fund measured at fair value through profit and loss account (net) | 9.24 | 8.89 |
| Other non-operating income | 6.37 | 2.08 |
| | **4,729.80** | **4,276.70** |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 25 : OPERATING COSTS | | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|---|
| Opening balance of works in progress | | 3,17,855.83 | 2,72,443.94 |
| Opening stock of finished goods | | 13,578.09 | 22,198.16 |
| Opening stock of food and beverages etc. | | 153.93 | 136.80 |
| | **(A)** | **3,31,587.85** | **2,94,778.90** |
| Add: transferred from current assets | | 547.03 | 2,822.56 |
| **Add: expenses incurred during the year** | | | |
| Land, development right and transferrable development rights | | 11,500.29 | 35,740.86 |
| Materials, labour and contract cost | | 43,732.50 | 25,677.65 |
| Other project costs | | 5,641.72 | 8,883.35 |
| Rates and taxes | | 5,746.06 | 10,760.36 |
| Professional charges | | 2,615.36 | 2,360.53 |
| Food, beverages and hotel expenses | | 4,658.97 | 4,907.94 |
| **Allocated expenses to projects** | | | |
| Employee benefits expense | | 5,733.36 | 5,818.96 |
| Other expenses | | 1,002.16 | 617.84 |
| Interest and finance charges | | 6,648.41 | 5,520.84 |
| | **(B)** | **87,825.86** | **1,03,110.89** |
| **Less:** | | | |
| Closing balance of works in progress | | 3,60,244.99 | 3,17,855.83 |
| Closing stock of finished goods | | 14,324.06 | 13,578.09 |
| Closing stock of food and beverages etc. | | 116.98 | 153.93 |
| Transfer to current assets / PPE / investment properties / capital work in progress | | 1,020.55 | 3,348.25 |
| | **(C)** | **3,75,706.58** | **3,34,936.10** |
| | **(A+B-C)** | **43,707.13** | **62,953.69** |

(₹ in Lakh)

| NOTE 26 : EXCISE DUTY | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Excise duty | 12.36 | 13.71 |
| | **12.36** | **13.71** |

(₹ in Lakh)

| NOTE 27 : EMPLOYEE BENEFITS EXPENSE | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Employee costs | 11,047.16 | 10,429.91 |
| Contribution to provident fund, gratuity and others | 718.30 | 661.19 |
| Staff welfare expenses | 384.07 | 433.70 |
| | **12,149.53** | **11,524.80** |
| Less: allocated to projects / capitalized | 5,733.36 | 5,818.96 |
| | **6,416.17** | **5,705.84** |

(₹ in Lakh)

| NOTE 28 : OTHER EXPENSES | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Advertising and marketing expenses | 1,143.40 | 1,651.11 |
| Books and periodicals expenses | 2.27 | 2.54 |
| Communication expenses | 76.13 | 93.43 |
| Conveyance and travelling expenses | 179.31 | 226.05 |
| Corporate social responsibility expenses | 84.13 | 574.82 |
| Directors sitting fees and commission | 69.31 | 75.02 |
| Donations | 30.24 | 46.60 |
| Electricity charges | 274.87 | 203.37 |
| Hire charges | 47.47 | 43.48 |
| Information technology expenses | 371.22 | 364.30 |
| Insurance charges | 349.71 | 242.09 |
| Legal and professional charges | 149.96 | 99.56 |
| (Gain) / loss on foreign exchange fluctuation (net) | (8.21) | 11.63 |
| (Gain) / loss on sale / discarding of investment properties (net) | 117.05 | 0.73 |
| (Gain) / loss on sale / discarding of property, plant and equipment (net) | (2.42) | (0.13) |
| Membership and subscription charges | 26.25 | 21.29 |
| Miscellaneous expenses | 594.29 | 237.27 |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 28 : OTHER EXPENSES (contd.) | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Payment to auditor (refer note below) | 105.88 | 100.07 |
| Printing and stationery expenses | 133.51 | 188.87 |
| Rent expenses | 19.99 | 18.61 |
| Repairs and maintenance | | |
| Building | 81.77 | 137.24 |
| Plant and machinery | 121.45 | 148.96 |
| Others | 902.21 | 1,228.13 |
| Security expenses | 339.13 | 190.45 |
| Vehicle expenses | 25.32 | 23.48 |
| | **5,234.24** | **5,928.97** |
| Less: allocated to projects / capitalised | 1,002.16 | 617.84 |
| | **4,232.08** | **5,311.13** |

**Note : Payment to auditor**

(₹ in Lakh)

| | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| **As auditor** | | |
| Statutory audit fees (including for Limited Review) | 70.05 | 72.05 |
| Tax audit fees | 17.00 | 12.50 |
| **In other capacity** | | |
| Taxation matters | 16.50 | 12.50 |
| Company law matters | 2.00 | 2.00 |
| Other services | 0.21 | 0.92 |
| Out of pocket expenses | 0.12 | 0.10 |
| | **105.88** | **100.07** |

(₹ in Lakh)

| NOTE 29 : DEPRECIATION AND AMORTISATION | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Depreciation on property, plant and equipments | 2,453.05 | 2,386.21 |
| Depreciation on investment properties | 2,418.62 | 2,438.44 |
| Amortisation of intangible assets | 77.87 | 74.85 |
| | **4,949.54** | **4,899.50** |

(₹ in Lakh)

| NOTE 30 : INTEREST AND FINANCE CHARGES | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Interest expenses | | |
| Financial liabilities at amortised cost | 7,177.01 | 6,085.55 |
| Bank and finance charges | 28.62 | 118.55 |
| | **7,205.63** | **6,204.10** |
| Less: allocated to projects / capitalized | 6,648.41 | 5,520.84 |
| | **557.22** | **683.26** |

(₹ in Lakh)

| NOTE 31 : EARNINGS PER SHARE (EPS) | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Profit after tax as per statement of profit and loss | 37,858.76 | 43,555.60 |
| Weighted average number of equity shares for basic EPS (in No.) | 33,93,94,402 | 33,59,77,183 |
| Add: Weighted average potential equity shares on grant of option under ESOP (in No.) | 18,559 | - # |
| Weighted average number of equity shares for diluted EPS (in No.) | 33,94,12,961 | 33,59,77,183 |
| Face value of equity share (₹) | 10 | 10 |
| **Basic earnings per share (₹)** | **11.15** | **12.96** |
| **Diluted earnings per share (₹)** | **11.15** | **12.96** |

# Anti-dilutive

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 32 : EMPLOYEE BENEFITS | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| **A. Defined contribution plans** | | |
| Employer's contribution to provident fund | 425.98 | 359.70 |
| Employer's contribution to pension fund | 68.22 | 56.91 |
| Employer's contribution to ESIC | 13.33 | 11.77 |
| Labour welfare fund contribution for workmen | 0.38 | 0.34 |

(₹ in Lakh)

| B. Defined benefit plans | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| **i) Change in present value of obligations** | | | | |
| Present value obligation at the beginning of the year | 1,000.97 | 700.30 | 169.68 | 150.87 |
| Interest cost | 78.02 | 56.66 | 13.23 | 12.10 |
| Service cost | 183.08 | 164.57 | 56.75 | 52.19 |
| Past service cost - vested benefits | - | 33.20 | - | 4.65 |
| Re-measurement (or actuarial) (gain) / loss | (11.77) | 74.65 | (11.97) | (0.06) |
| Benefit paid | (37.66) | (47.15) | (25.25) | (50.07) |
| Employee's transfer | (11.31) | 18.74 | - | - |
| **Present value obligation at the end of the year** | **1,201.33** | **1,000.97** | **202.44** | **169.68** |
| **ii) Change in fair value of plan assets** | | | | |
| Fair value of plan assets at the beginning of the year | 743.29 | 343.23 | - | - |
| Expected return on plan asset | 57.94 | 27.52 | - | - |
| Employer's contribution | 266.83 | 366.25 | - | - |
| Return on plan assets , excluding amount recognised in net interest expense | 19.19 | 34.70 | - | - |
| Benefit paid | (37.66) | (47.15) | - | - |
| Employee's transfer | (11.31) | 18.74 | - | - |
| **Closing balance of fair value of plan assets** | **1,038.30** | **743.29** | - | - |
| **iii) Amount recognised in the balance sheet** | | | | |
| Present value of obligation at the end of year | 1,201.31 | 1,000.95 | 202.44 | 169.68 |
| Fair value of plan assets at the end of the year | 1,038.28 | 743.29 | - | - |
| **Net liability recognised in the balance sheet** | **163.03** | **257.66** | **202.44** | **169.68** |
| **iv) Expense recognised in statement of profit and loss** | | | | |
| Current service cost | 183.08 | 164.57 | 56.75 | 52.19 |
| Interest cost | 78.02 | 56.66 | 13.23 | 12.10 |
| Past service cost - non vested benefits | - | 5.57 | - | - |
| Past service cost - vested benefits | - | 33.20 | - | 4.65 |
| Expected return on plan assets | (57.94) | (27.52) | - | - |
| Re-measurement (or actuarial) (gain) / loss | - | - | (11.97) | (0.06) |
| **Expenses recognised in statement of profit and loss** | **203.16** | **232.48** | **58.01** | **68.88** |
| **v) Expense recognised in other comprehensive income** | | | | |
| Re-measurement (or actuarial) (gain) / loss | (11.77) | 74.65 | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | (19.19) | (34.70) | - | - |
| | **(30.96)** | **39.95** | - | - |
| **Total expenses** | **172.20** | **272.43** | **58.01** | **68.88** |
| **Out of the above expenses** | | | | |
| Recognised in profit and loss | 203.16 | 232.48 | 58.01 | 68.88 |
| Recognised in other comprehensive income | (30.96) | 39.95 | - | - |
| **vi) Movement in the liability recognised in balance sheet** | | | | |
| Opening net liability | 257.66 | 351.48 | 169.68 | 150.87 |
| Expenses as above | 172.20 | 272.43 | 58.01 | 68.88 |
| Contribution paid | (266.83) | (366.25) | (25.25) | (50.07) |
| **Closing net liability** | **163.03** | **257.66** | **202.44** | **169.68** |
| **vii) Classification of defined benefit obligations** | | | | |
| Current portion | *163.03 | 257.66 | 31.67 | 32.27 |
| Non-current portion | - | - | 170.77 | 137.41 |

* The current portion is net of asset of ₹6.16 lakh which is not recognised in the balance sheet on conservative basis.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 32 : EMPLOYEE BENEFITS (contd.)**

**Actuarial assumptions**

| | Gratuity | | | Leave encashment | | |
|---|---|---|---|---|---|---|
| | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** |
| Interest / discount rate | 7.40% | 7.80% | 8.00% | 7.40% | 7.80% | 8.00% |
| Annual expected increase in salary cost | 9.50% | 10.00% | 10.00% | 9.50% | 10.00% | 10.00% |

**C. General Description of significant defined plans**

**Gratuity plan**
Gratuity is payable to all eligible employees of the Company on death or on resignation, or on retirement after completion of five years of service.

**Leave plan**
Eligible employees can carry forward defined leave as per HR policy in month of April of every year during tenure of service or encash the same on death, permanent disablement or resignation.

**D. Broad category of plan assets relating to gratuity as a percentage of total plan assets as at,**

| | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** |
|---|---|---|---|
| Government of India securities | Nil | Nil | Nil |
| High quality corporate bonds | Nil | Nil | Nil |
| Equity shares of listed companies | Nil | Nil | Nil |
| Property | Nil | Nil | Nil |
| Policy of insurance | 100% | 100% | 100% |
| | **100%** | **100%** | **100%** |

**Actuarial gains and losses-Experience history**

(₹ in Lakh)

| | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | **March 31, 2017** | **March 31, 2016** | **March 31, 2017** | **March 31, 2016** |
| **(Gains) / losses on obligation due to change in assumption** | | | | |
| Actuarial (Gains) / losses on obligation due to change in demographic assumption (e.g. employee turnover and mortality) | 19.06 | (14.71) | (0.16) | 6.11 |
| Actuarial (Gains) / losses on obligation due to change in financial assumption (e.g. future increase in salary) | (14.45) | 24.26 | (0.72) | (1.42) |

**Sensitivity analysis**

A quantitative sensitivity analysis for significant assumption as shown below:

| **Gratuity Plan** | **March 31, 2017** | | | | **March 31, 2016** | | | |
|---|---|---|---|---|---|---|---|---|
| Assumptions | **Discount rate** | | **Future salary increases** | | **Discount rate** | | **Future salary increases** | |
| Sensitivity Level | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** |
| Impact on defined benefit obligation | 1,026.35 | 1,415.83 | 1,409.42 | 1,027.79 | 860.03 | 1,173.40 | 1,168.03 | 861.36 |

| **Leave Plan** | **March 31, 2017** | | | | **March 31, 2016** | | | |
|---|---|---|---|---|---|---|---|---|
| Assumptions | **Discount rate** | | **Future salary increases** | | **Discount rate** | | **Future salary increases** | |
| Sensitivity Level | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** |
| Impact on defined benefit obligation | 179.23 | 230.85 | 230.13 | 179.32 | 152.54 | 190.41 | 189.84 | 152.65 |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 32 : EMPLOYEE BENEFITS (contd.)

**Expected employer's contribution in future years**

(₹ in Lakh)

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| 1 year | 37.10 | 39.96 | 31.67 | 32.27 |
| Between 2 and 5 years | 156.25 | 149.52 | 49.85 | 45.39 |
| Between 6 and 10 years | 114.09 | 124.19 | 19.00 | 21.53 |
| Beyond 10 years | 4,462.22 | 3,874.65 | 580.47 | 443.13 |
| Total expected payments | 4,769.66 | 4,188.32 | 680.99 | 542.31 |

**Risk exposure**

**a. Asset Volatility:**
The plan liabilities are calculated using the discount rate set with reference to Government securities bond yields; if plan assets underperform this yield, this will create a deficit.

**b. Change in Government securities bond yields:**
A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

## NOTE 33 : INTEREST IN JOINT VENTURE

**A. Group Information**
**Joint venture in which group is a co-venturer**

| Name of the Entity | Country of incorporation | Percentage of holding as on March 31, 2017 | Percentage of holding as on March 31, 2016 | Percentage of holding as on April 01, 2015 | Principal Activities |
|---|---|---|---|---|---|
| Siddhivinayak Realties Private Limited ('SRPL') | India | 50% | 50% | 50% | Real Estate |
| Aion Realty LLP ('AR') | India | 50% | 50% | 50% | Real Estate |
| Sangam City Township Private Limited ('SCTPL') | India | 31.67% | 31.67% | 31.67% | Real Estate |
| Metropark Infratech And Realty Developments Private Limited ('MIRD') | India | 33% | 33% | 33% | Real Estate |
| Saldanha Realty And Infrastructure LLP ('SRIL') | India | 50% | 50% | 50% | Real Estate |
| Shri Siddhi Avenues LLP ('SSAL') (formerly Shri Siddhi Enterprise, Acquired on April 15, 2015)** | India | 50% | 50% | 50% | Real Estate |
| Oasis Realty (AoP) ('OR')@ | India | 25%-40% | 25%-40% | 25%-40% | Real Estate |
| Schematic Estate LLP ('SELLP') (incorporated on February 10, 2017) | India | 50.05% | - | - | Real Estate |
| I-Ven Realty Limited ('I-Ven') | India | 50% | 50% | 50% | Real Estate |

** Shri Siddhi Enterprise was converted into Shri Siddhi Avenues LLP on March 17, 2016.
@ The ownership interest mentioned is for Residential business of AoP. In hospitality business of Oasis Realty, ownership interest of the Group is 50%.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 33 : INTEREST IN JOINT VENTURE (contd.)**

For more information on Joint ventures, refer disclosures notes in the following section:
**Joint operation in which Group is a co-venturer**

| Name of the Entity | Country of incorporation | Percentage of holding as on March 31, 2017 | Percentage of holding as on March 31, 2016 | Percentage of holding as on April 01, 2015 | Principal activities |
|---|---|---|---|---|---|
| Zaco Aviation (AoP)# | India | 25% | 25% | 25% | Real Estate |

# The Group has 25% interest in Zaco Aviation a joint venture, which was set up as a association of person together with Intervalve (India) Limited, EL-O-Matic (India) Private Limited, Serum International Limited and Swapnali Constructions for the purpose of purchase of an asset. The principal place of business of the joint operation is in India.

**Interest in joint venture**
The Group has interest in various joint ventures as given below. The group's interest in these joint ventures are accounted for using equity method in the consolidated financial statements.

**(i) Commitments and contingent liabilities in respect of joint ventures:**
For commitments and contingent liabilities relating to joint ventures please refer note 38.

**Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out as below:**

(₹ in Lakh)

| Summarised Balance sheet | Oasis Realty (AoP) ('OR') | | | Siddhivinayak Realties Private Limited ('SRPL') | | |
|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **Proportion of ownership interest held by the Group at the year end** | **27.80%** | **27.00%** | **25.00%** | **50.00%** | **50.00%** | **50.00%** |
| Non-current assets | 470.25 | 700.84 | 553.39 | 8,711.20 | 8,564.27 | 8,539.85 |
| Current assets (a) | 2,44,189.41 | 1,88,058.24 | 1,56,812.93 | 28.34 | 31.66 | 27.38 |
| **Total Assets (I)** | **2,44,659.66** | **1,88,759.08** | **1,57,366.32** | **8,739.54** | **8,595.93** | **8,567.23** |
| Non-current liabilities including deferred tax (b) | 1,796.74 | 50,999.17 | 54,141.43 | 6.79 | 205.92 | 176.34 |
| Current liabilities including tax payable (c) | 1,29,835.66 | 54,755.02 | 35,538.80 | 351.88 | 14.04 | 16.53 |
| **Total Liabilities (II)** | **1,31,632.40** | **1,05,754.19** | **89,680.23** | **358.67** | **219.96** | **192.87** |
| **Total Net Assets (I-II)** | **1,13,027.26** | **83,004.89** | **67,686.09** | **8,380.87** | **8,375.97** | **8,374.36** |
| (a) Includes cash and cash equivalents | 168.34 | 2,514.93 | 1,329.12 | 4.12 | 21.05 | 23.89 |
| (b) Includes financial liabilities (excluding trade and other payables and provisions) | - | 49,795.84 | 51,966.44 | - | 193.97 | 159.88 |
| (c) Includes financial liabilities (excluding trade and other payables and provisions) | 49,987.64 | 18,119.93 | 5,000.00 | 280.06 | - | - |

(₹ in Lakh)

| Summarised statement of Profit and Loss | Oasis Realty (AoP) ('OR') | | Siddhivinayak Realties Private Limited ('SRPL') | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Revenue | 273.75 | 199.04 | 0.61 | 0.34 |
| Employee benefits expense | (66.26) | (56.99) | - | - |
| Other expenses | (61.90) | (65.34) | (0.98) | (1.47) |
| **Profit before tax** | **145.59** | **76.71** | **(0.37)** | **(1.13)** |
| Tax expense | 32.71 | 18.30 | - | (0.00) |
| **Profit after tax** | **112.88** | **58.41** | **(0.37)** | **(1.13)** |
| Other comprehensive income | 8.50 | (5.60) | - | - |
| **Total comprehensive income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)** | **121.38** | **52.81** | **(0.37)** | **(1.13)** |
| Group's share of profit for the year | 33.74 | 14.26 | (0.19) | (0.57) |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 33 : INTEREST IN JOINT VENTURE (contd.)**

**A reconciliation of the above summarised financial information to the carrying amount of the investment**

(₹ in Lakh)

| Reconciliation of carrying amount | Oasis Realty (AoP) ('OR') | | Siddhivinayak Realties Private Limited ('SRPL') | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Total Net assets of JV (a) | 1,13,027.26 | 83,004.89 | 8,380.87 | 8,375.97 |
| Proportion of ownership interests held by the Group (b) | 27.80% | 27.00% | 50.00% | 50.00% |
| a*b | 31,421.58 | 22,411.32 | 4,190.44 | 4,187.99 |
| Investment - corporate guarantee | 1,740.04 | 1,671.80 | - | - |
| Add: Difference in capital contribution vis-a-vis interest | 81,569.41 | 60,645.49 | - | - |
| Add: Security deposits considered as an additional investments | 4,000.00 | 4,000.00 | - | - |
| Deferred tax impact on above | - | - | 13.23 | 12.05 |
| Less: Inter company elimination | (694.03) | (476.96) | (15.92) | (9.84) |
| **Carrying amount of the Investment** | **1,18,037.00** | **88,251.65** | **4,187.75** | **4,190.20** |

(₹ in Lakh)

| Summarised Balance sheet | I-Ven Realty Limited ('I-Ven') | | | Shri Siddhi Avenues LLP ('SSAL') (formerly Shri Siddhi Enterprise, Acquired on April 15, 2015) | | |
|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **Proportion of ownership interest held by the Group at the year end** | **50.00%** | **50.00%** | **50.00%** | **50.00%** | **50.00%** | **50.00%** |
| Non-current assets | 29.46 | 29.82 | 2.81 | 3,339.75 | 2,299.89 | - |
| Current assets (a) | 25,898.88 | 23,578.55 | 21,602.86 | 6,341.72 | 1,239.31 | - |
| **Total Assets (I)** | **25,928.34** | **23,608.37** | **21,605.67** | **9,681.47** | **3,539.20** | - |
| Non-current liabilities including deferred tax (b) | 2,295.75 | 15,706.47 | 13,929.56 | 8,713.58 | 2,595.19 | - |
| Current liabilities including tax payable (c) | 17,718.06 | 2,033.90 | 1,907.19 | 26.42 | 8.04 | - |
| **Total Liabilities (II)** | **20,013.81** | **17,740.37** | **15,836.75** | **8,740.00** | **2,603.23** | - |
| **Total Net Assets (I-II)** | **5,914.53** | **5,868.00** | **5,768.92** | **941.47** | **935.97** | - |
| (a) Includes cash and cash equivalents | 12.11 | 34.17 | 1.14 | 3.57 | 7.52 | - |
| (b) Includes financial liabilities (excluding trade and other payables and provisions) | 2,243.88 | 15,706.47 | 13,929.56 | 0.01 | 2,595.19 | - |
| (c) Includes financial liabilities (excluding trade and other payables and provisions) | 17,629.69 | 1,912.54 | 1,904.82 | 8,713.57 | (56.60) | - |

(₹ in Lakh)

| Summarised statement of Profit and Loss | I-Ven Realty Limited ('I-Ven') | | Shri Siddhi Avenues LLP | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Revenue | 1.28 | 9.71 | 554.54 | 299.89 |
| Other expenses | (1.38) | (2.33) | (0.48) | (1.07) |
| Depreciation and amortisation | - | - | (0.01) | - |
| Interest and finance charges | - | - | (545.93) | (306.30) |
| **Profit before tax** | **(0.10)** | **7.38** | **8.12** | **(7.48)** |
| Tax expense | (0.03) | 10.79 | 2.61 | 0.46 |
| **Profit after tax** | **(0.07)** | **(3.41)** | **5.51** | **(7.94)** |
| Other comprehensive income | - | - | - | - |
| **Total comprehensive income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)** | **(0.07)** | **(3.41)** | **5.51** | **(7.94)** |
| Group's share of profit for the year | (0.04) | (1.71) | 2.76 | (3.97) |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 33 : INTEREST IN JOINT VENTURE (contd.)**

**A reconciliation of the above summarised financial information to the carrying amount of the investment**

(₹ in Lakh)

| Reconciliation of carrying amount | I-Ven Realty Limited ('I-Ven') | | Shri Siddhi Avenues LLP | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Total Net assets of JV (a) | 5,914.53 | 5,868.00 | 941.47 | 935.97 |
| Proportion of ownership interests held by the Group (b) | 50.00% | 50.00% | 50.00% | 50.00% |
| a*b | 2,957.27 | 2,934.00 | 470.74 | 467.99 |
| Add: Adjustment to Share of profit in retained earings | - | - | (0.05) | - |
| Add/(Less): Goodwill/ (Capital reserve) | 25,487.06 | 25,487.06 | - | - |
| Add: Differential portion of Equity component (NCPS) | 652.25 | 652.25 | - | - |
| Add: Difference in capital contribution vis-a-vis interest | - | - | 528.05 | 528.05 |
| Deferred tax impact on above | 1,666.66 | 1,656.24 | - | - |
| Less: Inter company elimination | (1,586.43) | (1,188.62) | (326.01) | (7.10) |
| **Carrying amount of the Investment** | **29,176.81** | **29,540.93** | **672.73** | **988.94** |

(₹ in Lakh)

| Summarised Balance sheet | Aion Realty LLP ('AR') | | | Saldanha Realty And Infrastructure LLP ('SRIL') | | |
|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **Proportion of ownership interest held by the Group at the year end** | **50.00%** | **50.00%** | **50.00%** | **50.00%** | **50.00%** | **50.00%** |
| Non-current assets | - | - | 0.01 | 0.45 | 0.90 | 1.35 |
| Current assets (a) | - | 8.22 | 8.18 | 5,321.40 | 5,187.90 | 3,403.31 |
| **Total Assets (I)** | - | **8.22** | **8.19** | **5,321.85** | **5,188.80** | **3,404.66** |
| Non-current liabilities including deferred tax (b) | - | - | - | - | - | - |
| Current liabilities including tax payable (c) | - | 0.11 | 0.22 | 729.31 | 709.61 | 3,360.77 |
| **Total Liabilities (II)** | - | **0.11** | **0.22** | **729.31** | **709.61** | **3,360.77** |
| **Total Net Assets (I-II)** | - | **8.11** | **7.97** | **4,592.54** | **4,479.19** | **43.89** |
| (a) Includes cash and cash equivalents | - | 8.24 | 8.18 | 29.75 | 67.93 | 73.37 |
| (b) Includes financial liabilities (excluding trade and other payables and provisions) | - | - | - | - | - | - |
| (c) Includes financial liabilities (excluding trade and other payables and provisions) | - | - | - | - | - | 2,646.76 |

(₹ in Lakh)

| Summarised statement of Profit and Loss | Aion Realty LLP ('AR') | | Saldanha Realty And Infrastructure LLP ('SRIL') | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Revenue | - | 0.33 | - | - |
| Other expenses | - | (0.12) | - | (0.73) |
| Interest and finance charges | - | (0.02) | - | (0.04) |
| **Profit before tax** | - | **0.19** | - | **(0.77)** |
| Tax expense | - | 0.06 | - | - |
| **Profit after tax** | - | **0.13** | - | **(0.77)** |
| Other comprehensive income | - | - | - | - |
| **Total comprehensive income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)** | **-** | **0.13** | **-** | **(0.77)** |
| Group's share of profit for the year | - | 0.07 | - | (0.39) |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 33 : INTEREST IN JOINT VENTURE (contd.)**

**A reconciliation of the above summarised financial information to the carrying amount of the investment**

(₹ in Lakh)

| Reconciliation of carrying amount | Aion Realty LLP ('AR') | | Saldanha Realty And Infrastructure LLP ('SRIL') | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Total Net assets of JV (a) | - | 8.11 | 4,592.54 | 4,479.19 |
| Proportion of ownership interests held by the Group (b) | - | 50.00% | 50.00% | 50.00% |
| a*b | - | 4.06 | 2,296.27 | 2,239.60 |
| Add/(Less): Goodwill/ (Capital reserve) | - | 0.29 | 0.79 | 0.79 |
| Add: Difference in capital contribution vis-a-vis interest | - | - | 2,274.88 | 2,218.03 |
| **Carrying amount of the Investment** | **-** | **4.35** | **4,571.94** | **4,458.42** |

(₹ in Lakh)

| Summarised Balance sheet | Sangam City Township Private Limited ('SCTPL') | | | Metropark Infratrech And Realty Developments Private Limited ('MIRD') | | |
|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **Proportion of ownership interest held by the Group at the year end** | **31.67%** | **31.67%** | **31.67%** | **33.00%** | **33.00%** | **33.00%** |
| Non-current assets | - | - | - | 433.35 | 419.00 | 419.00 |
| Current assets (a) | 15,219.50 | 15,009.45 | 14,817.13 | 514.64 | 514.37 | 489.27 |
| **Total Assets (I)** | **15,219.50** | **15,009.45** | **14,817.13** | **947.99** | **933.37** | **908.27** |
| Non-current liabilities including deferred tax (b) | 470.05 | 561.14 | 643.81 | 10.96 | 12.52 | 23.82 |
| Current liabilities including tax payable (c) | 12,379.66 | 12,077.42 | 11,801.28 | 669.07 | 681.22 | 644.64 |
| **Total Liabilities (II)** | **12,849.71** | **12,638.56** | **12,445.09** | **680.03** | **693.74** | **668.46** |
| **Total Net Assets (I-II)** | **2,369.79** | **2,370.89** | **2,372.04** | **267.96** | **239.63** | **239.81** |
| (a) Includes cash and cash equivalents | 0.49 | 0.17 | 0.79 | 9.50 | 6.01 | 6.19 |
| (b) Includes financial liabilities (excluding trade and other payables and provisions) | 470.05 | 561.14 | 643.81 | 10.96 | 12.52 | 23.82 |
| (c) Includes financial liabilities (excluding trade and other payables and provisions) | 12,372.21 | 12,075.44 | 11,796.88 | 669.07 | 681.22 | 644.63 |

(₹ in Lakh)

| Summarised statement of Profit and Loss | Sangam City Township Private Limited ('SCTPL') | | Metropark Infratrech And Realty Developments Private Limited ('MIRD') | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Revenue | - | 0.02 | 32.46 | - |
| Other expenses | (0.92) | (0.97) | (0.15) | (0.11) |
| Interest and finance charges | (0.05) | (0.04) | - | (0.07) |
| **Profit before tax** | **(0.97)** | **(0.99)** | **32.31** | **(0.18)** |
| Tax expense | (0.12) | (0.16) | - | - |
| **Profit after tax** | **(1.09)** | **(1.15)** | **32.31** | **(0.18)** |
| Other comprehensive income | **-** | **-** | **-** | **-** |
| **Total comprehensive income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)** | **(1.09)** | **(1.15)** | **32.31** | **(0.18)** |
| Group's share of profit for the year | (0.35) | (0.36) | 10.66 | (0.06) |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 33 : INTEREST IN JOINT VENTURE (contd.)**

**A reconciliation of the above summarised financial information to the carrying amount of the investment**

(₹ in Lakh)

| Reconciliation of carrying amount | Sangam City Township Private Limited ('SCTPL') | | Metropark Infratrech And Realty Developments Private Limited ('MIRD') | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Total Net assets of JV (a) | 2,369.79 | 2,370.89 | 267.96 | 239.63 |
| Proportion of ownership interests held by the Group (b) | 31.67% | 31.67% | 33.00% | 33.00% |
| a*b | 750.40 | 750.78 | 88.43 | 79.08 |
| Add/(Less): Adjustment to Share of profit in retained earings | (0.34) | (0.34) | - | - |
| Add/(Less): Goodwill/ (Capital reserve) | - | - | (0.00) | (0.00) |
| Grossing up of capital contribution | 1,558.74 | 1,558.74 | 51.22 | 49.45 |
| Deferred tax impact on above | 1,020.05 | 1,020.05 | 33.00 | 33.00 |
| Less: Inter company elimination | (563.65) | (470.30) | (23.53) | (21.88) |
| **Carrying amount of the Investment** | **2,765.24** | **2,858.94** | **149.12** | **139.65** |

(₹ in Lakh)

| Summarised Balance sheet | Schematic Estate LLP |
|---|---|
| | March 31, 2017 |
| **Proportion of ownership interest held by the Group at the year end** | **0.10%** |
| Non-current assets | - |
| Current assets (a) | 517.49 |
| **Total Assets (I)** | **517.49** |
| Non-current liabilities including deferred tax (b) | - |
| Current liabilities including tax payable (c) | 5.59 |
| **Total Liabilities (II)** | **5.59** |
| **Total Net Assets (I-II)** | **511.90** |
| (a) Includes cash and cash equivalents | 2.51 |
| (b) Includes financial liabilities (excluding trade and other payables and provisions) | - |
| (c) Includes financial liabilities (excluding trade and other payables and provisions) | - |

(₹ in Lakh)

| Summarised statement of Profit and Loss | Schematic Estate LLP |
|---|---|
| | March 31, 2017 |
| Revenue | - |
| Other expenses | (0.10) |
| **Profit before tax** | **(0.10)** |
| Tax expense | - |
| **Profit after tax** | **(0.10)** |
| Other comprehensive income | - |
| **Total comprehensive income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)** | **(0.10)** |
| Group's share of profit for the year | (0.00) |

**A reconciliation of the above summarised financial information to the carrying amount of the investment**

(₹ in Lakh)

| Reconciliation of carrying amount | Schematic Estate LLP |
|---|---|
| | March 31, 2016 |
| Total Net assets of JV (a) | 511.90 |
| Proportion of ownership interests held by the Group (b) | 0.10% |
| a*b | 0.51 |
| Add difference in capital contribution vis-a-vis interest | (0.51) |
| **Carrying amount of the Investment** | **-** |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 34 : RELATED PARTY DISCLOSURES

### A. Name of related parties and related party relationship

#### i) Related parties with whom transactions have taken place during the year

| | |
|---|---|
| Joint ventures | Sangam City Township Private Limited<br>Oasis Realty (AoP)<br>I-Ven Realty Limited<br>Saldanha Realty and Infrastructure LLP<br>Aion Realty LLP<br>Metropark Infratech And Realty Developments Private Limited<br>Shri Siddhi Avenues LLP (from March 17, 2016)<br>Shri Siddhi Enterprises (from April 15, 2015 till March 16, 2016)<br>Siddhivinayak Realties Private Limited |
| Joint operations | ZACO Aviation (AoP) |
| Key management personnel and their relatives | Vikas Oberoi<br>Bindu Oberoi<br>Ranvir Oberoi<br>Santosh Oberoi<br>Gayatri Oberoi<br>Saumil Daru<br>Darsha Daru<br>Anil Harish<br>Karamjit Singh Kalsi<br>Tilokchand Ostwal<br>Venkatesh Mysore<br>Bherulal Choudhary |
| Entities where key management personnel have significant influence | R S Estate Developers Private Limited<br>Oberoi Foundation<br>R. S. V. Associates<br>Oberoi Associates<br>Neo Realty Private Limited |

**NOTE 34 : RELATED PARTY DISCLOSURES (contd.)**

**B. Related party transactions**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures / Joint operations | | Key management personnel and their relatives | | Entities where key management personnel have significant influence | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Sale of unit slab demand | R S Estate Developers Private Limited | - | - | - | - | - | 13.40 |
| Advance given | Oasis Realty (AoP) | - | 1,750.00 | - | - | - | - |
| Amount received on behalf of | Oasis Realty (AoP) | 0.11 | 0.99 | - | - | - | - |
| | Oberoi Foundation | - | - | - | - | 0.26 | - |
| Current capital contribution account - paid | Saldanha Realty and Infrastructure LLP | 56.85 | 69.13 | - | - | - | - |
| | Oasis Realty (AoP) | 35,551.00 | 15,266.00 | - | - | - | - |
| Current capital contribution account - received back | Aion Realty LLP | 4.02 | - | - | - | - | - |
| | Oasis Realty (AoP) | 5,650.00 | - | - | - | - | - |
| Commission paid to director | Anil Harish | - | - | 10.00 | 10.00 | - | - |
| | Karamjit Singh Kalsi | - | - | 10.00 | 10.00 | - | - |
| | Tilokchand Ostwal | - | - | 16.00 | 16.00 | - | - |
| | Venkatesh Mysore | - | - | 10.00 | 10.00 | - | - |
| Corporate guarantee given | Oasis Realty (AoP) | 3,680.63 | 10,808.02 | - | - | - | - |
| Director sitting fees | Anil Harish | - | - | 4.00 | 4.50 | - | - |
| | Bherulal Choudhary | - | - | 2.05 | 1.00 | - | - |
| | Karamjit Singh Kalsi | - | - | 1.00 | 1.00 | - | - |
| | Tilokchand Ostwal | - | - | 10.95 | 10.58 | - | - |
| | Venkatesh Mysore | - | - | 6.10 | 7.20 | - | - |
| Deposit given | ZACO Aviation (AoP) | 3.05 | 0.35 | - | - | - | - |
| Deposit received | Oberoi Foundation | - | - | - | - | 16.50 | - |
| Dividend paid | Bindu Oberoi | - | - | - | 0.00 | - | - |
| | Gayatri Oberoi | - | - | - | 0.00 | - | - |
| | Ranvir Oberoi | - | - | - | 0.04 | - | - |
| | R S Estate Developers Private Limited | - | - | - | - | - | 1,332.00 |
| | Santosh Oberoi | - | - | - | 0.04 | - | - |
| | Vikas Oberoi | - | - | - | 8,514.90 | - | - |
| | Saumil Daru | - | - | - | 0.24 | - | - |
| | Ashwin Daru | - | - | - | 0.02 | - | - |
| | Darsha Daru | - | - | - | 0.02 | - | - |
| Interest income | Shri Siddhi Avenues LLP | 591.88 | 7.87 | - | - | - | - |
| | Shri Siddhi Enterprises | - | 152.37 | - | - | - | - |

**NOTE 34 : RELATED PARTY DISCLOSURES (contd.)**

**B. Related party transactions**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures / Joint operations | | Key management personnel and their relatives | | Entities where key management personnel have significant influence | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Interest on loan ( measured at amortised cost) | Sangam City Township Private Limited | 201.43 | 267.55 | - | - | - | - |
| | Metropark Infratech And Realty Developments Private Limited | 3.37 | 24.51 | - | - | - | - |
| Interest on preference shares | I-Ven Realty Limited | 58.67 | 53.34 | - | - | - | - |
| Interest on OCD (measured at amortised cost) | I-Ven Realty Limited | 368.33 | 316.07 | - | - | - | - |
| | Siddhivinayak Realties Private Limited | 6.08 | 4.64 | - | - | - | - |
| Loan given | Metropark Infratech And Realty Developments Private Limited | 14.35 | - | - | - | - | - |
| | Shri Siddhi Avenues LLP | 5,053.00 | 5.00 | - | - | - | - |
| | Shri Siddhi Enterprises | - | 2,314.10 | - | - | - | - |
| Loan repaid | Vikas Oberoi | - | - | 1,800.00 | - | - | - |
| Loan received back | Shri Siddhi Enterprises | - | 12.35 | - | - | - | - |
| Investment in debentures | I-Ven Realty Limited | 579.00 | 449.38 | - | - | - | - |
| | Siddhivinayak Realties Private Limited | 34.70 | 9.75 | - | - | - | - |
| Purchase of assets | ZACO Aviation (AoP) | - | 0.12 | - | - | - | - |
| Recovery of expenses | Neo Realty Private Limited | - | - | - | - | 0.11 | 0.28 |
| | Oasis Realty (AoP) | 227.89 | 216.45 | - | - | - | - |
| | Oberoi Foundation | - | - | - | - | 1.26 | 4.65 |
| Reimbursement of expenses | Oberoi Foundation | - | - | - | - | 0.58 | - |
| | ZACO Aviation (AoP) | 52.87 | 40.00 | - | - | - | - |

**NOTE 34 : RELATED PARTY DISCLOSURES (contd.)**

**B. Related party transactions**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures / Joint operations | | Key management personnel and their relatives | | Entities where key management personnel have significant influence | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Remuneration | Bindu Oberoi | - | - | 80.00 | 77.50 | - | - |
| | Vikas Oberoi | - | - | 0.00 | 0.00 | - | - |
| | Saumil Daru | - | - | 696.42 | 201.66 | - | - |
| Rent received | Neo Realty Private Limited | - | - | - | - | 0.12 | 0.12 |
| | Oberoi Foundation | - | - | - | - | 2,861.21 | 2,733.97 |
| Sale of assets | I-Ven Realty Limited | 0.50 | - | - | - | - | - |
| Purchase of material | Oasis Realty (AoP) | 1.30 | - | - | - | - | - |
| Sale of materials | Oasis Realty (AoP) | - | 0.21 | - | - | - | - |
| Sale of units slab demand | R. S. V. Associates | - | - | - | - | 168.25 | 102.43 |

**C. Closing balances of related parties**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures / Joint operations | | Key management personnel and their relatives | | Entities where key management personnel have significant influence | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Equity component of interest free loan | Sangam City Township Private Limited | 3,301.13 | 3,301.13 | - | - | - | - |
| | Metropark Infratech And Realty Developments Private Limited | 109.45 | 106.80 | - | - | - | - |
| Equity component of optionally convertible debenture | I-Ven Realty Limited | 3,115.26 | 3,081.53 | - | - | - | - |
| | Siddhivinayak Realties Private Limited | 42.82 | 39.01 | - | - | - | - |
| Investment in optionally convertible debenture (measured at amortised cost) | I-Ven Realty Limited | 7,858.61 | 5,569.33 | - | - | - | - |
| | Siddhivinayak Realties Private Limited | 140.04 | 79.95 | - | - | - | - |

**NOTE 34 : RELATED PARTY DISCLOSURES (contd.)**

**C. Closing balances of related parties**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures / Joint operations | | Key management personnel and their relatives | | Entities where key management personnel have significant influence | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Loan given | Sangam City Township Private Limited | 3118.81 | 2,824.03 | - | - | - | - |
| | Metropark Infratech And Realty Developments Private Limited | 376.22 | 359.49 | - | - | - | - |
| | Shri Siddhi Avenues LLP | 8,713.57 | 2,595.19 | - | - | - | - |
| Current capital contribution | Saldanha Realty and Infrastructure LLP | 4,574.76 | 4,461.06 | - | - | - | - |
| | Oasis Realty (AoP) | 114,636.50 | 85,333.52 | - | - | - | - |
| Loan received | Vikas Oberoi | - | - | 8,908.00 | 10,708.00 | - | - |
| Recovery of expenses | Neo Realty Private Limited | - | - | - | - | 0.07 | 0.15 |
| Deposit received | Oberoi Foundation | - | - | - | - | 816.50 | 800.00 |
| Corporate guarantee given | Oasis Realty (AoP) | 55,238.65 | 72,692.68 | - | - | - | - |
| Reimbursement of expenses | ZACO Aviation (AoP) | 4.11 | 1.56 | - | - | - | - |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 35: SEGMENT INFORMATION | MARCH 31, 2017 | | | MARCH 31, 2016 | | |
|---|---|---|---|---|---|---|
| | REAL ESTATE | HOSPITALITY | TOTAL | REAL ESTATE | HOSPITALITY | TOTAL |
| **Segment revenue** | 98,699.84 | 12,674.54 | 1,11,374.38 | 1,28,777.25 | 12,837.45 | 1,41,614.70 |
| **Segment result** | 50,229.33 | 2,409.53 | 52,638.86 | 61,551.15 | 2,201.38 | 63,752.53 |
| Unallocated income net of unallocated expenses | | | 406.20 | | | 486.84 |
| **Operating profit** | | | **53,045.06** | | | **64,239.37** |
| Less: Interest and finance charges | | | (557.22) | | | (683.26) |
| Add: Interest income | | | 3,741.85 | | | 2,768.17 |
| **Profit before tax** | | | **56,229.69** | | | **66,324.28** |
| Provision for tax | | | (18,684.86) | | | (22,928.18) |
| **Profit after tax** | | | **37,544.83** | | | **43,396.10** |
| **Other Information** | | | | | | |
| Segment assets | 6,03,299.12 | 23,548.12 | 6,26,847.24 | 5,43,551.94 | 25,320.01 | 5,68,871.95 |
| Unallocated corporate assets [B] | | | 2,18,566.68 | | | 1,79,504.15 |
| **Total assets** | | | **8,45,413.92** | | | **7,48,376.10** |
| Segment liabilities | 2,69,924.58 | 2,891.15 | 2,72,815.73 | 2,10,964.86 | 3,294.17 | 2,14,259.03 |
| Unallocated corporate liabilities | | | 2.13 | | | 4.37 |
| **Total liabilities** | | | **2,72,817.86** | | | **2,14,263.40** |
| Capital expenditure for the year (net of transfers) | 7,770.93 | - | 7,770.93 | 2,054.85 | 30.24 | 2,085.09 |
| Unallocated capital expenditure for the year | | | 152.81 | | | 615.98 |
| Depreciation for the year | 2,519.80 | 1,990.64 | 4,510.44 | 2,497.51 | 2,006.45 | 4,503.96 |
| Unallocated depreciation for the year | | | 439.10 | | | 395.53 |

**Notes:**

A Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Operating Decision Maker evaluates the Company's performance based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the financial statement are consistently applied in individual segment to prepare segment reporting.

B Unallocated corporate assets includes temporary surplus. Income earned on temporary investment of the same has been shown in 'Unallocable Income net of Unallocable Expenditure'.

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 36 : UTILISATION OF PROCEEDS FROM PREFERENTIAL ISSUE | | MARCH 31, 2016 |
|---|---|---|
| **Statement of utilisation of amount received from allotment of Equity shares on preferential basis:** | | |
| **Particulars of fund utilisation** | | |
| Amount received from allotment of Equity Shares on Preferential basis | **(A)** | 32,450.00 |
| **Less: Deployment of funds received from the preferential allotment** | | |
| a) Share issue expenses | | 40.47 |
| b) Investment in Subsidiary Company by way of loan towards it's working capital requirements | | 32,409.53 |
| | **(B)** | 32,450.00 |
| Balance amount to be utilised | **(A-B)** | - |

(₹ in Lakh)

| NOTE 37 : LEASES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Assets taken on operating lease** | | | |
| Future minimum lease payments under non-cancellable operating lease : | | | |
| Not later than one year | 9.39 | 9.40 | - |
| Later than one year and not later than five years | - | - | - |
| Later than five year | - | - | - |
| Lease payments recognised during the year in the statement of profit and loss | 22.83 | 14.30 | - |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 38 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **A. Summary details of contingent liabilities** | | | |
| 1. Letters of credit net of margin (March 31, 2017: gross ₹ 808.07 lakh, March 31, 2016: gross ₹ 1,860.65 lakh, April 1, 2015: gross ₹ 36.00 lakh) | - | - | - |
| 2. Bank guarantees net of margin (March 31, 2017: gross ₹ 1,290.92 lakh, March 31, 2016: gross ₹ 1,157.73 lakh, April 1, 2015: gross ₹ 185.32 lakh) | - | - | - |
| 3. Indemnity bonds given in the favour of the government under Export Promotion Capital Goods Scheme (net of bank guarantees) | 1,588.42 | 1,513.70 | 1,560.34 |
| 4. Litigation | | | |
| a) Legal cases against the Company not acknowledged as debt (excluding certain matters where amount are not ascertainable) | 9,456.41 | 9,429.48 | 8,564.51 |
| b) MVAT matters in dispute | 228.06 | 228.06 | 320.55 |
| c) Income-tax matters in dispute | 2,917.92 | 2,856.61 | 1,972.88 |
| d) Service tax matters in dispute | 1,249.48 | 1,199.99 | 1,394.98 |
| e) Property tax matters in dispute | - | 395.15 | 395.15 |
| 5. Claims against the Company not acknowledged as debt | 2,570.43 | 1,287.77 | 423.07 |
| 6. Certain other additional matters which are under dispute but which are not acknowledged as debt by the Company | Amounts not ascertainable | Amounts not ascertainable | Amounts not ascertainable |
| 7. Corporate guarantee given | 55,238.65 | 72,692.68 | 63,595.95 |
| **B. Capital Commitments** | | | |
| 1. Capital contracts (net of advances) | 4,257.39 | 6,515.94 | 2,564.46 |
| 2. Capital commitment to joint venture (net of advances) | 13,703.00 | 13,703.00 | 13,703.00 |

C. The sales tax department of the government of Maharashtra has completed the VAT assessments w.r.t. the returns filed by the Company on the sale of flats to the customers during the period beginning from June 2006 till March 2012 and determined the VAT and interest liability. For some of the years, the Group has challenged the assessment order and opted for appeal, which is pending for hearing. Vide an order of the Hon'ble Supreme Court of India, the recovery of interest amounts in such cases has been stayed. However, the Group has opted to settle and pay interest for some of the years under The Maharashtra Settlement of Arrears in Disputes Act, 2016. Part of the amount has been collected by the Group from the flat purchasers on account of such liability and the Group is reasonably confident of recovering all the outstanding amount on account of VAT from flat purchasers.

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### A. Accounting classification

The carrying value of financial instruments by categories are as follows:

(₹ in Lakh)

| Particulars | Carrying Value | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2017 | | | March 31, 2016 | | | April 1, 2015 | | |
| | At Cost | Fair Value through profit or loss | Amortised Cost | At Cost | Fair Value through profit or loss | Amortised Cost | At Cost | Fair Value through profit or loss | Amortised Cost |
| **Financial assets** | | | | | | | | | |
| Cash and cash equivalents | - | - | 21,347.61 | - | - | 21,137.19 | - | - | 15,779.01 |
| Bank balances | - | - | 13,818.64 | - | - | 10,049.32 | - | - | 12,902.40 |
| Trade receivables | - | - | 10,578.83 | - | - | 11,224.49 | - | - | 7,529.25 |
| Loans | - | - | 13,369.84 | - | - | 6,904.83 | - | - | 3,987.20 |
| **Investments:** | | | | | | | | | |
| Investment in preference shares | - | - | 616.68 | - | - | 558.01 | - | - | 504.67 |
| Investment in optionally convertible debentures | - | - | 7,998.65 | - | - | 6,673.67 | - | - | 5,649.28 |
| Investment in government securities | - | - | 0.82 | - | - | - | - | - | 1.21 |
| Investment in mutual funds | - | 14,253.36 | - | - | 7,446.02 | - | - | - | - |
| Investment in subsidary / joint ventures | 1,59,560.55 | - | - | 1,30,433.06 | - | - | 1,14,575.51 | - | - |
| | **1,59,560.55** | **14,253.36** | **67,731.07** | **1,30,433.06** | **7,446.02** | **56,547.51** | **1,14,575.51** | **-** | **46,353.02** |
| **Financial liabilities** | | | | | | | | | |
| **Borrowings:** | | | | | | | | | |
| 9.25% Redeemable Non-Convertible Debenture | - | - | 77,956.28 | - | - | 36,636.67 | - - | - | 68,099.20 |
| From director | - | - | 8,908.00 | - | - | 10,708.00 | - | - | 10,708.00 |
| Trade payables | - | - | 6,123.47 | - | - | 4,621.90 | - | - | 35,89.89 |
| Other financial liability | - | - | 430.36 | - | - | 731.31 | | - | 1,128.76 |
| | **-** | **-** | **93,418.11** | **-** | **-** | **52,697.88** | | **-** | **83,525.85** |

### B. Fair Values

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(₹ in Lakh)

| March 31, 2017 | Fair value | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Bank balances | - | 13,222.42 | - |
| **Investments:** | | | |
| Investment in preference shares | - | 553.11 | - |
| Investment in optionally convertible debentures | - | 7,994.98 | - |
| **Financial liabilities** | | | |
| **Borrowings:** | | | |
| 9.25% Redeemable Non-Convertible Debenture | - | 78,351.96 | - |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)**

(₹ in Lakh)

| March 31, 2016 | Fair value | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Bank balances | - | 7,173.46 | - |
| **Investments:** | | | |
| Investment in preference shares | - | 453.84 | - |
| Investment in optionally convertible debentures | - | 6,434.09 | - |
| **Financial liabilities** | | | |
| **Borrowings:** | | | |
| 10.85% Redeemable Non-Convertible Debenture | - | 36,779.55 | - |

(₹ in Lakh)

| April 1, 2015 | Fair value | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Bank balances | - | 3,458.72 | - |
| **Investments:** | | | |
| Investment in preference shares | - | 440.80 | - |
| Investment in optionally convertible debentures | - | 5,351.98 | - |
| **Financial liabilities** | | | |
| **Borrowings:** | | | |
| 10.85% Redeemable Non-Convertible Debenture | - | 68,401.07 | - |

The management assessed that carrying amount of cash and cash equivalents, trade receivables, loans, Investment in mutual funds, borrowings, trade payable and other financial liabilities approximate their fair values largely due to the short-term maturities of these instruments.

**C. Measurement of fair values**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| **Financial Assets:**<br>- Investment in optionally convertible debentures<br>- Investment in preference shares<br>- Investment in government securities<br>- Loans<br>- Fixed deposit with maturity beyond twelve months | Discounted cash flow technique - The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor | Not Applicable | Not Applicable |
| **Financial Liabilities:**<br>- Debentures<br>- Loans from related party | Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor | Not Applicable | Not Applicable |

**Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the respective period presented above.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)**

**D. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is done to the fact that in case of its residential sell business it doesnot handover possession till entire outstanding is received. similarly in case of lease rental business, the group keep 3 to 12 months rental as deposit from the occupants.

No impairment is observed on the carrying value of trade receivable.

**Investment in debt securities**

The Group has investment only in redeemable optionally convertible debentures and the settlement of such instruments is linked to the completion of the respective underlying projects. No impairment has been recognised on such investments till date.

**Cash and cash equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Investment Committee of the Board comprising of Mr. Venkatesh Mysore (Chairperson), Mr. Anil Harish, Mr. T.P. Ostwal, (Independent Directors) and Mr. Vikas Oberoi (Non-Independent Director) on an annual basis, and may be updated throughout the year subject to approval of the Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**ii. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)**

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakh)

| March 31, 2017 | Carrying amount | Contractual Cash Flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Within 1 year | 1-2 years | 2-5 years | More than 5 years |
| **Borrowings:** | | | | | | |
| 9.25% Redeemable Non-Convertible Debenture | 77,956.28 | 77,956.28 | 3,018.51 | - | 74,937.77 | - |
| Loans from related parties | 8,908.00 | 8,908.00 | 8,908.00 | - | - | - |
| Trade payables | 6,123.47 | 6,123.47 | 5,410.18 | 713.29 | - | - |
| Other financial liability | 430.36 | 430.36 | 430.36 | - | - | - |
| | **93,418.11** | **93,418.11** | **17,767.05** | **713.29** | **74,937.77** | **-** |

(₹ in Lakh)

| March 31, 2016 | Carrying amount | Contractual Cash Flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Within 1 year | 1-2 years | 2-5 years | More than 5 years |
| **Borrowings:** | | | | | | |
| 10.85% Redeemable Non-Convertible Debenture | 36,636.67 | 36,636.67 | 11,673.75 | 24,962.92 | - | - |
| Loans from related parties | 10,708.00 | 10,708.00 | 10,708.00 | - | - | - |
| Trade payables | 4,621.90 | 4,621.90 | 4,246.41 | 375.49 | - | - |
| Other financial liability | 731.31 | 731.31 | 731.31 | - | - | - |
| | **52,697.88** | **52,697.88** | **27,359.47** | **25,338.41** | **-** | **-** |

(₹ in Lakh)

| April 1, 2015 | Carrying amount | Contractual Cash Flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Within 1 year | 1-2 years | 2-5 years | More than 5 years |
| **Borrowings:** | | | | | | |
| 10.85% Redeemable Non-Convertible Debenture | 68,099.20 | 68,099.20 | 8,234.66 | 24,964.81 | 34,899.73 | - |
| Loans from related parties | 10,708.00 | 10,708.00 | 10,708.00 | - | - | - |
| Trade payables | 3,589.89 | 3,589.89 | 3,488.81 | 101.08 | - | - |
| Other financial liability | 1,128.76 | 1,128.76 | 1,128.76 | - | - | - |
| | **83,525.85** | **83,525.85** | **23,560.23** | **25,065.89** | **34,899.73** | **-** |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)**

**iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure to these risks in our revenues and costs.

**Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when expense is denominated in a foreign currency).

The Company closely tracks and observes the movement of foreign currency with regards to INR and also forward cover rate. The Company decides to cover or keep the foreign currency exposure open based on the above.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities are as below:

(₹ in Lakh)

| Particulars | March 31, 2017 USD | March 31, 2017 SGD | March 31, 2017 EURO | March 31, 2017 TOTAL |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Trade payables | 464.03 | 1.04 | 9.90 | 474.97 |
| | **464.03** | **1.04** | **9.90** | **474.97** |

(₹ in Lakh)

| Particulars | March 31, 2016 USD | March 31, 2016 TOTAL |
|---|---|---|
| **Financial liabilities** | | |
| Trade payables | 526.50 | 526.50 |
| | **526.50** | **526.50** |

(₹ in Lakh)

| Particulars | April 1, 2015 USD | April 1, 2015 TOTAL |
|---|---|---|
| **Financial liabilities** | | |
| Trade payables | 381.49 | 381.49 |
| | **381.49** | **381.49** |

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The Group's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in Lakh)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial Liabilities | 77,956.28 | 36,636.67 |
| | **77,956.28** | **36,636.67** |

**Fair value sensitivity analysis for fixed-rate instruments**

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Commodity Price Risk**

The Group's activities are exposed to steel and cement price risks and therefore its overall risk management program focuses on the volatile nature of the steel and cement market, thus seeking to minimize potential adverse effects on the group's financial performance on account of such volatility.

The Risk management committee regularly reviews and monitors risk management principles, policies, and risk management activities.

**E. Capital Management**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest and non interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The Group's adjusted net debt to equity ratio were as follows.

(₹ in Lakh)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Total liabilities | 86,864.28 | 47,344.67 |
| Less : Cash and cash equivalent | 21,347.61 | 21,137.19 |
| **Adjusted net debt** | **65,516.67** | **26,207.48** |
| Total equity | 572,596.05 | 534,112.70 |
| **Adjusted equity** | **572,596.05** | **5,34,112.70** |
| Adjusted net debt to adjusted equity ratio | 0.11 | 0.05 |

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# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 40 : DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lakh)

| Particulars | SBNs* | Other denomination | Total |
|---|---|---|---|
| Closing cash in hand as on November 8, 2016 | 15.88 | 23.21 | 39.09 |
| (+) Permitted receipts | - | 118.18 | 118.18 |
| (+) Withdrawal | - | 11.99 | 11.99 |
| ( - ) Permitted payments | - | (28.93) | (28.93) |
| ( - ) Amount deposited in Banks | (15.88) | (89.82) | (105.70) |
| **Closing cash in hand as on December 30, 2016** | - | **34.63** | **34.63** |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

## NOTE 41 : OTHER NOTES

A In our opinion, all current assets appearing in the balance sheet as at March 31, 2017 have a value on realisation in the ordinary course of the Group business at least equal to the amount at which they are stated in the balance sheet.

B Balance of trade receivable, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.

C The Group is engaged in real estate development. The group has acquired various lands / development rights and certain projects are at initial stage of implementation. The projects may be developed with various end uses, such as hotel, retail outlets, plots, residential, commercial and IT specific use. Such projects will be classified under investment properties, PPE or inventories, as the case may be, based on ultimate end use as per final development of the property. Pending such reclassification on final development of such properties, such plots and the cost incurred on development of projects is included under the head 'Works in progress' or 'Plots of land' as part of 'Current assets'.

D A joint venture partner in AoP availed certain credit facilities from the banks against the mortgage of 21 identified flats and receivables thereof. However, the firm's share in receivables from the project is not impacted.

E Standards issued but not yet effective:

The Government of India through the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 which are effective from April 1, 2017. These amendments are as follows:

1. Amendments to IND AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group is assessing the potential effect of the amendments on its consolidated financial statements [the same is not expected to have a material impact on its consolidated financial statements].

2. The amendments to IND AS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Application of amendments will result in additional disclosure provided by the Group.

F Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

G Figures have been rounded off to the nearest thousand.

As per our report of even date
**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

**To the Members of Oberoi Realty Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Oberoi Realty Limited ('the Company'), which comprise of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;

   (e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37.A.4 to the standalone Ind AS financial statements;

      ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016

      Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management - Refer Note 40 to the standalone Ind AS financial statements.

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No. 44611
Mumbai, May 4, 2017

# ANNEXURE - A TO THE AUDITORS' REPORT

**With reference to the Annexure referred to in paragraph 1 under the heading Report on Other Legal and Regulatory Requirements of Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2017, we report that:**

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on verification were not material and have been properly dealt within the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventories have been physically verified during the year by management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and the book records were not material in relation to the operation of the Company and the same have been properly dealt within the books of account.

iii. The Company has granted unsecured interest free loans to seven parties and interest bearing loan to one party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, terms and conditions of the grant of such loans are prima facie not prejudicial to the interest of the Company.

(b) In our opinion and according to the information and explanations given to us, the terms of arrangements do not stipulate any repayment schedule as loans are repayable on demand. In case of interest bearing loan, there is no stipulation as to the date of payment of interest.

(c) There are no overdue amounts in respect of the above loans.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under subsection (1) of Section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, customs duty, value added tax, cess and other material statutory dues during the year with the appropriate authorities. As on March 31, 2017, there are no such undisputed dues payable for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no material dues of provident fund, employees state insurance, sales tax, customs duty, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax, Service Tax, Value Added Tax and Property tax have not been deposited by the Company on account of disputes:

| Nature of Statute | Nature of the Dues | Amount (₹ in Lakh) | Financial Year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Service Tax | Service Tax, Interest and Penalty | 17.71 | 2009-10 | Customs, Excise and Service Tax Appellate Tribunal, Mumbai |
| Service Tax | Service Tax, Interest and Penalty | 14.36* | 2008-09 to 2011-12 | Assistant Commissioner, Division VII, Service Tax - VI, Mumbai |
| Service Tax | Service Tax, Interest and Penalty | 33.07 | 2010-11 to 2013-14 | Additional Commissioner, Service Tax Audit- III, Mumbai |
| Service Tax | Service Tax, Interest and Penalty | 98.38 | 2014-15 | Joint Commissioner, Service Tax - VI, Mumbai |
| Service Tax | Service Tax, Interest and Penalty | 49.48 | 2011-12 to 2014-15 | Deputy Commissioner, Service Tax Audit Commissioner – III, Mumbai |
| MVAT | VAT, Interest and Penalty | 198.06** | 2008-09 | MSTAT, Mumbai |
| Income Tax | Income Tax | 8.53 | 2008-09 | Income Tax Appellant Tribunal, Mumbai |
| Income Tax | Income Tax | NIL*** | 2013-14 | Commissioner of Income Tax (Appeal) |
| Income Tax | Income Tax and Interest | 11.96 | 2012-13 | Assessing officer (CPC TDS), Mumbai |
| Income Tax | Income Tax and Interest | 8.89 | 2013-14 | Assessing Officer (CPC TDS), Mumbai |
| Income Tax | Income Tax and Interest | 0.21 | 2014-15 | Commissioner of Income Tax (Appeals) |
| Income Tax | Income Tax and Interest | 2.77 | 2015-16 | Commissioner of Income Tax (Appeals) |
| Municipal Taxes | Property Tax | 7.33 | 2010-11 | The Assistant Assessor and Collector, Assessment Department, M.C.G.M |
| Municipal Taxes | Property Tax | 7.34 | 2011-12 | The Assistant Assessor and Collector, Assessment Department, M.C.G.M |
| Municipal Taxes | Property Tax | 7.34 | 2012-13 | The Assistant Assessor and Collector, Assessment Department, M.C.G.M |
| Municipal Taxes | Property Tax | 10.25 | 2013-14 | The Assistant Assessor and Collector, Assessment Department, M.C.G.M |
| Municipal Taxes | Property Tax | 26.21 | 2014-15 | The Assistant Assessor and Collector, Assessment Department, M.C.G.M |
| Municipal Taxes | Property Tax | 7.34 | 2015-16 | The Assistant Assessor and Collector, Assessment Department, M.C.G.M |
| Municipal Taxes | Property Tax | 7.34 | 2016-17 | The Assistant Assessor and Collector, Assessment Department, M.C.G.M |

In the following matters, the department has preferred appeals at higher levels:

| Nature of Statute | Nature of the Dues | Amount (₹ in Lakh) | Financial Year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax | Income Tax and Interest | 67.76 | 2001-02 | Supreme Court |
| Income Tax | Income Tax and Interest | 60.00 | 2002-03 | Supreme Court |
| Income Tax | Income Tax and Interest | 415.63 | 2003-04 | Supreme Court |

| Nature of Statute | Nature of the Dues | Amount (₹ in Lakh) | Financial Year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax | Income Tax and Interest | 239.32 | 2004-05 | Supreme Court |
| Income Tax | Income Tax and Interest | 265.41 | 2005-06 | Supreme Court |
| Income Tax | Income Tax and Interest | 46.68 | 2006-07 | Supreme Court |
| Service Tax | Service Tax, Interest and Penalty | 171.82 | 2008-09 | High Court |

* net of amount of ₹ 14.26 lakh deposited under protest
**net of amount of ₹ 30.00 lakh deposited under protest
***net of amount of ₹ 113.48 lakh deposited under protest

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of equity shares or fully or partly convertible debentures during the year under review.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No. 44611
Mumbai, May 4, 2017

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# ANNEXURE - B TO THE AUDITORS' REPORT

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Oberoi Realty Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No. 44611
Mumbai, May 4, 2017

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# STANDALONE BALANCE SHEET

(₹ in Lakh)

| AS AT | NOTE | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **I) Non-current assets** | | | | |
| a) Property, plant and equipments | 2 | 21,635.06 | 23,476.88 | 25,570.38 |
| b) Investment properties | 3 | 59,747.87 | 61,136.44 | 62,681.42 |
| c) Intangible assets | 4 | 202.80 | 250.42 | 138.29 |
| d) Capital work in progress | 5 | 678.72 | 1,092.49 | 614.81 |
| e) Financial assets | | | | |
| i) Investments | 6 | 61,692.71 | 63,285.18 | 61,997.25 |
| f) Other non-current assets | 7 | 13,377.27 | 13,042.74 | 13,726.40 |
| | | **1,57,334.43** | **1,62,284.15** | **1,64,728.55** |
| **II) Current assets** | | | | |
| a) Inventories | 8 | 1,05,520.75 | 90,348.36 | 1,03,278.55 |
| b) Financial assets | | | | |
| i) Investments | 9 | 7,858.61 | 1,123.40 | - |
| ii) Trade receivables | 10 | 2,738.67 | 3,852.66 | 2,761.23 |
| iii) Cash and cash equivalents | 11 | 14,118.05 | 1,386.96 | 5,123.30 |
| iv) Bank balances other than (iii) above | 12 | 8,232.37 | 7,513.85 | 3,688.34 |
| v) Loans | 13 | 1,31,948.69 | 1,52,450.53 | 88,400.60 |
| c) Current tax assets (net) | 14 | 97.54 | 753.21 | 1,142.66 |
| d) Other current assets | 7 | 38,054.44 | 39,579.65 | 56,545.60 |
| | | **3,08,569.12** | **2,97,008.62** | **2,60,940.28** |
| **TOTAL ASSETS (I+II)** | | **4,65,903.55** | **4,59,292.77** | **4,25,668.83** |
| **EQUITY AND LIABILITIES** | | | | |
| **I) Equity** | | | | |
| a) Equity share capital | 15 | 33,953.55 | 33,930.39 | 32,823.80 |
| b) Other equity | 16 | 3,77,059.93 | 3,44,395.49 | 2,76,523.40 |
| | | **4,11,013.48** | **3,78,325.88** | **3,09,347.20** |
| **II) Liabilities** | | | | |
| **i) Non-current liabilities** | | | | |
| a) Financial liabilities | | | | |
| i) Trade payables | 17 | 359.91 | 82.98 | 64.58 |
| ii) Other financial liabilities | 18 | 915.82 | 383.64 | 952.61 |
| b) Provisions | 19 | 135.68 | 120.00 | 112.44 |
| c) Deferred tax liabilities (Net) | 20 | 2,393.42 | 2,335.16 | 2,336.12 |
| d) Other non-current liabilities | 21 | 3,664.15 | 2,677.57 | 4,386.11 |
| | | **7,468.98** | **5,599.35** | **7,851.86** |
| **ii) Current liabilities** | | | | |
| a) Financial liabilities | | | | |
| i) Borrowings | 22 | 9,950.00 | 10,861.18 | 12,703.68 |
| ii) Trade payables | 17 | 3,041.10 | 3,327.11 | 2,639.42 |
| iii) Other financial liabilities | 18 | 942.75 | 563.59 | 781.47 |
| b) Other current liabilities | 21 | 33,336.28 | 60,380.88 | 91,996.38 |
| c) Provisions | 19 | 150.96 | 234.78 | 348.82 |
| | | **47,421.09** | **75,367.54** | **1,08,469.77** |
| **TOTAL LIABILITIES (i+ii)** | | **54,890.07** | **80,966.89** | **1,16,321.63** |
| **TOTAL EQUITY AND LIABILITIES (I+II)** | | **4,65,903.55** | **4,59,292.77** | **4,25,668.83** |

Significant accounting policies 1

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

| FOR THE YEAR ENDED | | NOTE | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Revenue from operations | | 23 | 89,071.20 | 1,18,352.69 |
| Other income | | 24 | 5,837.01 | 16,561.47 |
| **Total revenue** | **(A)** | | **94,908.21** | **1,34,914.16** |
| **EXPENSES** | | | | |
| Operating costs | | 25 | 34,000.84 | 52,942.05 |
| Excise duty | | 26 | 12.36 | 13.71 |
| Employee benefits expense | | 27 | 5,561.66 | 4,922.35 |
| Other expenses | | 28 | 3,303.67 | 4,431.53 |
| Depreciation and amortisation | | 29 | 4,199.70 | 4,207.09 |
| Interest and finance charges | | 30 | 216.77 | 325.62 |
| **Total expenses** | **(B)** | | **47,295.00** | **66,842.35** |
| **Profit before tax** | **(A-B)** | | **47,613.21** | **68,071.81** |
| **Tax expense** | | | | |
| Current tax | | 14 | 15,500.83 | 18,267.85 |
| Deferred tax | | | 47.41 | 3.02 |
| Short provision of tax in earlier years | | | - | 42.70 |
| **Profit after tax** | **(C)** | | **32,064.97** | **49,758.24** |
| **Other comprehensive income** | | | | |
| Re - measurement gains / (losses) on defined benefit plans | | | 31.38 | (11.53) |
| Income tax effect | | | (10.86) | 3.99 |
| **Total comprehensive income / (expenses) for the year net of tax** | **(D)** | | **20.52** | **(7.54)** |
| **Total comprehensive income for the year (Comprising profit / (loss) and other comprehensive income for the year)** | **(C+D)** | | **32,085.49** | **49,750.70** |
| **Earnings per equity share (face value of ₹10)** | | 31 | | |
| - Basic (in ₹) | | | 9.45 | 14.81 |
| - Diluted (in ₹) | | | 9.45 | 14.81 |

Significant accounting policies 1
The accompanying notes form an integral part of the financial statements

As per our report of even date

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# STATEMENT OF CHANGES IN EQUITY

## A. Equity Share Capital

(₹ in Lakh)

| Particular | Note | Amount |
|---|---|---|
| As at April 1, 2015 | 15 | 32,823.80 |
| Change in equity share capital | | 1,106.59 |
| As at March 31, 2016 | 15 | 33,930.39 |
| Change in equity share capital | | 23.16 |
| **As at March 31, 2017** | **15** | **33,953.55** |

## B. Other Equity

(₹ in Lakh)

| Particulars | Note | Reserves and Surplus | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Retained earnings | Securities premium account | General reserve | Capital redemption reserve | Capital reserve | |
| **A. Balance as at April 1, 2015** | **16** | **1,23,123.01** | **1,35,144.38** | **8,956.01** | **5,710.00** | **3,590.00** | **2,76,523.40** |
| **Changes during the year** | | | | | | | |
| Exercise of stock options | | - | 164.69 | - | - | - | 164.69 |
| Issue of fresh shares on preferential basis | | - | 31,350.00 | - | - | - | 31,350.00 |
| Amounts utilized for issue of fresh shares on preferential basis | | - | (40.47) | - | - | - | (40.47) |
| Remeasurement of the net defined benefit liability/asset, net of taxes | | (7.54) | - | - | - | - | (7.54) |
| Dividends (including corporate dividend tax) | | (13,352.83) | - | - | - | - | (13,352.83) |
| Profit for the year | | 49,758.24 | - | - | - | - | 49,758.24 |
| **B. Total changes during the year** | | **36,397.87** | **31,474.22** | **-** | **-** | **-** | **67,872.09** |
| **(A+B) Balance as at March 31, 2016** | **16** | **1,59,520.88** | **1,66,618.60** | **8,956.01** | **5,710.00** | **3,590.00** | **3,44,395.49** |

(₹ in Lakh)

| Particulars | Note | Reserves and Surplus | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Retained earnings | Securities premium account | General reserve | Capital redemption reserve | Capital reserve | |
| **A. Balance as at April 1, 2016** | **16** | **1,59,520.88** | **1,66,618.60** | **8,956.01** | **5,710.00** | **3,590.00** | **3,44,395.49** |
| **Changes during the year** | | | | | | | |
| Exercise of stock options | | - | 578.95 | - | - | - | 578.95 |
| Remeasurement of the net defined benefit liability/asset, net of taxes | | 20.52 | - | - | - | - | 20.52 |
| Profit for the year | | 32,064.97 | - | - | - | - | 32,064.97 |
| **B. Total changes during the year** | | **32,085.49** | **578.95** | **-** | **-** | **-** | **32,664.44** |
| **(A+B) Balance as at March 31, 2017** | **16** | **1,91,606.37** | **1,67,197.55** | **8,956.01** | **5,710.00** | **3,590.00** | **3,77,059.93** |

As per our report of even date

**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# STANDALONE CASHFLOW STATEMENT

(₹ in Lakh)

| FOR THE YEAR ENDED | | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | |
| **Profit before tax as per statement of profit and loss** | | **47,613.21** | **68,071.81** |
| **Adjustments for** | | | |
| Depreciation and amortisation | | 4,199.70 | 4,207.09 |
| Interest income (including fair value change in financial instruments) | | (5,506.48) | (3,079.18) |
| Interest expenses (including fair value change in financial instruments) | | 200.91 | 310.83 |
| Re - measurement gains / (losses) on defined benefit plans | | 31.38 | (11.53) |
| Dividend income | | (33.39) | (13,364.07) |
| Loss / (profit) on sale of investments (net) | | (290.77) | (116.14) |
| Loss / (gain) from foreign exchange fluctuation (net) | | (8.21) | 11.63 |
| (Gain) / loss on sale / discarding of investment properties (net) | | 16.79 | (0.03) |
| (Gain) / loss on sale / discarding of property, plant and equipment (net) | | (2.46) | (0.31) |
| Sundry balances written off / (back) | | (11.14) | (69.53) |
| **Operating cash profit before working capital changes** | | **46,209.54** | **55,960.57** |
| **Movement for working capital** | | | |
| Increase / (decrease) in trade payables | | 62.45 | 1,181.04 |
| Increase / (decrease) in other liabilities | | (24,276.05) | (33,634.85) |
| Increase / (decrease) in provisions | | (68.13) | (106.48) |
| (Increase) / decrease in loans and advances | | 1,113.58 | 17,602.41 |
| (Increase) / decrease in trade receivables | | 1,113.99 | (1,091.43) |
| (Increase) / decrease in inventories | | (15,172.40) | 12,930.21 |
| **Cash generated from operations** | | **8,982.98** | **52,841.47** |
| Direct taxes (paid) / refund | | (14,845.16) | (17,921.09) |
| **Net cash inflow / (outflow) from operating activities** | **(A)** | **(5,862.18)** | **34,920.38** |
| **CASH FLOW FROM INVESTING ACTIVITIES:** | | | |
| (Acquisition) / (adjustments) / sale of property, plant and equipment, investment properties, intangible assets / addition to capital work in progress (net) | | (519.27) | (1,541.35) |
| Interest received | | 1,791.14 | 594.62 |
| Dividend received | | 33.39 | 13,364.07 |
| Decrease / (increase) in loans and advances to / for subsidiaries / joint ventures (net) | | 22,433.86 | (62,974.11) |
| (Acquisition) / sale of investments (net) | | (5,238.71) | (539.59) |
| (Increase) / decrease in other assets | | (720.76) | (3,822.43) |
| **Net cash inflow / (outflow) from investing activities** | **(B)** | **17,779.65** | **(54,918.79)** |
| **CASH FLOW FROM FINANCING ACTIVITIES:** | | | |
| Increase in equity share capital (including share premium) | | 602.11 | 32,580.81 |
| Proceeds from borrowings | | 12,303.50 | 15,802.00 |
| Repayment of borrowings | | (13,214.68) | (17,644.50) |
| Interest paid | | (0.71) | - |
| Dividend paid (including dividend distribution tax) | | - | (13,352.83) |
| **Net cash inflow / (outflow) from financing activities** | **(C)** | **(309.78)** | **17,385.48** |
| **Net increase / (decrease) in cash and cash equivalents** | **(A+B+C)** | **11,607.69** | **(2,612.93)** |
| Add: cash and cash equivalents at the beginning of the year | | 2,510.36 | 5,123.29 |
| **Cash and cash equivalents at the end of the year** | | **14,118.05** | **2,510.36** |

OBEROI REALTY

# STANDALONE CASHFLOW STATEMENT

## COMPONENTS OF CASH AND CASH EQUIVALENTS

(₹ in Lakh)

| AS AT | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Cash on hand | 26.35 | 12.70 |
| Balance with banks | 1,967.23 | 714.67 |
| Fixed deposits with banks, having original maturity of three months or less | 730.50 | 650.29 |
| Fixed deposit with banks, having original maturity of more than three months but less than twelve months | 11,393.97 | 9.30 |
| Add: Short term liquid investment | - | 1,123.40 |
| **Cash and cash equivalents at the end of the year** | **14,118.05** | **2,510.36** |

## RECONCILIATION STATEMENT OF CASH AND BANK BALANCES

(₹ in Lakh)

| AS AT | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Cash and cash equivalents at the end of the year as per above | 14,118.05 | 2,510.36 |
| Add: Balance with banks in dividend / unclaimed dividend accounts | 2.13 | 4.37 |
| Add: Fixed deposits with banks, having original maturity of more than twelve months | 3,536.74 | 3,071.22 |
| Add: Fixed deposits with banks (lien marked) | 4,693.50 | 4,438.26 |
| Less: Short term liquid investments | - | (1,123.40) |
| **Cash and bank balance as per balance sheet (refer note 11 and 12)** | **22,350.42** | **8,900.81** |

Significant accounting policies (refer note 1)
The accompanying notes form an integral part of the financial statements

As per our report of even date
**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## 1. NATURE OF OPERATIONS

Oberoi Realty Limited (the 'Company' or 'ORL'), a public limited company is incorporated under the Companies Act 1956. The Company is engaged primarily in the business of real estate development and hospitality.

The Company is headquartered in Mumbai, India. The shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited. Its registered office is situated at Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai- 400 063.

The financial statements for the year ended March 31, 2017 were authorized and approved for issue by the Board of Directors on May 04, 2017.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA') as amended by the Companies (Indian Accounting Standards) Rules, 2016.

For all periods up to and including the year ended March 31, 2015 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended from time to time.

The financial statements for the year ended March 31, 2017 are the Company's first Ind AS financial statements. The Company has adopted Ind AS standards effective from April 01, 2016 with comparatives for year ending March 31, 2016 and April 01, 2015 being restated and the adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. All applicable Ind AS have been applied consistently and retrospectively wherever required. Please refer to note 4.2 for information on how the Company has adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

### 2.2 Current/non-current classification

The Company's normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and hospitality business is based on 12 months period. Assets and liabilities have been classified into current and non-current based on their respective operating cycle.

### 2.3 Foreign currencies

#### Initial recognition

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**Conversion**

All monetary items outstanding at year end denominated in foreign currency are converted into Indian Rupees at the reporting date exchange rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange differences**

The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

## 2.4 Property, plant and equipment (PPE)

**Transition to Ind AS**

Under the previous Indian GAAP, property plant and equipment were carried in the balance sheet at cost less accumulated depreciation / amortisation and impairment losses, if any. The Company has elected to regard those values of property, plant and equipment as deemed cost at the date of transition to Ind AS (April 01, 2015).

**Recognition and initial measurement**

Property, plant and equipment are stated at cost less accumulated depreciation/amortisation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses. Revenue earned, if any, during trial run of assets is adjusted against cost of the assets. Cost also includes the cost of replacing part of the plant and equipment.

Borrowing costs relating to acquisition / construction / development of tangible assets, which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**Subsequent measurement (depreciation and useful lives)**

When significant components of property and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation, if these components are initially recognised as separate asset. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

| | |
|---|---|
| Building | 60 years |
| Temporary structures | 3 years |
| Plant and machinery | 15 years |
| Furniture and fixtures | 10 years |
| Electrical installations and equipments | 10 years |
| Office equipments* | 5 years |
| Computers | 3 years |
| Vehicles | 8 years |

*Mobile handsets - 3 years

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Depreciation method, useful life and residual value are reviewed periodically.

Leasehold land and improvements are amortised on the basis of duration and other terms of lease.

The carrying amount of PPE is reviewed periodically for impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

**De-recognition**

PPE are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

## 2.5 Intangible assets

**Transition to Ind AS**

Under the previous Indian GAAP, intangible assets, were carried in the balance sheet at cost less accumulated depreciation / amortisation and impairment losses, if any. The Company has elected to regard those values of intangible assets as deemed cost at the date of transition to Ind AS (April 01, 2015).

**Recognition and initial measurement**

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

**Subsequent measurement (Amortization)**

All intangible assets with definite useful life are amortized on a straight line basis over the estimated useful lives not exceeding 5 years.

The carrying amount of intangible asset is reviewed periodically for impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

## 2.6 Investment properties

**Transition to Ind AS**

Under the previous Indian GAAP, investment properties were carried in the balance sheet at cost less accumulated depreciation / amortisation and impairment losses, if any. The Company has elected to regard those values of investment properties as deemed cost at the date of transition to Ind AS (April 01, 2015).

**Recognition and initial measurement**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has experience in the category of the investment property being valued.

**Subsequent measurement (depreciation and useful lives)**

Investment Properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any, subsequently. Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the following class of assets where the management has estimated useful life which differs from the useful life prescribed under the Act.

| | |
|---|---|
| Lessee specific assets and improvements | Over lease period or useful life as prescribed in Schedule II, whichever is lower |

For above classes of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

Leasehold land and improvements are amortised on the basis of duration and other terms of lease.

The carrying amount of Investment Property is reviewed periodically for impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

When significant components of Investment Properties are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation, if these components are initially recognised as separate asset. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

**De-recognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

## 2.7 Capital work in progress

Capital work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditures incurred in respect of capital projects under development and includes any attributable / allocable cost and other incidental expenses. Revenues earned, if any, from such capital project before capitalisation are adjusted against the capital work in progress.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## 2.8 Revenue recognition

### 2.8.1 Revenue from real estate projects

The Company follows the percentage of project completion method for its projects.

The Company recognises revenue in proportion to the actual project cost incurred (including land cost) as against the total estimated project cost (including land cost), subject to achieving the threshold level of project cost (excluding land cost) as well as area sold, in line with the "Revised Guidance Note on Accounting for Real Estate Transaction" (for entities to whom Ind AS is applicable) and depending on the type of project.

Revenue is recognised net of indirect taxes and on execution of either an agreement or a letter of allotment.

The estimates relating to percentage of completion, costs to completion, area available for sale etc. being of a technical nature are reviewed and revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined.

Land cost includes the cost of land, land related development rights and premium.

### 2.8.2 Revenue from hospitality

Room revenue is recognised based on occupancy. Revenue from sale of food and beverages and other allied services is recognised as and when the services are rendered. Revenue includes excise duty and the same is recognised net of trade discounts and sales tax / value added tax (VAT), if any.

### 2.8.3 Revenue from lease rentals and related income

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rentals is disclosed net of indirect taxes, if any.

Revenue from property management service is recognised at value of service and is disclosed net of indirect taxes, if any.

### 2.8.4 Interest income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the statement of profit and loss.

### 2.8.5 Dividend income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 2.8.6 Other income

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Company's claim.

## 2.9 Leases

### 2.9.1 Where the Company is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as prepaid rent and recognised over the lease term. Unwinding of discount is treated as finance income and recognised in the profit & loss account.

### 2.9.2 Where the Company is the lessor

Assets given under operating leases are included in Investment Properties. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Lease deposits received are financial instruments (financial liability) and need to be measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the effective interest rate (EIR) method.

## 2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 2.10.1 Financial assets

#### Initial measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

#### Subsequent measurement

#### (i) Financial assets at amortised cost

Financial assets are measured at the amortised cost, if both of the following criteria are met:

a. These assets are held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

**(ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI if both of the following criteria are met:

a. These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss.

**(iii) Financial assets at fair value through profit or loss (FVTPL)**

Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, are classified as at FVTPL. Gain or losses are recognised in the statement of profit and loss.

**(iv) Equity instruments**

Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as FVTPL, and measured at fair value with all changes recognised in the statement of profit and loss.

**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition.

**Impairment of financial assets**

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

a. Trade receivables; and

b. All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

### 2.10.2 Financial liabilities

**Initial measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

**Subsequent measurement**

Financial liabilities are subsequently carried at amortized cost using the EIR method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**De-recognition**

A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Loan and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Intercompany loans are discounted to its present value using incremental borrowing rate applicable to the borrower entity. The difference between the carrying value of the loan and its present value is accounted based on the relationship with the borrower for e.g. in case of subsidiary, the difference is shown as further equity infusion in the subsidiary. The unwinding of discount from the date of loan to the transition date is shown as an income and recognised in "Retained earnings" of the Lender.

### 2.10.3 Fair value measurement

The Company measures financial instruments at fair value on initial recognition and uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 2.11 Derivative financial instruments

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments (forward currency contracts) to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

## 2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management process.

## 2.13 Income taxes

### 2.13.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are in force at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets current tax assets and current tax liabilities where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

### 2.13.2 Deferred tax

Deferred income tax is recognised using the balance sheet approach.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Such deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and reduces to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the MAT to be utilised.

**2.14 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted market prices or other available fair value indicators.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## 2.15 Inventories

### 2.15.1 Construction materials and consumables

The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased for construction work issued to the construction work in progress are treated as consumed.

### 2.15.2 Construction work in progress

The construction work in progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

### 2.15.3 Finished stock of completed projects (ready units)

Finished stock of completed projects and stock in trade of units is valued at lower of cost or net realisable value.

### 2.15.4 Food and beverages

Stock of food and beverages are valued at lower of cost (computed on a moving weighted average basis, net of taxes) or net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition.

### 2.15.5 Hospitality related operating supplies

Hospitality related operating supplies such as guest amenities and maintenance supplies are expensed as and when purchased.

## 2.16 Share based payments - Equity-settled transactions

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

## 2.17 Provisions and contingent liabilities

(i) A provision is recognised when:

- The Company has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

(ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources. A contingent liability also arises in extreme cases where there is a probable liability that cannot be recognised because it cannot be measured reliably.

(iii) Where there is a possible obligation or a present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets or for long - term project development are capitalised as part of their costs.

Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the assets for their intended use are in progress.

Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

### 2.19 Segment reporting

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Operating Decision Maker evaluates the Company's performance based on an analysis of various performance indicators by business segment. Segment revenue and expense include amounts which can be directly attributable to the segment and allocable on reasonable basis. Segment assets and liabilities are assets / liabilities which are directly attributable to the segment or can be allocated on a reasonable basis. Income / expenses / assets / liabilities relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated income / expenses / assets / liabilities.

### 2.20 Employee benefits

#### 2.20.1 Defined contribution plans

Retirement benefits in the form of contribution to provident fund and pension fund are charged to the statement of profit and loss.

#### 2.20.2 Defined benefit plans

Gratuity is in the nature of a defined benefit plan.

Provision for gratuity is calculated on the basis of actuarial valuations carried out at reporting date and is charged to the statement of profit and loss. The actuarial valuation is computed using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

#### 2.20.3 Other employee benefits

Leave encashment is recognised as an expense in the statement of profit and loss account as and when they accrue. The Company determines the liability using the projected unit credit method, with actuarial valuations carried out as at balance sheet date. Actuarial gains and losses are recognised in the statement of other comprehensive income.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 3. USE OF JUGDEMENTS AND ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

### 3.1 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have a significant effect on the financial statements.

#### 3.1.1 Revenue recognition

Revenue is recognised using the percentage of completion method as construction progresses. The percentage of completion is estimated by reference to the stage of the projects determined based on the proportion of costs incurred to date and the total estimated costs to complete.

#### 3.1.2 Classification of property

The Company determines whether a property is classified as investment property or as inventory:

(i) Investment property comprises land and buildings that are not occupied for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are rented to tenants and are not intended to be sold in the ordinary course of business.

(ii) Inventory comprises property that is held for sale in the ordinary course of business. Principally these are properties that the Company develops and intends to sell before or on completion of construction.

#### 3.1.3 Operating lease contracts – the Company as lessor

The Company has entered into leases of its investment properties. The Company has determined based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

#### 3.1.4 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

### 3.2 Estimates and assumptions

#### 3.2.1 Classification of assets and liabilities into current and non-current

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects.

#### 3.2.2 Impairment of assets

In assessing impairment, management estimates the recoverable amounts of each asset or CGU (in case of non-financial assets) based on expected future cash flows and uses an estimated interest rate to discount them. Estimation relates to assumptions about future cash flows and the determination of a suitable discount rate.

#### 3.2.3 Useful lives of depreciable / amortisable assets (Property, plant and equipment, intangible assets and investment property)

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected usage of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the usage of certain assets.

#### 3.2.4 Inventories

Inventory is stated at the lower of cost or net realisable value (NRV).

NRV for completed inventory property is assessed including but not limited to market conditions and prices existing at the reporting date and is determined by the Company based on net amount that it expects to realise from the sale of inventory in the ordinary course of business.

NRV in respect of inventories under construction is assessed with reference to market prices (reference to the recent selling prices) at the reporting date less estimated costs to complete the construction, and estimated cost necessary to make the sale. The costs to complete the construction are estimated by management.

#### 3.2.5 Defined benefit obligation (DBO)

The cost of defined benefit gratuity plan and the present value of the gratuity obligation along with leave salary are determined using actuarial valuations. An actuarial valuation involves making various assumptions such as standard rates of inflation, mortality, discount rate, attrition rates and anticipation of future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 3.2.6 Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument / assets. Management bases its assumptions on observable data as far as possible but this may not always be available. In that case management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## 4. FIRST TIME ADOPTION OF IND AS

The date of transition to Ind AS is April 01, 2015. The Company applied Ind AS 101 First-time Adoption of Indian Accounting Standards' in preparing these first Ind AS financial statements. The effects of the transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the accompanying notes.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016 and April 01, 2015 being restated as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made and the exemptions applied by the Company in restating its previous Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

### 4.1 First-time adoption exemptions applied

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, in preparing these financial statements, as set out below:

#### 4.1.1 Mandatory exemptions applied by the Company

**(i)** As per Ind AS 109, financial assets and liabilities that had been de-recognised before the date of transition to Ind AS under previous Indian GAAP have not been recognised under Ind AS.

**(ii)** As per Ind AS 109, impairment of financial assets needs to be applied retrospectively. Company has reasonable and supportable information to determine the credit risk and it has concluded that the credit risk remains the same on the date of transition which was assessed to suchinstrument on the date of its initial recognition. Hence there is no impairment which is to be given effect retrospectively.

#### 4.1.2 Optional exemptions applied by the Company

**(i) Share based payment transactions**

Ind AS 101 provides optional exemption not to apply Ind AS 102 to all equity instruments that vested before that date of transition. Company has issued Stock Options under Employee Stock Option Plan (ESOP 2009). However, all the options have been vested before the transition date i.e. April 01, 2015. Therefore, Company has availed the exemption.

**(ii) Property, plant and equipment (PPE), Intangible assets (IA) and Investment properties (IP)**

Ind AS 101 provides optional exemption to have a deemed cost as a starting point for the items of PPE, IA and IP instead of cost determined as per the requirement of Ind AS 16. Company has opted to carry forward the PPE, IA and IP under Ind AS at deemed costs i.e. carrying value under previous Indian GAAP as on April 01, 2015.

**(iii) Fair value measurement of financial assets or financial liabilities at initial recognition**

Ind AS 101 provides optional exemption to apply Ind AS 109 prospectively. Company has availed the said exemption.

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**4.2 Reconciliations**

**The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:**

1 Equity as at April 1, 2015 and March 31, 2016
2 Net profit for the year ended March 31, 2016

**1 Reconciliation statement of equity as previously reported under IGAAP to Ind AS**

(₹ in Lakh)

| Particulars | Explanation | Balance Sheet as at March 31, 2016 | | | Opening Balance Sheet as at April 1, 2015 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP | Effects of transition to Ind AS | Ind AS | IGAAP | Effects of transition to Ind AS | Ind AS |
| **ASSETS** | | | | | | | |
| **I) Non-current assets** | | | | | | | |
| a) Property, plant and equipment | 1 | 84,613.31 | (61,136.44) | 23,476.88 | 88,251.81 | (62,681.42) | 25,570.38 |
| b) Investment property | 1 | - | 61,136.44 | 61,136.44 | - | 62,681.42 | 62,681.42 |
| c) Intangible assets | 1 | 250.42 | - | 250.42 | 138.29 | - | 138.29 |
| d) Capital work-in-progress | | 1,092.49 | - | 1,092.49 | 614.81 | - | 614.81 |
| e) Financial assets | | | | | | | |
| i) Investments | 4,5,7 | 51,321.57 | 11,963.62 | 63,285.18 | 51,218.44 | 10,778.80 | 61,997.25 |
| f) Other non-current assets | 2,8 | 12,897.10 | 145.64 | 13,042.74 | 13,611.62 | 114.78 | 13,726.40 |
| | | **1,50,174.89** | **12,109.26** | **1,62,284.15** | **1,53,834.97** | **10,893.58** | **1,64,728.55** |
| **II) Current assets** | | | | | | | |
| a) Inventories | 3 | 90,349.95 | (1.59) | 90,348.36 | 1,03,278.56 | (0.01) | 1,03,278.55 |
| b) Financial assets | | | | | | | |
| i) Investments | 6 | 1,121.00 | 2.40 | 1,123.40 | - | - | - |
| ii) Trade receivables | | 3,852.66 | - | 3,852.66 | 2,761.23 | - | 2,761.23 |
| iii) Cash and cash equivalents | | 1,386.37 | 0.59 | 1,386.96 | 5,122.52 | 0.78 | 5,123.30 |
| iv) Bank balances other than (iii) above | | 7,371.58 | 142.27 | 7,513.85 | 3,625.61 | 62.73 | 3,688.34 |
| v) Loans | 7 | 1,56,943.58 | (4,493.05) | 1,52,450.53 | 93,080.94 | (4,680.34) | 88,400.60 |
| c) Current tax assets (net) | | 753.21 | - | 753.21 | 1,142.66 | - | 1,142.66 |
| d) Other current assets | 2,8 | 39,606.46 | (26.81) | 39,579.65 | 56,537.09 | 8.51 | 56,545.60 |
| | | **3,01,384.81** | **(4,376.19)** | **2,97,008.62** | **2,65,548.61** | **(4,608.33)** | **2,60,940.28** |
| **TOTAL ASSETS (I+II)** | | **4,51,559.70** | **7,733.07** | **4,59,292.77** | **4,19,383.58** | **6,285.25** | **4,25,668.83** |
| **EQUITY AND LIABILITIES** | | | | | | | |
| **I) Equity** | | | | | | | |
| a) Equity share capital | | 33,930.38 | 0.01 | 33,930.39 | 32,823.80 | - | 32,823.80 |
| b) Other equity | | 3,37,672.90 | 6,722.59 | 3,44,395.49 | 2,64,103.70 | 12,419.70 | 2,76,523.40 |
| | | **3,71,603.28** | **6,722.60** | **3,78,325.88** | **2,96,927.50** | **12,419.70** | **3,09,347.20** |
| **II) Liabilities** | | | | | | | |
| **i) Non-current liabilities** | | | | | | | |
| a) Financial liabilities | | | | | | | |
| i) Trade payables | | 82.98 | - | 82.98 | 64.58 | - | 64.58 |
| ii) Other financial liabilities | 9 | - | 383.64 | 383.64 | - | 952.61 | 952.61 |
| b) Provisions | | 120.00 | - | 120.00 | 112.44 | - | 112.44 |
| c) Deferred tax liabilities (Net) | 10 | 2,242.50 | 92.66 | 2,335.16 | 2,272.10 | 64.02 | 2,336.12 |
| d) Other non-current liabilities | 2,8 | 2,800.62 | (123.05) | 2,677.57 | 4,669.96 | (283.85) | 4,386.11 |
| | | **5,246.10** | **353.25** | **5,599.35** | **7,119.08** | **732.78** | **7,851.86** |
| **ii) Current liabilities** | | | | | | | |
| a) Financial liabilities | | | | | | | |
| i) Borrowings | | 10,861.18 | - | 10,861.18 | 12,703.68 | - | 12,703.68 |
| ii) Trade payables | | 3,327.11 | - | 3,327.11 | 2,639.42 | - | 2,639.42 |
| iii) Other financial liabilities | 9 | - | 563.59 | 563.59 | 1.29 | 780.18 | 781.47 |
| b) Other current liabilities | 2,8 | 60,287.25 | 93.63 | 60,380.88 | 91,742.58 | 253.80 | 91,996.38 |
| c) Provisions | | 234.78 | - | 234.78 | 8,250.03 | (7,901.21) | 348.82 |
| | | **74,710.32** | **657.22** | **75,367.54** | **1,15,337.00** | **(6,867.23)** | **1,08,469.77** |
| **TOTAL LIABILITIES (i+ii)** | | **79,956.42** | **1,010.47** | **80,966.89** | **1,22,456.08** | **(6,134.45)** | **1,16,321.63** |
| **TOTAL EQUITY AND LIABILITIES (I+II)** | | **4,51,559.70** | **7,733.07** | **4,59,292.77** | **4,19,383.58** | **6,285.25** | **4,25,668.83** |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**2 Reconciliation statement of Profit and Loss as previously reported under IGAAP to Ind AS**

(₹ in Lakh)

| Particulars | Explanation | Year Ended March 31, 2016 | | |
|---|---|---|---|---|
| | | IGAAP | Effects of transition to Ind AS | Ind AS |
| **INCOME** | | | | |
| Revenue from operations | 2,3,8 | 1,17,976.55 | 376.14 | 1,18,352.69 |
| Other income | 4,5,6,7 | 14,395.08 | 2,166.39 | 16,561.47 |
| **Total revenue** | | **1,32,371.63** | **2,542.53** | **1,34,914.16** |
| **EXPENSES** | | | | |
| Operating costs | | 52,942.05 | - | 52,942.05 |
| Excise duty | | 13.71 | - | 13.71 |
| Employee benefits expense | 2,12 | 4,933.87 | (11.52) | 4,922.35 |
| Other expenses | 3,8 | 4,432.57 | (1.04) | 4,431.53 |
| Depreciation and amortisation | | 4,207.09 | - | 4,207.09 |
| Interest and finance charges | 2,8 | 14.79 | 310.83 | 325.62 |
| **Total expenses** | | **66,544.08** | **298.27** | **66,842.35** |
| **Profit before taxes** | | 65,827.55 | 2,244.26 | 68,071.81 |
| **Tax expense** | | | | |
| Current tax | | 18,267.85 | - | 18,267.85 |
| Deferred tax | 10 | (29.60) | 32.62 | 3.02 |
| Short provision of tax in earlier years | | 42.70 | - | 42.70 |
| **Profit after tax** | | **47,546.60** | **2,211.64** | **49,758.24** |
| **Other comprehensive income** | | | | |
| Re - measurement gains / (losses) on defined benefit plans | 12 | - | (11.53) | (11.53) |
| Income tax effect | 12 | - | 3.99 | 3.99 |
| **Total comprehensive income / (expenses) for the year net of tax** | | **-** | **(7.54)** | **(7.54)** |
| **Total comprehensive income for the year (Comprising profit/ (loss) and other comprehensive income for the year)** | | **47,546.60** | **2,204.10** | **49,750.70** |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**Explanations for the reconciliation of the Balance Sheet and Profit and Loss Statement as previously reported under IGAAP to Ind AS:**

**1. Property Plant and Equipment, Investment Properties and Intangible Assets**

Under the previous Indian GAAP, investment properties were presented as part of Fixed Asset, whereas under Ind AS, investment properties are required to be shown separately under the head "Investment Property". The Company has elected to measure an item of property, plant and equipment, intangible assets and investment properties at deemed cost at the date of transition to Ind AS.

**2. Lease straight lining**

On the transition date, the Company has recognised operating lease rentals on a straight line basis retrospectively from the date of commencement of lease, including fit-out (rent free) period.

**3. Foreign currency derivative**

Under the previous Indian GAAP, forward premium is required to be amortised over the forward contract period. Under Ind AS, the fair value (marked to market gains and losses) of forward foreign exchange contracts is to be recognised in statement of profit and loss.

**4. 0% Optionally convertible debentures (OCD)**

Under the previous Indian GAAP, OCDs has been classified as investment measured at cost. Under Ind AS, OCDs are measured at fair value on initial recognition. The discounting rate to be used is the borrowing rate applicable to the borrower on the date of issue of OCDs. The difference between the fair value and the nominal value of loan is considered as investment in other equity of joint ventures and subsequent recognition has been measured at amortised costs using the Effective Interest Rate (EIR) method. The unwinding of discount is treated as finance income and recognised in statement of profit and loss.

**5. Non cumulative Non convertible Preference shares (NCPS)**

Under the pervious Indian GAAP, NCPS has been classified as long term investment and are carried at cost. Under Ind AS, initially the same have been measured at fair value. Subsequently they have been measured at amortised costs using the EIR method. The unwinding of discount is treated as finance income and recognised in statement of profit and loss. The excess of carrying amount over the fair value of NCPS after discounting has been shown as Investment in other equity of joint ventures.

**6. Fair Value of Investment**

Under the previous Indian GAAP, investment in mutual funds were classified as current investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earning / statement of profit & loss.

**7. Inter-company loans**

Under the previous Indian GAAP, the interest free inter-company loans were carried at nominal amount. Under Ind AS, such loans are measured at fair value on initial recognition. The discounting rate to be used is the borrowing rate applicable to the borrower on the date of the loan. The difference between the fair value and the nominal value of loan is considered as investment in subsidiaries / joint ventures.

Subsequently such loans are measured at amortised costs. The unwinding of discount is treated as interest income and is accrued as per the EIR method.

**8. Security deposits**

Under the previous Indian GAAP, the interest free security deposits both received and paid were carried at nominal amount. Under Ind AS, Lease / Security deposits received and paid, are measured at fair value on initial recognition. Unwinding of discount is treated as interest expense / income and is accrued as per the EIR method. The difference between the fair value and the nominal value of deposits is considered as rent in advance / prepaid rent and recognised over the lease term on a straight line basis.

**9. Corporate guarantee**

Under Ind AS corporate financial guarantee given are measured at their fair value on initial recognition. Subsequently these contracts are measured at the higher of amount of impairment loss allowance as per Ind AS 109 and amount initially recognised less, where appropriate, cumulative amortisation recognised.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**10. Deferred Tax**

The previous Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under pervious Indian GAAP.

**11. Proposed dividend**

Under the previous Indian GAAP, proposed dividend including dividend distribution tax (DDT), were recognised as liability in the period to which they relate, irrespective of when they were declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meeting or paid.

**12. Defined benefit liabilities**

Both under previous Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous Indian GAAP, the entire cost, including remeasurements, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**13.** Figures for the previous year have been regrouped, re-arranged, reclassified wherever necessary.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## NOTE 2 : PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakh)

| Particulars | Buildings | Furnitures and fixtures | Office equipments | Plant and machinery | Electrical installations and equipments | Vehicles | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2016 | 17,401.11 | 2,355.40 | 49.32 | 3,827.67 | 1,514.01 | 452.70 | 169.11 | 25,769.32 |
| Additions | - | 51.64 | 10.25 | 20.18 | - | 355.51 | 46.10 | 483.68 |
| (Deductions) / (Disposals) | (0.46) | (0.03) | (0.88) | - | - | (2.72) | (0.07) | (4.16) |
| **Gross carrying value as at March 31, 2017** | **17,400.65** | **2,407.01** | **58.69** | **3,847.85** | **1,514.01** | **805.49** | **215.14** | **26,248.84** |
| Accumulated depreciation and amortisation as at April 1, 2016 | 317.34 | 634.73 | 24.49 | 902.27 | 292.62 | 72.83 | 48.16 | 2,292.44 |
| Depreciation for the year | 316.73 | 634.79 | 13.85 | 899.52 | 292.73 | 112.23 | 52.38 | 2,322.23 |
| (Deductions) / (Disposals) | (0.31) | (0.01) | (0.50) | - | - | - | (0.07) | (0.89) |
| **Closing accumulated depreciation and amortisation as at March 31, 2017** | **633.37** | **1,269.51** | **37.84** | **1,801.79** | **585.35** | **185.06** | **100.47** | **4,613.78** |
| **Net carrying value as at March 31, 2017** | **16,766.89** | **1,137.50** | **20.85** | **2,046.06** | **928.66** | **620.43** | **114.67** | **21,635.06** |

(₹ in Lakh)

| Particulars | Buildings | Furnitures and fixtures | Office equipments | Plant and machinery | Electrical installations and equipments | Vehicles | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2015 (Deemed cost) | 17,401.11 | 2,285.51 | 42.55 | 3,808.95 | 1,512.99 | 454.55 | 64.72 | 25,570.38 |
| Additions | - | 70.26 | 6.77 | 20.49 | 1.02 | - | 104.39 | 202.93 |
| (Deductions) / (Disposals) | - | (0.37) | - | (1.77) | - | (1.85) | - | (3.99) |
| **Gross carrying value as at March 31, 2016** | **17,401.11** | **2,355.40** | **49.32** | **3,827.67** | **1,514.01** | **452.70** | **169.11** | **25,769.32** |
| Accumulated depreciation and amortisation as at April 1, 2015 | - | - | - | - | - | - | - | - |
| Depreciation for the year | 317.34 | 635.04 | 24.49 | 902.35 | 292.62 | 73.09 | 48.16 | 2,293.09 |
| (Deductions) / (Disposals) | - | (0.31) | - | (0.08) | - | (0.26) | - | (0.65) |
| **Closing accumulated depreciation and amortisation as at March 31, 2016** | **317.34** | **634.73** | **24.49** | **902.27** | **292.62** | **72.83** | **48.16** | **2,292.44** |
| **Net carrying value as at March 31, 2016** | **17,083.77** | **1,720.67** | **24.83** | **2,925.40** | **1,221.39** | **379.87** | **120.95** | **23,476.88** |

**NOTE 3 : INVESTMENT PROPERTIES**

(₹ in Lakh)

| Particulars | Land - freehold | Buildings | Furnitures and fixtures | Office equipments | Plant and machinery | Electrical installations and equipments | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2016 | 9,535.69 | 42,813.00 | 701.13 | 6.29 | 8,311.07 | 1,607.09 | 4.86 | 62,979.13 |
| Additions | - | 165.09 | 8.28 | 0.34 | 246.80 | 10.10 | - | 430.61 |
| (Deductions) / (Disposals) | - | (15.57) | (2.05) | - | - | - | - | (17.62) |
| **Gross carrying value as at March 31, 2017** | **9,535.69** | **42,962.52** | **707.36** | **6.63** | **8,557.87** | **1,617.19** | **4.86** | **63,392.12** |
| Accumulated depreciation and amortisation as at April 1, 2016 | - | 735.99 | 228.24 | 2.39 | 676.14 | 198.45 | 1.48 | 1,842.69 |
| Depreciation for the year | - | 738.95 | 181.61 | 1.48 | 679.76 | 199.33 | 1.66 | 1,802.79 |
| (Deductions) / (Disposals) | - | (0.41) | (0.82) | - | - | - | - | (1.23) |
| **Closing accumulated depreciation and amortisation as at March 31, 2017** | **-** | **1,474.53** | **409.03** | **3.87** | **1,355.90** | **397.78** | **3.14** | **3,644.25** |
| **Net carrying value as at March 31, 2017** | **9,535.69** | **41,487.99** | **298.33** | **2.76** | **7,201.97** | **1,219.41** | **1.72** | **59,747.87** |

(₹ in Lakh)

| Particulars | Land - freehold | Buildings | Furnitures and fixtures | Office equipments | Plant and machinery | Electrical installations and equipments | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| Gross carrying value as at April 1, 2015 (Deemed cost) | 9,535.69 | 42,648.92 | 687.98 | 5.05 | 8,197.28 | 1,603.31 | 3.19 | 62,681.42 |
| Additions | - | 164.08 | 13.15 | 1.24 | 113.79 | 3.78 | 1.67 | 297.71 |
| (Deductions) / (Disposals) | - | - | - | - | - | - | - | - |
| **Gross carrying value as at March 31, 2016** | **9,535.69** | **42,813.00** | **701.13** | **6.29** | **8,311.07** | **1,607.09** | **4.86** | **62,979.13** |
| Accumulated depreciation andamortisation as at April 1, 2015 | - | - | - | - | - | - | - | - |
| Depreciation for the year | - | 735.99 | 228.24 | 2.39 | 676.14 | 198.45 | 1.48 | 1,842.69 |
| (Deductions) / (Disposals) | - | - | - | - | - | - | - | - |
| **Closing accumulated depreciation andamortisation as at March 31, 2016** | **-** | **735.99** | **228.24** | **2.39** | **676.14** | **198.45** | **1.48** | **1,842.69** |
| **Net carrying value as at March 31, 2016** | **9,535.69** | **42,077.01** | **472.89** | **3.90** | **7,634.93** | **1,408.64** | **3.38** | **61,136.44** |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 3 : INVESTMENT PROPERTIES (contd.)**

**(i) Amounts recognised in profit and loss for investment properties**

(₹ in Lakh)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Rental income derived from investment properties | 9,476.57 | 8,189.48 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 920.67 | 762.77 |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | - | - |
| **Profit arising from investment properties before depreciation** | **8,555.90** | **7,426.71** |
| Depreciation for the year | 1,802.79 | 1,842.69 |
| **Profit arising from investment properties** | **6,753.10** | **5,584.02** |

**(ii) Contractual obligations**

Refer Note 37 for disclosure of contractual obligations to purchase, construct or develop investment property or its repairs, maintenance or enhancements.

**(iii) Leasing arrangements**

The Company's investment properties consist of three commercial properties in Mumbai. The management has determined that the investment properties consist of – Commerz, Commerz II phase I and Oberoi International School based on the nature, characteristics and risks of each property.

(₹ in Lakh)

| Particulars | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|
| Not later than one year | 4,703.57 | 2,106.50 | 3,723.28 |
| Later than one year and not later than five years | 6,899.75 | 2,277.70 | 2,279.97 |
| Later than five years | - | - | - |
| Lease income recognised during the year in profit and loss | 8,681.24 | 7,647.25 | - |

**(iv) Fair value**

As at March 31, 2017, March 31, 2016 and April 1, 2015, the fair values of the properties are ₹ 1,80,100 lakh, ₹ 1,46,050 lakh and ₹ 1,39,080 lakh respectively. These valuations are based on valuations performed by independent valuer. All fair value estimates for investment propertries are included in level 3.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 4 : INTANGIBLE ASSETS**

(₹ in Lakh)

| Particulars | Computer Software |
|---|---|
| Gross carrying value as at April 1, 2016 | 321.73 |
| Additions | 27.06 |
| (Deductions) / (Disposals) | - |
| **Gross carrying value as at March 31, 2017** | **348.79** |
| Accumulated depreciation and amortisation as at April 1, 2016 | 71.31 |
| Amortisation for the year | 74.68 |
| (Deductions) / (Disposals) | - |
| **Closing accumulated depreciation and amortisation as at March 31, 2017** | **145.99** |
| **Net carrying value as at March 31, 2017** | **202.80** |

(₹ in Lakh)

| Particulars | Computer Software |
|---|---|
| Gross carrying value as at April 1, 2015 (Deemed cost) | 138.29 |
| Additions | 183.44 |
| (Deductions) / (Disposals) | - |
| **Gross carrying value as at March 31, 2016** | **321.73** |
| Accumulated depreciation and amortisation as at April 1, 2015 | - |
| Amortisation for the year | 71.31 |
| (Deductions) / (Disposals) | - |
| **Closing accumulated depreciation and amortisation as at March 31, 2016** | **71.31** |
| **Net carrying value as at March 31, 2016** | **250.42** |

Note: Addition to intangible assets mainly comprises of purchases of software licenses.

**NOTE 5 : CAPITAL WORK IN PROGRESS**

(₹ in Lakh)

| AS AT | Property, Plant and Equipments | Investment Properties | Other Intangible assets | Total |
|---|---|---|---|---|
| March 31, 2017 | 3.71 | 627.75 | 47.26 | 678.72 |
| March 31, 2016 | 342.30 | 750.19 | - | 1,092.49 |
| April 1, 2015 | 7.67 | 548.19 | 58.95 | 614.81 |

Note : Capital work in progress as at March 31, 2017 mainly comprises of expenditure towards office space building.

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 6 : INVESTMENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Non-current** | | | |
| **Unquoted** | | | |
| **Investment in equity of subsidiaries** | | | |
| 90,000 (March 31, 2016: 90,000, April 1, 2015: 90,000) equity shares of ₹10 each fully paid up of Oberoi Mall Limited | 9.00 | 9.00 | 9.00 |
| 51,00,000 (March 31, 2016: 51,00,000, April 1, 2015: 51,00,000) equity shares of ₹10 each fully paid up of Oberoi Constructions Limited | 4,847.65 | 4,779.41 | 4,779.41 |
| 3,10,000 (March 31, 2016: 3,10,000, April 1, 2015: 3,10,000) equity shares of ₹10 each fully paid up of Kingston Hospitality and Developers Private Limited | 812.81 | 812.81 | 812.81 |
| 90,000 (March 31, 2016: 90,000, April 1, 2015: 90,000) equity shares of ₹10 each fully paid up of Expressions Realty Private Limited | 2,276.18 | 2,241.68 | 2,184.47 |
| 90,000 (March 31, 2016: 90,000, April 1, 2015: 90,000) equity shares of ₹10 each fully paid up of Kingston Property Services Limited | 9.00 | 9.00 | 9.00 |
| 10,000 (March 31, 2016: 10,000, April 1, 2015: 10,000) equity shares of ₹10 each fully paid up of Integrus Realty Private Limited | 443.11 | 443.11 | 1.00 |
| 10,000 (March 31, 2016: 10,000, April 1, 2015: 10,000) equity shares of ₹10 each fully paid up of Sight Realty Private Limited | 126.44 | 123.74 | 123.74 |
| 50,00,000 (March 31, 2016: 50,00,000, April 1, 2015: 50,00,000) equity shares of ₹10 each fully paid up of Incline Realty Private Limited | 3,534.90 | 1,679.63 | 1,679.63 |
| **Investment in equity of joint venture** | | | |
| 9,500 (March 31, 2016: 9,500, April 1, 2015: 9,500) equity shares of ₹10 each fully paid up of Sangam City Township Private Limited | 3,302.08 | 3,302.08 | 3,302.08 |
| 5,00,000 (March 31, 2016: 5,00,000, April 1, 2015: 5,00,000) equity shares of ₹10 each fully paid up of I-Ven Realty Limited | 30,760.05 | 30,726.33 | 30,652.18 |
| **Investment in partnership firms of joint ventures** | | | |
| Astir Realty LLP [1] | 14,952.99 | 12,022.69 | 10,614.37 |
| Buoyant Realty LLP [2] | 1.00 | 1.00 | 1,754.35 |
| **Investment carried at amortised cost** | | | |
| **Investment in preference shares of joint venture** | | | |
| 3,62,500 (March 31, 2016: 3,62,500, April 1, 2015: 3,62,500) 1% non cumulative non convertible Preference Shares of ₹10 each fully paid up of I-Ven Realty Limited | 616.68 | 558.01 | 504.67 |
| **Investment in debentures of joint venture** | | | |
| 0% optionally convertible debenture of ₹100 each fully paid up of I-Ven Realty Limited | | | |
| Nil (March 31, 2016: 47,95,000, April 1, 2015: 47,95,000) 2011-Series-1 to 5 | - | 4,215.00 | 3,800.67 |
| Nil (March 31, 2016: 18,31,000, April 1, 2015: 18,31,000) 2012-Series-1 to 9 | - | 1,606.62 | 1,446.58 |
| Nil (March 31, 2016: 10,000, April 1, 2015: 10,000) 2013-Series-1 to 4 | - | 8.81 | 7.96 |
| Nil (March 31, 2016: 3,89,500, April 1, 2015: 3,89,500) 2014-Series-1 to 9 | - | 342.04 | 308.17 |
| Nil (March 31, 2016: 4,42,875, April 1, 2015: 7,500) 2015-Series-1 to 8 | - | 391.79 | 5.95 |
| Nil (March 31, 2016: 14,000, April 1, 2015: Nil) 2016-Series-1and 2 | - | 12.43 | - |
| **Investment in government securities** | | | |
| National saving certificate (in the name of employee of the Company) | 0.82 | - | 1.21 |
| | **61,692.71** | **63,285.18** | **61,997.25** |

(₹ in Lakh)

| Investments in partnership firms as at | Partners Name | Share of partner | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|---|---|
| 1) Capital in Astir Realty LLP | Oberoi Realty Limited | 10.00% | 0.10 | 0.10 | 0.10 |
| | Oberoi Constructions Limited | 90.00% | 0.90 | 0.90 | 0.90 |
| | **Total** | **100.00%** | **1.00** | **1.00** | **1.00** |
| 2) Capital in Buoyant Realty LLP | Oberoi Realty Limited | 99.01% | 1.00 | 1.00 | 1.00 |
| | Oberoi Constructions Limited | 0.99% | 0.01 | 0.01 | 0.01 |
| | **Total** | **100.00%** | **1.01** | **1.01** | **1.01** |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 7: OTHER ASSETS | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Unsecured and considered good** | | | | | | |
| Capital advances | 0.84 | 56.01 | 89.77 | - | - | - |
| **Advances other than capital advances** | | | | | | |
| Security deposits | 12,796.45 | 12,753.72 | 12,746.08 | 91.65 | 84.14 | 61.93 |
| Other advances | | | | | | |
| Advances to vendors | 63.00 | 63.00 | 63.00 | 31,209.96 | 31,702.63 | 33,666.78 |
| Advances recoverable in cash or kind | - | - | 708.22 | 4,049.65 | 3,940.37 | 2,785.49 |
| Revenue in excess of billing | - | - | - | 1,259.20 | 2,539.57 | 16,348.80 |
| **Others** | | | | | | |
| Prepaid expenses | 51.87 | 24.37 | 4.57 | 343.09 | 322.30 | 294.41 |
| Accrued income | - | - | - | 42.76 | 43.14 | 4.83 |
| Advance against flat | - | - | - | 827.81 | 827.81 | 3,311.24 |
| Lease equalisation reserve | 465.11 | 145.64 | 114.76 | 230.32 | 119.69 | 72.12 |
| | **13,377.27** | **13,042.74** | **13,726.40** | **38,054.44** | **39,579.65** | **56,545.60** |

(₹ in Lakh)

| NOTE 8 : INVENTORIES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Plots of land | 378.49 | 378.49 | 378.49 |
| Works in progress | 93,579.22 | 75,502.60 | 79,750.17 |
| Finished goods | 10,171.46 | 12,491.71 | 18,609.01 |
| Food and beverages etc. | 116.98 | 153.93 | 136.80 |
| Others (transferrable development rights) | 1,274.60 | 1,821.63 | 4,404.08 |
| | **1,05,520.75** | **90,348.36** | **1,03,278.55** |

(₹ in Lakh)

| NOTE 9 : INVESTMENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Current** | | | |
| **Unquoted** | | | |
| **Investment carried at amortised cost** | | | |
| **Investment in debentures of joint venture** | | | |
| 0% optionally convertible debenture of ₹100 each fully paid up of I-Ven Realty Limited | | | |
| 47,95,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2011-Series-1 to 5 | 4,673.20 | - | - |
| 18,31,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2012-Series-1 to 9 | 1,783.85 | - | - |
| 10,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2013-Series-1 to 4 | 9.75 | - | - |
| 3,89,500 (March 31, 2016: Nil, April 1, 2015: Nil) 2014-Series-1 to 9 | 379.53 | - | - |
| 4,42,875 (March 31, 2016: Nil, April 1, 2015: Nil) 2015-Series-1 to 8 | 432.17 | - | - |
| 3,49,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2016-Series-1 to 26 | 341.14 | - | - |
| 2,44,000 (March 31, 2016: Nil, April 1, 2015: Nil) 2017-Series-1 to 12 | 238.97 | - | - |
| **Quoted** | | | |
| **Investment carried at fair value through profit or loss** | | | |
| **Investment in mutual funds** | | | |
| Nil (March 31, 2016: 1,359, April 1, 2015: Nil) units of ₹ 1,000 each of Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Option | - | 50.21 | - |
| Nil (March 31, 2016: 16,840, April 1, 2015: Nil) units of ₹ 1,000 each of SBI Premier Liquid Fund - Direct Plan - Growth Option | - | 400.96 | - |
| Nil (March 31, 2016: 22,937, April 1, 2015: Nil) units of ₹ 1,000 each of Reliance Liquidity Fund - Direct Plan - Growth Option | - | 523.80 | - |
| Nil (March 31, 2016: 75,395, April 1, 2015: Nil) units of ₹ 100 each of DHFL Pramerica Insta Cash Plus Fund -Direct Plan - Growth Option | - | 148.43 | - |
| | **7,858.61** | **1,123.40** | - |
| **Aggregate amount of** | | | |
| Book value of quoted investments | - | 1,121.00 | - |
| Market value of quoted investments | - | 1,123.40 | - |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 10 : TRADE RECEIVABLES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Unsecured and considered good | 2,738.67 | 3,852.66 | 2,761.23 |
| | **2,738.67** | **3,852.66** | **2,761.23** |

(₹ in Lakh)

| NOTE 11 : CASH AND CASH EQUIVALENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Balances with banks | 1,967.23 | 714.67 | 2,561.18 |
| Cash on hand | 26.35 | 12.70 | 27.30 |
| Fixed deposits with banks, having original maturity of three months or less | 730.50 | 650.29 | 2,534.82 |
| Fixed deposit with banks, having original maturity of more than three months but less than twelve months | 11,393.97 | 9.30 | - |
| | **14,118.05** | **1,386.96** | **5,123.30** |

(₹ in Lakh)

| NOTE 12 : OTHER BANK BALANCES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Balance with banks in dividend / unclaimed dividend accounts | 2.13 | 4.37 | 1.29 |
| Fixed deposits with banks, having original maturity of more than twelve months | 3,536.74 | 3,071.22 | 732.11 |
| Fixed deposits with banks (lien marked) | 4,693.50 | 4,438.26 | 2,954.94 |
| | **8,232.37** | **7,513.85** | **3,688.34** |

(₹ in Lakh)

| NOTE 13 : LOANS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Current** | | | |
| **Unsecured and considered good** | | | |
| Loans to related parties (refer note 33) | 1,31,908.32 | 1,52,432.59 | 88,398.03 |
| **Other loans and advances** | | | |
| Loans to employees | 40.37 | 17.94 | 2.57 |
| | **1,31,948.69** | **1,52,450.53** | **88,400.60** |
| **Loans / advances due by directors or other officers, etc.** | | | |
| **Advances to related parties include** | | | |
| Due from the private limited company (JV) in which the Company's director is a director | 3,118.81 | 2,824.03 | 2,556.48 |

(₹ in Lakh)

| NOTE 14 : CURRENT TAX ASSETS (NET) | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| Income tax (net of provisions) | 97.54 | 753.21 | 1,142.66 |
| | **97.54** | **753.21** | **1,142.66** |

**Note: Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:**

(₹ in Lakh)

| Particular | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **Accounting Profit before Income Tax** | **47,613.21** | **68,071.81** |
| Tax on accounting profit at statutory income tax rate of 34.608% (March 31, 2016: 34.608%) | 16,477.98 | 23,558.29 |
| Adjustment for disallowable expenses | 83.45 | 318.63 |
| Adjustment for expenses / deductions allowable under Income Tax Act | (79.97) | (180.58) |
| Adjustment for exempt income | (11.55) | (4,625.04) |
| Adjustment for computation as per Income Computation and Disclosure Standards | (969.08) | (803.47) |
| **Tax expense reported in the statement of profit & loss (Current Tax)** | **15,500.83** | **18,267.85** |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 15 : SHARE CAPITAL | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Authorised share capital** | | | |
| 42,50,00,000 (42,50,00,000) equity shares of ₹ 10 (Rupees ten only) each | 42,500.00 | 42,500.00 | 42,500.00 |
| | **42,500.00** | **42,500.00** | **42,500.00** |
| **Issued, subscribed and paid up share capital** | | | |
| 33,95,35,426 (33,93,03,845) equity shares of ₹ 10 (Rupees ten only) each fully paid up | 33,930.39 | 32,823.80 | 32,823.80 |
| Add: Issue of fresh shares on preferential basis | - | 1,100.00 | - |
| Add: Issue of fresh shares on exercise of options vested under Employee Stock Option Scheme | 23.16 | 6.59 | - |
| | **33,953.55** | **33,930.39** | **32,823.80** |

**A. Reconciliation of shares outstanding at the beginning and at the end of the year**

**Equity shares**

| Particulars | March 31, 2017 | | March 31, 2016 | |
|---|---|---|---|---|
| | in No. | ₹ in Lakh | in No. | ₹ in Lakh |
| At the beginning of the year | 33,93,03,845 | 33,930.39 | 32,82,37,969 | 32,823.80 |
| Add: Issue of fresh shares on preferential basis | - | - | 1,10,00,000 | 1,100.00 |
| Add: Issue of fresh shares on exercise of options vested under Employee Stock Option Scheme | 2,31,581 | 23.16 | 65,876 | 6.59 |
| **At the end of the year** | **33,95,35,426** | **33,953.55** | **33,93,03,845** | **33,930.39** |

**B. Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of the Company has proposed dividend of ₹ 2 per equity share for the financial year 2016-2017. The payment of dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. For the previous year, the Board of Directors of the Company recommended and shareholders approved dividend of ₹ 2 per equity share.

**C. Details of shareholders holding more than 5% shares in the Company**

**Equity shares**

| Name | March 31, 2017 | | March 31, 2016 | | April 1, 2015 | |
|---|---|---|---|---|---|---|
| | in No. | % Holding | in No. | % Holding | in No. | % Holding |
| i) Vikas Oberoi | 21,28,73,614 | 62.70% | 21,28,72,504 | 62.74% | 21,28,72,504 | 64.85% |
| ii) R S Estate Developers Private Limited | 3,33,00,000 | 9.81% | 3,33,00,000 | 9.81% | 3,33,00,000 | 10.15% |

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**D. Shares reserved for issue under options**

The Company instituted an Employees Stock Option Scheme ('ESOP 2009') pursuant to the Board and Shareholders' resolution dated December 04, 2009. As per ESOP 2009, the Company is authorised to grant 14,43,356 (14,43,356) options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The employee will have the option to exercise the right within three years from the date of vesting of options. Under ESOP 2009, 13,49,553 (13,49,553) options have been granted, out of which as on date of balance sheet 94,739 (5,15,751) options are outstanding.

**The following information relates to the Employee Stock Options as on March 31, 2017**

| Particulars | Number of options | Exercise price (₹) | Weighted average exercise price (₹) | Weighted average contractual life of options as on the date of grant (Years) |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 5,15,751 | 260 | 260 | 4.20 |
| Less: Lapsed / forfeited / cancelled during the year | 1,89,431 | - | - | - |
| Less: Exercised during the year | 2,31,581 | 260 | 260 | - |
| Outstanding at the end of the year | 94,739 | 260 | 260 | 4.20 |
| Exercisable at the end of the year | 94,739 | 260 | 260 | 4.20 |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 15 : SHARE CAPITAL (contd.)**

**The following information relates to the Employee Stock Options as on March 31, 2016**

| Particulars | Number of options | Exercise price (₹) | Weighted average exercise price (₹) | Weighted average contractual life of options as on the date of grant (Years) |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 7,32,534 | 260 | 260 | 4.20 |
| Less: Lapsed / forfeited / cancelled during the year | 1,50,907 | - | - | - |
| Less: Exercised during the year | 65,876 | 260 | 260 | - |
| Outstanding at the end of the year | 5,15,751 | 260 | 260 | 4.20 |
| Exercisable at the end of the year | 5,15,751 | 260 | 260 | 4.20 |

The employee share based payments have been accounted using the intrinsic value method measured by a difference between the market price of the underlying equity shares as at the date of grant and the exercise price. Since the market price of the underlying equity shares on the grant date is same as exercise price of the option, the intrinsic value of option is determined as ₹ Nil (₹ Nil). Hence no compensation expense has been recognised. Under the fair value method, there would have been no impact on the basic and diluted EPS for the year.

(₹ in Lakh)

| NOTE 16 : OTHER EQUITY | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **General reserve** | | | |
| Balance in General reserve | 8,956.01 | 8,956.01 | 8,956.01 |
| | **8,956.01** | **8,956.01** | **8,956.01** |
| **Capital redemption reserve** | | | |
| Balance in Capital redemption reserve | 5,710.00 | 5,710.00 | 5,710.00 |
| | **5,710.00** | **5,710.00** | **5,710.00** |
| **Securities premium account** | | | |
| Opening balance | 1,66,618.60 | 1,35,144.38 | 1,35,144.38 |
| Add: receipt during the year | 578.95 | 31,514.69 | - |
| Less: utilized for issue of shares | - | (40.47) | - |
| Balance in Securities premium account | **1,67,197.55** | **1,66,618.60** | **1,35,144.38** |
| **Capital reserve** | | | |
| Balance in Capital reserve | 3,590.00 | 3,590.00 | 3,590.00 |
| | **3,590.00** | **3,590.00** | **3,590.00** |
| **Retained earnings** | | | |
| Opening balance | 1,59,520.88 | 1,23,123.01 | 1,23,123.01 |
| Profit during the year as per statement of profit and loss | 32,064.97 | 49,758.24 | - |
| *Items of other comprehensive income recognised directly in retained earnings* | | | |
| -Transfer to retained earnings of re - measurement gains / (losses) on defined benefit plans, net of taxes | 20.52 | (7.54) | - |
| Dividend (including dividend distribution tax) | - | (13,352.83) | - |
| | **1,91,606.37** | **1,59,520.88** | **1,23,123.01** |
| | **3,77,059.93** | **3,44,395.49** | **2,76,523.40** |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 17 : TRADE PAYABLES | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Trade payables (refer note 38)** | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | 8.48 | 11.57 | 2.91 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 359.91 | 82.98 | 64.58 | 2,837.96 | 3,068.69 | 1,972.61 |
| **Others** | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | 0.26 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | 194.66 | 246.85 | 663.64 |
| | **359.91** | **82.98** | **64.58** | **3,041.10** | **3,327.11** | **2,639.42** |

Terms and conditions of the above :
Trade payables are non-interest bearing and are settled in accordance with the contract terms with the vendors.
For explanations on the Company's credit risk management processes, please refer to note 39.

(₹ in Lakh)

| NOTE 18 : OTHER FINANCIAL LIABILITIES | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Financial liabilities measured at amortised cost** | | | | | | |
| Guarantee liability | 915.82 | 383.64 | 952.61 | 940.62 | 559.22 | 780.18 |
| **Others** | | | | | | |
| Dividend payout account | - | - | - | - | 2.64 | - |
| Unclaimed dividend | - | - | - | 2.13 | 1.73 | 1.29 |
| | **915.82** | **383.64** | **952.61** | **942.75** | **563.59** | **781.47** |

(₹ in Lakh)

| NOTE 19 : PROVISIONS | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| **Provision for employee benefits** | | | | | | |
| Provision for gratuity (refer note 32) | - | - | - | 120.60 | 203.72 | 316.77 |
| Provision for leave salary (refer note 32) | 135.68 | 120.00 | 112.44 | 30.36 | 31.06 | 32.05 |
| | **135.68** | **120.00** | **112.44** | **150.96** | **234.78** | **348.82** |

(₹ in Lakh)

| NOTE 20 : DEFERRED TAX LIABILITIES (NET) | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Deferred tax liabilities** | | | |
| On depreciation | 2,210.21 | 2,328.33 | 2,321.21 |
| On fair valuation of investments | - | 0.83 | - |
| On lease equalisation reserve-asset | 240.68 | 91.83 | 64.02 |
| **Deferred tax assets** | | | |
| On other expenses | 57.47 | 85.83 | 49.11 |
| **Deferred tax liabilities (net)** | **2,393.42** | **2,335.16** | **2,336.12** |

**Movement in deferred tax**

(₹ in Lakh)

| Particular | Total |
|---|---|
| **As at April 1, 2015** | **2,336.12** |
| - to profit or loss | 0.96 |
| - to other comprehensive income | - |
| **As at March 31, 2016** | **2,335.16** |
| - to profit or loss | (58.26) |
| - to other comprehensive income | - |
| **As at March 31, 2017** | **2,393.42** |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 21 : OTHER LIABILITIES | LONG TERM (NON-CURRENT) | | | SHORT TERM (CURRENT) | | |
|---|---|---|---|---|---|---|
| | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
| Billing in excess of revenue recognised | - | - | - | 18,264.21 | 46,427.59 | 79,438.78 |
| Rent received in advance | 319.54 | 115.82 | 144.82 | 242.38 | 151.16 | 280.54 |
| Advances from customers | - | - | - | 647.60 | 1,066.16 | 630.05 |
| Trade deposits | 3,344.61 | 2,561.75 | 4,241.29 | 7,531.15 | 6,525.13 | 4,490.20 |
| Other payables | | | | | | |
| Other deposits | - | - | - | 0.01 | 0.01 | - |
| Provision for expenses | - | - | - | 4,584.02 | 3,780.01 | 6,360.00 |
| Statutory dues | - | - | - | 565.31 | 541.13 | 413.68 |
| Others | - | - | - | 1,501.60 | 1,889.69 | 383.13 |
| | **3,664.15** | **2,677.57** | **4,386.11** | **33,336.28** | **60,380.88** | **91,996.38** |

(₹ in Lakh)

| NOTE 22 : BORROWINGS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Loan from related parties (refer note 33)** | | | |
| **Unsecured** | | | |
| From director* | 8,908.00 | 10,708.00 | 10,708.00 |
| From subsidiary company* | 1,042.00 | 153.18 | 1,995.68 |
| | **9,950.00** | **10,861.18** | **12,703.68** |

*Interest free and repayable on demand

(₹ in Lakh)

| NOTE 23 : REVENUE FROM OPERATIONS | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Revenue from operations | | |
| Revenue from projects | 66,437.27 | 96,833.78 |
| Revenue from hospitality | 12,574.28 | 12,712.43 |
| Rental and other related revenues | 9,476.57 | 8,189.48 |
| Other operating revenue | 583.08 | 617.00 |
| | **89,071.20** | **1,18,352.69** |

(₹ in Lakh)

| NOTE 24 : OTHER INCOME | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Interest income on | | |
| Bank fixed deposits | 1,707.17 | 496.52 |
| Financial assets measured at amortised cost | 3,771.66 | 2,484.56 |
| Others | 27.65 | 98.10 |
| Dividend income on | | |
| Investments in subsidiaries | - | 13,345.50 |
| Other investments | 33.39 | 18.57 |
| Profit on sale of investments (net) | 293.16 | 113.75 |
| Profit / (loss) of investments in mutual fund measured at fair value through profit and loss account (net) | (2.39) | 2.39 |
| Other non-operating income | 6.37 | 2.08 |
| | **5,837.01** | **16,561.47** |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 25 : OPERATING COSTS | | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|---|
| Opening balance of works in progress | | 75,502.60 | 79,750.17 |
| Opening stock of finished goods | | 12,491.71 | 18,609.01 |
| Opening stock of food and beverages etc. | | 153.93 | 136.80 |
| | (A) | **88,148.24** | **98,495.98** |
| Add: transferred from current assets | | 547.03 | 2,582.46 |
| **Add: expenses incurred during the year** | | | |
| Land, development right and transferrable development rights | | 7,266.14 | 6,740.95 |
| Materials, labour and contract cost | | 27,151.77 | 18,808.82 |
| Purchase of unit | | - | 365.70 |
| Other project costs | | 948.21 | 1,209.75 |
| Rates and taxes | | 3,406.46 | 1,932.69 |
| Professional charges | | 1,192.50 | 825.07 |
| Food, beverages and hotel expenses | | 4,679.56 | 4,925.30 |
| **Allocated expenses to projects** | | | |
| Employee benefits expense | | 4,384.80 | 5,197.08 |
| Other expenses | | 395.83 | 235.73 |
| Interest and finance charges | | 5.94 | 2.35 |
| | (B) | **49,978.24** | **42,825.90** |
| **Less:** | | | |
| Closing balance of works in progress | | 93,579.22 | 75,502.60 |
| Closing stock of finished goods | | 10,171.46 | 12,491.71 |
| Closing stock of food and beverages etc. | | 116.98 | 153.93 |
| Transfer to current assets / PPE / investment properties / capital work in progress | | 257.98 | 231.59 |
| | (C) | **1,04,125.64** | **88,379.83** |
| | (A+B-C) | **34,000.84** | **52,942.05** |

(₹ in Lakh)

| NOTE 26 : EXCISE DUTY | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Excise duty | 12.36 | 13.71 |
| | **12.36** | **13.71** |

(₹ in Lakh)

| NOTE 27 : EMPLOYEE BENEFITS EXPENSE | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Employee costs | 9,056.53 | 9,173.60 |
| Contribution to provident fund, gratuity and others | 581.23 | 571.14 |
| Staff welfare expenses | 308.70 | 374.69 |
| | **9,946.46** | **10,119.43** |
| Less: allocated to projects / capitalized | 4,384.80 | 5,197.08 |
| | **5,561.66** | **4,922.35** |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 28 : OTHER EXPENSES | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Advertising and marketing expenses | 840.11 | 1,019.09 |
| Books and periodicals expenses | 2.12 | 2.23 |
| Communication expenses | 63.21 | 86.49 |
| Conveyance and travelling expenses | 116.52 | 143.95 |
| Corporate social responsibility expenses | 43.16 | 544.67 |
| Directors sitting fees and commission | 57.05 | 53.94 |
| Donations | 24.34 | 43.68 |
| Electricity charges | 133.05 | 111.95 |
| Hire charges | 14.26 | 10.66 |
| Information technology expenses | 324.98 | 313.71 |
| Insurance charges | 196.14 | 174.31 |
| Legal and professional charges | 73.63 | 56.75 |
| (Gain) / loss on foreign exchange fluctuation (net) | (8.21) | 11.63 |
| (Gain) / loss on sale / discarding of investment properties (net) | 16.79 | (0.03) |
| (Gain) / loss on sale / discarding of property, plant and equipment (net) | (2.46) | (0.31) |
| Membership and subscription charges | 21.59 | 14.06 |
| Miscellaneous expenses | 78.25 | 22.66 |
| Payment to auditor (refer note below) | 56.18 | 51.98 |
| Printing and stationery expenses | 114.98 | 166.39 |
| Rent expenses | 17.28 | 16.14 |
| Repairs and maintenance | | |
| Building | 87.16 | 113.33 |
| Plant and machinery | 120.13 | 148.50 |
| Others | 1,128.04 | 1,475.96 |
| Security expenses | 158.73 | 67.88 |
| Vehicle expenses | 22.47 | 17.64 |
| | **3,699.50** | **4,667.26** |
| Less: allocated to projects / capitalised | 395.83 | 235.73 |
| | **3,303.67** | **4,431.53** |

**Note : Payment to auditor**

(₹ in Lakh)

| | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| **As auditor** | | |
| Statutory audit fees (including for Limited Review) | 34.00 | 34.00 |
| Tax audit fees | 10.00 | 7.50 |
| **In other capacity** | | |
| Taxation matters | 10.00 | 7.50 |
| Company law matters | 2.00 | 2.00 |
| Other services | 0.06 | 0.88 |
| Out of pocket expenses | 0.12 | 0.10 |
| | **56.18** | **51.98** |

(₹ in Lakh)

| NOTE 29 : DEPRECIATION AND AMORTISATION | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Depreciation on property, plant and equipments | 2,322.23 | 2,293.09 |
| Depreciation on investment properties | 1,802.79 | 1,842.69 |
| Amortisation of intangible assets | 74.68 | 71.31 |
| | **4,199.70** | **4,207.09** |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 30 : INTEREST AND FINANCE CHARGES | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Interest expenses | | |
| Financial liabilities at amortised cost | 200.91 | 310.83 |
| Bank and finance charges | 21.80 | 17.14 |
| | **222.71** | **327.97** |
| Less: allocated to projects / capitalized | 5.94 | 2.35 |
| | **216.77** | **325.62** |

(₹ in Lakh)

| NOTE 31 : EARNINGS PER SHARE (EPS) | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| Profit after tax as per statement of profit and loss | 32,064.97 | 49,758.24 |
| Weighted average number of equity shares for basic EPS (in No.) | 33,93,94,402 | 33,59,77,183 |
| Add: Weighted average potential equity shares on grant of option under ESOP (in No.) | 18,559 | - # |
| Weighted average number of equity shares for diluted EPS (in No.) | 33,94,12,961 | 33,59,77,183 |
| Face value of equity share (₹) | 10 | 10 |
| Basic earnings per share (₹) | **9.45** | **14.81** |
| Diluted earnings per share (₹) | **9.45** | **14.81** |

# Anti-dilutive

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 32 : EMPLOYEE BENEFITS | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| **A. Defined contribution plans** | | |
| Employer's contribution to provident fund | 358.40 | 318.04 |
| Employer's contribution to pension fund | 49.27 | 44.19 |
| Employer's contribution to ESIC | 12.80 | 11.57 |
| Labour welfare fund contribution for workmen | 0.30 | 0.28 |

(₹ in Lakh)

| B. Defined benefit plans | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| **i) Change in present value of obligations** | | | | |
| Present value obligation at the beginning of the year | 833.00 | 621.11 | 151.06 | 144.50 |
| Interest cost | 64.93 | 49.79 | 11.77 | 11.58 |
| Service cost | 144.07 | 136.59 | 34.63 | 44.36 |
| Past service cost - vested benefits | - | 29.05 | - | 3.16 |
| Re-measurement (or actuarial) (gain) / loss | (17.15) | 40.45 | (6.77) | (3.21) |
| Benefit paid | (28.65) | (42.89) | (24.65) | (49.33) |
| Employee's transfer | (29.81) | (1.10) | - | - |
| **Present value obligation at the end of the year** | **966.39** | **833.00** | **166.04** | **151.06** |
| **ii) Change in fair value of plan assets** | | | | |
| Fair value of plan assets at the beginning of the year | 629.28 | 298.76 | - | - |
| Expected return on plan asset | 49.05 | 23.95 | - | - |
| Employer's contribution | 211.68 | 321.63 | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | 14.24 | 28.93 | - | - |
| Benefit paid | (28.65) | (42.89) | - | - |
| Employee's transfer | (29.81) | (1.10) | - | - |
| **Closing balance of fair value of plan assets** | **845.79** | **629.28** | - | - |
| **iii) Amount recognised in the balance sheet** | | | | |
| Present value of obligation at the end of year | 966.39 | 833.00 | 166.04 | 151.05 |
| Fair value of plan assets at the end of the year | 845.79 | 629.28 | - | - |
| **Net liability recognised in the balance sheet** | **120.60** | **203.72** | **166.04** | **151.05** |
| **iv) Expense recognised in statement of profit and loss** | | | | |
| Current service cost | 144.07 | 136.59 | 34.63 | 44.36 |
| Interest cost | 64.93 | 49.79 | 11.77 | 11.58 |
| Past service cost - non vested benefits | - | 5.57 | - | - |
| Past service cost - vested benefits | - | 29.05 | - | 3.16 |
| Expected return on plan assets | (49.05) | (23.95) | - | - |
| Re-measurement (or actuarial) (gain) / loss | - | - | (6.77) | (3.21) |
| **Expenses recognised in statement of profit and loss** | **159.95** | **197.05** | **39.63** | **55.89** |
| **v) Expense recognised in other comprehensive income** | | | | |
| Re-measurement (or actuarial) (gain) / loss | (17.15) | 40.45 | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | (14.24) | (28.93) | - | - |
| | **(31.39)** | **11.52** | - | - |
| **Total expenses** | **128.56** | **208.57** | **39.63** | **55.89** |
| **Out of the above expenses** | | | | |
| Recognised in profit and loss | 159.95 | 197.05 | 39.63 | 55.89 |
| Recognised in other comprehensive income | (31.39) | 11.52 | - | - |
| **vi) Movement in the liability recognised in balance sheet** | | | | |
| Opening net liability | 203.72 | 316.78 | 151.06 | 144.50 |
| Expenses as above | 128.56 | 208.57 | 39.63 | 55.89 |
| Contribution paid | (211.68) | (321.63) | (24.65) | (49.33) |
| **Closing net liability** | **120.60** | **203.72** | **166.04** | **151.06** |
| **vii) Classification of defined benefit obligations** | | | | |
| Current portion | 120.60 | 203.72 | 30.36 | 31.06 |
| Non-current portion | - | - | 135.68 | 120.00 |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 32 : EMPLOYEE BENEFITS (contd.)**

**Actuarial assumptions**

| | Gratuity | | | Leave encashment | | |
|---|---|---|---|---|---|---|
| | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** |
| Interest / discount rate | 7.40% | 7.80% | 8.00% | 7.40% | 7.80% | 8.00% |
| Annual expected increase in salary cost | 9.50% | 10.00% | 10.00% | 9.50% | 10.00% | 10.00% |

**C. General description of significant defined plans**

**Gratuity plan**
Gratuity is payable to all eligible employees of the Company on death or on resignation, or on retirement after completion of five years of service.

**Leave plan**
Eligible employees can carry forward defined leave as per HR policy in month of April of every year during tenure of service or encash the same on death, permanent disablement or resignation.

**D. Broad category of plan assets relating to gratuity as a percentage of total plan assets as at,**

| | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** |
|---|---|---|---|
| Government of India securities | Nil | Nil | Nil |
| High quality corporate bonds | Nil | Nil | Nil |
| Equity shares of listed companies | Nil | Nil | Nil |
| Property | Nil | Nil | Nil |
| Policy of insurance | 100% | 100% | 100% |
| | **100%** | **100%** | **100%** |

**Actuarial gains and losses-experience history**

(₹ in Lakh)

| | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | **March 31, 2017** | **March 31, 2016** | **March 31, 2017** | **March 31, 2016** |
| **(Gains) / losses on obligation due to change in assumption** | | | | |
| Actuarial (gains) / losses on obligation due to change in demographic assumption (e.g. employee turnover and mortality) | 11.33 | (16.76) | (1.24) | 6.14 |
| Actuarial (gains) / losses on obligation due to change in financial assumption (e.g. future increase in salary) | (10.76) | 19.27 | (0.20) | (1.92) |

**Sensitivity analysis**
A quantitative sensitivity analysis for significant assumption as shown below:

| **Gratuity Plan** | **March 31, 2017** | | | | **March 31, 2016** | | | |
|---|---|---|---|---|---|---|---|---|
| Assumptions | **Discount rate** | | **Future salary increases** | | **Discount rate** | | **Future salary increases** | |
| Sensitivity Level | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** |
| Impact on defined benefit obligation | 830.09 | 1,132.99 | 1,128.08 | 831.18 | 719.09 | 971.99 | 967.69 | 720.14 |

| **Leave Plan** | **March 31, 2017** | | | | **March 31, 2016** | | | |
|---|---|---|---|---|---|---|---|---|
| Assumptions | **Discount rate** | | **Future salary increases** | | **Discount rate** | | **Future salary increases** | |
| Sensitivity Level | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** | **1% increase (₹ in Lakh)** | **1% decrease (₹ in Lakh)** |
| Impact on defined benefit obligation | 148.49 | 187.42 | 186.92 | 148.54 | 136.57 | 168.51 | 168.04 | 136.65 |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 32 : EMPLOYEE BENEFITS (contd.)**

**Expected employer's contribution in future years**

(₹ in Lakh)

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| 1 year | 35.41 | 37.54 | 30.36 | 31.06 |
| Between 2 and 5 years | 148.23 | 133.90 | 47.38 | 42.96 |
| Between 6 and 10 years | 101.22 | 113.58 | 16.28 | 19.17 |
| Beyond 10 years | 3,415.36 | 3,087.16 | 424.35 | 364.68 |
| Total expected payments | 3,700.23 | 3,372.17 | 518.37 | 457.87 |

**Risk exposure**

**a. Asset volatility:**

The plan liabilities are calculated using the discount rate set with reference to Government securities bond yields; if plan assets underperform this yield, this will create a deficit.

**b. Change in Government securities bond yields:**

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

## NOTE 33 : RELATED PARTY DISCLOSURES

### A. Name of related parties and related party relationship

#### i) Related parties where control exists

| | |
|---|---|
| Subsidiaries | Oberoi Constructions Limited<br>Oberoi Mall Limited<br>Kingston Property Services Limited<br>Kingston Hospitality and Developers Private Limited<br>Sight Realty Private Limited<br>Buoyant Realty LLP<br>Astir Realty LLP<br>Expressions Realty Private Limited<br>Incline Realty Private Limited<br>Perspective Realty Private Limited<br>Integrus Realty Private Limited |
| Joint ventures | Sangam City Township Private Limited<br>I-Ven Realty Limited |

#### ii) Other parties with whom transactions have taken place during the year

| | |
|---|---|
| Key management personnel and their relatives | Vikas Oberoi<br>Ranvir Oberoi<br>Santosh Oberoi<br>Bindu Oberoi<br>Gayatri Oberoi<br>Saumil Daru<br>Darsha Daru<br>Ashwin Daru<br>Anil Harish<br>Tilokchand Ostwal<br>Venkatesh Mysore<br>Karamjit Singh Kalsi |
| Entities where key management personnel have significant influence | R. S. Estate Developers Private Limited<br>Oberoi Foundation<br>R. S. V. Associates<br>Neo Realty Private Limited |
| Joint Venture of wholly owned subsidiary company | Shri Siddhi Enterprises (from April 15, 2015 till March 16, 2016)<br>Shri Siddhi Avenue LLP (from March 17, 2016)<br>Oasis Realty |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 33 : RELATED PARTY DISCLOSURES (contd.)**

**B. Related party transactions**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures | | Subsidiaries | | Entities where key management personnel have significant influence | | Joint Venture of wholly owned subsidiary company | | Key management personnel and their relatives | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Amount paid on behalf of | Oberoi Constructions Limited | - | - | - | 0.06 | - | - | - | - | - | - |
| Amount received on behalf by | Kingston Property Services Limited | - | - | 1.03 | 0.00 | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 0.45 | 0.70 | - | - | - | - | - | - |
| Amount received on behalf of | Kingston Property Services Limited | - | - | 24.60 | 3.12 | - | - | - | - | - | - |
| | Oasis Realty | - | - | - | - | - | - | 0.11 | 0.99 | - | - |
| | Oberoi Constructions Limited | - | - | 0.32 | 5.94 | - | - | - | - | - | - |
| Cancellation of units | Oberoi Constructions Limited | - | - | - | 2,483.43 | - | - | - | - | - | - |
| Corporate guarantee given | Incline Realty Private Limited | - | - | 75,000.00 | - | - | - | - | - | - | - |
| | Oasis Realty | - | - | - | - | - | - | 3,680.63 | 10,808.02 | - | - |
| Commission paid to directors | Anil Harish | - | - | - | - | - | - | - | - | 10.00 | 10.00 |
| | Tilokchand Ostwal | - | - | - | - | - | - | - | - | 10.00 | 10.00 |
| | Venkatesh Mysore | - | - | - | - | - | - | - | - | 10.00 | 10.00 |
| | Karamjit Singh Kalsi | - | - | - | - | - | - | - | - | 10.00 | 10.00 |
| Current capital contribution account - paid | Buoyant Realty LLP | - | - | - | 3.47 | - | - | - | - | - | - |
| | Astir Realty LLP | - | - | 3,484.17 | 1,496.26 | - | - | - | - | - | - |
| Current capital contribution account - repaid | Buoyant Realty LLP | - | - | - | 1,756.82 | - | - | - | - | - | - |
| | Astir Realty LLP | - | - | 553.87 | 87.95 | - | - | - | - | - | - |
| Dividend paid | Bindu Oberoi | - | - | - | - | - | - | - | - | - | 0.00 |
| | Gayatri Oberoi | - | - | - | - | - | - | - | - | - | 0.00 |
| | Ranvir Oberoi | - | - | - | - | - | - | - | - | - | 0.04 |
| | R. S. Estate Developers Private Limited | - | - | - | - | - | 1,332.00 | - | - | - | - |
| | Santosh Oberoi | - | - | - | - | - | - | - | - | - | 0.04 |
| | Vikas Oberoi | - | - | - | - | - | - | - | - | - | 8,514.90 |
| | Saumil Daru | - | - | - | - | - | - | - | - | - | 0.24 |
| | Darsha Daru | - | - | - | - | - | - | - | - | - | 0.02 |
| | Ashwin Daru | - | - | - | - | - | - | - | - | - | 0.02 |
| Dividend received | Oberoi Constructions Limited | - | - | - | 1,020.00 | - | - | - | - | - | - |
| | Oberoi Mall Limited | - | - | - | 12,325.50 | - | - | - | - | - | - |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 33 : RELATED PARTY DISCLOSURES (contd.)**

**B. Related party transactions**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures | | Subsidiaries | | Entities where key management personnel have significant influence | | Joint Venture of wholly owned subsidiary company | | Key management personnel and their relatives | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Expenses paid on behalf by | Incline Realty Private Limited | - | - | 0.01 | - | - | - | - | - | - | - |
| Equity component of interest free loan | Expressions Realty Private Limited | - | - | 34.50 | 57.22 | - | - | - | - | - | - |
| | Sight Realty Private Limited | - | - | 2.70 | - | - | - | - | - | - | - |
| Interest on other deposit | Kingston Property Services Limited | - | - | 6.14 | - | - | - | - | - | - | - |
| Interest income | Shri Siddhi Enterprises | - | - | - | - | - | - | - | 304.74 | - | - |
| | Shri Siddhi Avenue LLP | - | - | - | - | - | - | 1,183.76 | 15.75 | - | - |
| Interest on loan (measured at amortised cost) | Expressions Realty Private Limited | - | - | 292.61 | 259.14 | - | - | - | - | - | - |
| | Integrus Realty Private Limited | - | - | 63.02 | 55.15 | - | - | - | - | - | - |
| | Kingston Hospitality and Developers Private Limited | - | - | 69.70 | 63.24 | - | - | - | - | - | - |
| | Sight Realty Private Limited | - | - | 5.72 | 41.54 | - | - | - | - | - | - |
| | Sangam City Township Private Limited | 294.78 | 267.55 | - | - | - | - | - | - | - | - |
| Interest on preference shares | I-Ven Realty Limited | 58.67 | 53.34 | - | - | - | - | - | - | - | - |
| Interest on OCD | I-Ven Realty Limited | 736.65 | 632.14 | - | - | - | - | - | - | - | - |
| Loan given | Expressions Realty Private Limited | - | - | 118.35 | 142.80 | - | - | - | - | - | - |
| | Integrus Realty Private Limited | - | - | 4.65 | 1,009.71 | - | - | - | - | - | - |
| | Incline Realty Private Limited | - | - | 83,405.66 | 65,935.87 | - | - | - | - | - | - |
| | Kingston Hospitality and Developers Private Limited | - | - | 4.96 | 7.55 | - | - | - | - | - | - |
| | Kingston Property Services Limited | - | - | 486.00 | 20.00 | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 87,546.85 | 1,54,958.64 | - | - | - | - | - | - |
| | Oberoi Mall Limited | - | - | 1,141.00 | - | - | - | - | | - | |
| | Shri Siddhi Enterprises | - | - | - | - | - | - | - | 2,314.10 | - | - |
| | Sight Realty Private Limited | - | - | 25.82 | 5.03 | - | - | - | - | - | - |
| | Shri Siddhi Avenue LLP | - | - | - | - | - | - | 5,053.00 | 5.00 | - | - |
| Loan received | Oberoi Mall Limited | - | - | 12,243.50 | 15,802.00 | - | - | - | - | - | - |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 33 : RELATED PARTY DISCLOSURES (contd.)**

**B. Related party transactions**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures | | Subsidiaries | | Entities where key management personnel have significant influence | | Joint Venture of wholly owned subsidiary company | | Key management personnel and their relatives | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Loan received back | Expressions Realty Private Limited | - | - | 4.65 | 5.05 | - | - | - | - | - | - |
| | Integrus Realty Private Limited | - | - | 4.65 | 9.46 | - | - | - | - | - | - |
| | Incline Realty Private Limited | - | - | 1,31,799.80 | 40,788.21 | - | - | - | - | - | - |
| | Kingston Hospitality and Developers Private Limited | - | - | 4.96 | 7.55 | - | - | - | - | - | - |
| | Kingston Property Services Limited | - | - | 486.00 | 20.00 | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 66,612.05 | 1,19,992.22 | - | - | - | - | - | - |
| | Oberoi Mall Limited | - | - | 1,141.00 | - | - | - | - | - | - | - |
| | Shri Siddhi Enterprises | - | - | - | - | - | - | - | 12.35 | - | - |
| | Sight Realty Private Limited | - | - | 11.47 | 5.03 | - | - | - | - | - | - |
| Profit sharing | Kingston Property Services Limited | - | - | 23.04 | 20.92 | - | - | - | - | - | - |
| Purchase of assets | Incline Realty Private Limited | - | - | 10.29 | - | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 0.25 | - | - | - | - | - | - | - |
| Purchase of materials | Kingston Property Services Limited | - | - | - | 0.06 | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 0.39 | - | - | - | - | - | - | - |
| Recovery of expenses | Incline Realty Private Limited | - | - | 43.42 | - | - | - | - | - | - | - |
| | Kingston Property Services Limited | - | - | 35.31 | - | - | - | - | - | - | - |
| | Neo Realty Private Limited | - | - | - | - | 0.11 | 0.28 | - | - | - | - |
| | Oasis Realty | - | - | - | - | - | - | 204.69 | 133.80 | - | - |
| | Oberoi Foundation | - | - | - | - | 1.26 | 4.65 | - | - | - | - |
| Reimbursement of expenses | Kingston Property Services Limited | - | - | 1,026.87 | 1,430.75 | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 0.03 | - | - | - | - | - | - | - |
| | Oberoi Foundation | - | - | - | - | 0.58 | - | - | - | - | - |
| Remuneration | Vikas Oberoi | - | - | - | - | - | - | - | - | 0.00 | 0.00 |
| | Saumil Daru | - | - | - | - | - | - | - | - | 696.42 | 201.66 |
| Rent received | Incline Realty Private Limited | - | - | 5.18 | 7.44 | - | - | - | - | - | - |
| | Neo Realty Private Limited | - | - | - | - | 0.12 | 0.12 | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 6.90 | 7.44 | - | - | - | - | - | - |
| | Oberoi Foundation | - | - | - | - | 2,760.59 | 2,733.97 | - | - | - | - |
| Rent received on behalf | Perspective Realty Private Limited | - | - | 0.02 | 0.02 | - | - | - | - | - | - |
| Sale of assets | I-Ven Realty Limited | 0.50 | - | - | - | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 0.60 | - | - | - | - | - | - | - |
| | Incline Realty Private Limited | - | - | - | 0.93 | - | - | - | - | - | - |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 33 : RELATED PARTY DISCLOSURES (contd.)**

**B. Related party transactions**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures | | Subsidiaries | | Entities where key management personnel have significant influence | | Joint Venture of wholly owned subsidiary company | | Key management personnel and their relatives | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Sale of materials | Oberoi Constructions Limited | - | - | 1.38 | - | - | - | - | - | - | - |
| Sitting fees | Anil Harish | - | - | - | - | - | - | - | - | 4.00 | 4.50 |
| | Tilokchand Ostwal | - | - | - | - | - | - | - | - | 4.90 | 5.40 |
| | Venkatesh Mysore | - | - | - | - | - | - | - | - | 3.15 | 4.35 |
| | Karamjit Singh Kalsi | - | - | - | - | - | - | - | - | 1.00 | 1.00 |
| Investment in debentures | I-Ven Realty Limited | 579.00 | 449.38 | - | - | - | - | - | - | - | - |
| Redemption of debentures | Incline Realty Private Limited | - | - | 36,182.91 | - | - | - | - | - | - | - |
| Deposit paid on behalf of | Kingston Property Services Limited | - | - | 2.55 | 30.03 | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | - | 1.92 | - | - | - | - | - | - |
| SFIS Licence grant transferred | Oberoi Constructions Limited | - | - | 14.96 | 14.96 | - | - | - | - | - | - |
| Loan repaid | Oberoi Mall Limited | - | - | 11,354.68 | 17,644.50 | - | - | - | - | - | - |
| | Vikas Oberoi | - | - | - | - | - | - | - | - | 1,800.00 | - |
| Sale of units (slab demand) | R. S. V. Associates | - | - | - | - | 168.25 | 102.43 | - | - | - | - |
| | R. S. Estate Developers Private Limited | - | - | - | - | - | 13.40 | - | - | - | - |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 33 : RELATED PARTY DISCLOSURES (contd.)**

**C. Closing balances of related parties**

(₹ in Lakh)

| Nature of transaction | Name | Joint ventures | | Subsidiaries | | Entities where key management personnel have significant influence | | Joint Venture of wholly owned subsidiary company | | Key management personnel and their relatives | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Advance given | Sangam City Township Private Limited | 4,640.00 | 4,640.00 | - | - | - | - | - | - | - | - |
| Corporate guarantee given | Incline Realty Private Limited | - | - | 74,571.73 | 35,703.47 | - | - | - | - | - | - |
| | Oasis Realty | - | - | - | - | - | - | 55,238.65 | 71,074.79 | - | - |
| Current capital contribution account - paid | Astir Realty LLP | - | - | 14,952.89 | 12,022.59 | - | - | - | - | - | - |
| Deposit received | Oberoi Foundation | - | - | - | - | 800.00 | 800.00 | - | - | - | - |
| Equity component of interest free loan | Expressions Realty Private Limited | - | - | 2,267.18 | 2,232.68 | - | - | - | - | - | - |
| | Integrus Realty Private Limited | - | - | 442.11 | 442.11 | - | - | - | - | - | - |
| | Kingston Hospitality and Developers Private Limited | - | - | 781.81 | 781.81 | - | - | - | - | - | - |
| | Sight Realty Private Limited | - | - | 125.44 | 122.74 | - | - | - | - | - | - |
| | Sangam City Township Private Limited | 3,301.13 | 3,301.13 | - | - | - | - | - | - | - | - |
| Equity component of optionally convertiable debenture | I-Ven Realty Limited | 202.75 | 905.68 | - | - | - | - | - | - | - | - |
| Loan given | Expressions Realty Private Limited | - | - | 3,007.28 | 2,635.47 | - | - | - | - | - | - |
| | Integrus Realty Private Limited | - | - | 676.31 | 613.29 | - | - | - | - | - | - |
| | Incline Realty Private Limited | - | - | 51,832.49 | 1,00,226.63 | - | - | - | - | - | - |
| | Kingston Hospitality and Developers Private Limited | - | - | 734.94 | 665.24 | - | - | - | - | - | - |
| | Oberoi Constructions Limited | - | - | 63,397.13 | 42,462.33 | - | - | - | - | - | - |
| | Sight Realty Private Limited | - | - | 427.79 | 410.41 | - | - | - | - | - | - |
| | Shri Siddhi Avenue LLP | - | - | - | - | - | | 8,713.57 | 2,595.19 | - | - |
| Loan received | Oberoi Mall Limited | - | - | 1,042.00 | 153.18 | - | - | - | - | - | - |
| | Vikas Oberoi | - | - | - | - | - | - | - | - | 8908.00 | 10,708.00 |
| Recovery of expenses | Neo Realty Private Limited | - | - | - | - | 0.07 | 0.15 | - | - | - | - |
| Investment in debentures | I-Ven Realty Limited | 7,858.61 | 6,576.69 | - | - | - | - | - | - | - | - |
| Loan of transferable delopment rights | Oberoi Constructions Limited | - | - | 864.30 sq.mt | 864.30 sq.mt | - | - | - | - | - | - |

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 34: SEGMENT INFORMATION | MARCH 31, 2017 | | | MARCH 31, 2016 | | |
|---|---|---|---|---|---|---|
| | REAL ESTATE | HOSPITALITY | TOTAL | REAL ESTATE | HOSPITALITY | TOTAL |
| **Segment revenue** | 76,396.66 | 12,674.54 | 89,071.20 | 1,05,515.24 | 12,837.45 | 1,18,352.69 |
| **Segment result** | 40,096.17 | 2,388.94 | 42,485.11 | 50,598.12 | 2,184.15 | 52,782.27 |
| Unallocated income net of unallocated expenses | | | (161.61) | | | 12,535.98 |
| **Operating profit** | | | **42,323.50** | | | **65,318.25** |
| Less: Interest and finance charges | | | (216.77) | | | (325.62) |
| Add: Interest income | | | 5,506.48 | | | 3,079.18 |
| **Profit before tax** | | | **447,613.21** | | | **68,071.81** |
| Provision for tax | | | (15,548.24) | | | (18,313.57) |
| **Profit after tax** | | | **32,064.97** | | | **49,758.24** |
| **Other Information** | | | | | | |
| Segment assets | 3,55,583.60 | 23,548.12 | 3,79,131.72 | 3,63,467.45 | 25,320.01 | 3,88,787.46 |
| Unallocated corporate assets [B] | | | 86,771.83 | | | 70,505.31 |
| **Total assets** | | | **4,65,903.55** | | | **4,59,292.77** |
| Segment liabilities | 49,602.37 | 2,892.14 | 52,494.51 | 75,331.37 | 3,295.99 | 78,627.36 |
| Unallocated corporate liabilities | | | 2,395.56 | | | 2,339.53 |
| **Total liabilities** | | | **54,890.07** | | | **80,966.89** |
| Capital expenditure for the year (net of transfers) | 361.47 | 13.31 | 374.78 | 512.04 | 30.24 | 542.28 |
| Unallocated capital expenditure for the year | | | 152.81 | | | 614.51 |
| Depreciation for the year | 1,816.28 | 1,990.64 | 3,806.92 | 1,851.68 | 2,006.45 | 3,858.13 |
| Unallocated depreciation for the year | | | 392.78 | | | 348.96 |

**Note:**

A. Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Operating Decision Maker evaluates the Company's performance based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the financial statement are consistently applied in individual segment to prepare segment reporting.

B. Unallocated corporate assets includes temporary surplus. Income earned on temporary investment of the same has been shown in Unallocable Income net of Unallocable Expenditure.

OBEROI REALTY

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 35 : UTILISATION OF PROCEEDS FROM PREFERENTIAL ISSUE | | MARCH 31, 2016 |
|---|---|---|
| **Statement of utilisation of amount received from allotment of Equity Shares on Preferential basis:-** | | |
| **Particulars of fund utilisation** | | |
| Amount received from allotment of Equity Shares on Preferential basis | **(A)** | 32,450.00 |
| **Less: Deployment of funds received from the preferential allotment** | | |
| a) Share issue expenses | | 40.47 |
| b) Investment in Subsidiary Company by way of loan towards it's working capital requirements | **(B)** | 32,409.53 |
| | | 32,450.00 |
| Balance amount to be utilised | **(A-B)** | - |

(₹ in Lakh)

| NOTE 36 : LEASES | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **Assets taken on operating lease** | | | |
| Future minimum lease payments under non-cancellable operating lease : | | | |
| Not later than one year | - | 9.40 | - |
| Later than one year and not later than five years | - | - | - |
| Later than five year | - | - | - |
| Lease payments recognised during the year in statement of profit and loss | 16.80 | 14.30 | - |

(₹ in Lakh)

| NOTE 37 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS | MARCH 31, 2017 | MARCH 31, 2016 | APRIL 1, 2015 |
|---|---|---|---|
| **A. Summary details of contingent liabilities** | | | |
| 1. Letters of credit net of margin (March 31, 2017: gross ₹ 472.82 lakh, March 31, 2016: gross ₹ 1,794.32 lakh, April 1, 2015 gross ₹ 36.00 lakh) | - | - | - |
| 2. Bank guarantees net of margin (March 31, 2017: gross ₹ 1,139.62 lakh, March 31, 2016: gross ₹.1,147.62 lakh, April 1, 2015 gross ₹ 1,175.21 lakh) | - | - | - |
| 3. Indemnity bonds given in the favour of the government under Export Promotion Capital Goods Scheme (net of bank guarantees) | 1,588.42 | 1,513.70 | 1,560.34 |
| 4. Litigation | | | |
| a) Legal cases against the Company not acknowledged as debt (excluding certain matters where amount are not ascertainable) | 1,240.61 | 1,219.90 | 1,937.10 |
| b) MVAT matters in dispute | 228.06 | 228.06 | 320.55 |
| c) Income-tax matters in dispute | 1,765.77 | 1,714.91 | 881.88 |
| d) Service tax matters in dispute | 399.07 | 349.59 | 203.83 |
| e) Property tax matters in dispute | - | 395.15 | 395.15 |
| 5. Certain other additional matters which are under dispute but which are not acknowledged as debt by the Company | Amount not ascertainable | Amount not ascertainable | Amount not ascertainable |
| 6. Corporate guarantees given (excluding corporate guarantee given for raising debentures in a subsidiary, refer note C below) | 55,238.65 | 71,074.79 | 60,266.76 |
| **B. Capital commitments** | | | |
| Capital contracts (net of advances) | 36.83 | 236.59 | 1,218.55 |

C. The Company has issued an irrevocable and unconditional corporate guarantee in respect of debentures issued by a wholly owned subsidiary and the outstanding amount along with accrued interest as on March 31, 2017 aggregated to ₹ 74,571.73 lakh (₹ 35,703.47 lakh).

D. The sales tax department of the government of Maharashtra has completed the VAT assessments w.r.t. the returns filed by the Company on the sale of flats to the customers during the period beginning from June 2006 till March 2012 and determined the VAT and interest liability. For some of the years, the Company has challenged the assessment order and opted for appeal, which is pending for hearing. Vide an order of the Hon'ble Supreme Court of India, the recovery of interest amounts in such cases has been stayed. However, the Company has opted to settle and pay interest for some of the years under The Maharashtra Settlement of Arrears in Disputes Act, 2016. Part of the amount has been collected by the Company from the flat purchasers on account of such liability and the Company is reasonably confident of recovering all the outstanding amount on account of VAT from flat purchasers.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

| NOTE 38 : DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 | MARCH 31, 2017 | MARCH 31, 2016 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount | 8.48 | 11.57 |
| - Interest amount | - | - |

The amount of interest due and payable for the year due to delay in making payment under Micro, Small and Medium Enterprise Development Act, 2006 is ₹ Nil (₹ Nil). No interest is accrued / unpaid for the current year.

Disclosure of trade payables under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

## NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### A. Accounting classification

The carrying value of financial instruments by categories are as follows:

(₹ in Lakh)

| Particulars | Carrying Value | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2017 | | | March 31, 2016 | | | April 1, 2015 | | |
| | At Cost | Fair Value through profit or loss | Amortised Cost | At Cost | Fair Value through profit or loss | Amortised Cost | At Cost | Fair Value through profit or loss | Amortised Cost |
| **Financial assets** | | | | | | | | | |
| Cash and cash equivalents | - | - | 14,118.05 | - | - | 1,386.96 | - | - | 5,123.30 |
| Bank Balances | - | - | 8,232.37 | - | - | 7,513.85 | - | - | 3,688.34 |
| Trade receivables | - | - | 2,738.67 | - | - | 3,852.66 | - | - | 2,761.23 |
| Loans | - | - | 1,31,948.69 | - | - | 1,52,450.53 | - | - | 88,400.60 |
| **Investments:** | | | | | | | | | |
| Investment in preference shares | - | - | 616.68 | - | - | 558.01 | - | - | 504.67 |
| Investment in optionally convertible debentures | - | - | 7,858.61 | - | - | 6,576.69 | - | - | 5,569.33 |
| Investment in government securities | - | - | 0.82 | - | - | - | - | - | 1.21 |
| Investment in mutual funds | - | - | - | - | 1,123.40 | - | - | - | - |
| Investment in subsidary / joint ventures | 61,075.21 | - | - | 56,150.48 | - | - | 55,922.04 | - | - |
| | **61,075.21** | **-** | **1,65,513.89** | **56,150.48** | **1,123.40** | **1,72,338.70** | **55,922.04** | **-** | **1,06,048.68** |
| **Financial liabilities** | | | | | | | | | |
| **Borrowings:** | | | | | | | | | |
| From director | - | - | 8,908.00 | - | - | 10,708.00 | - | - | 10,708.00 |
| From subsidiary company | - | - | 1,042.00 | - | - | 153.18 | - | - | 1,995.68 |
| Trade payables | - | - | 3,401.01 | - | - | 3,410.09 | - | - | 2,704.00 |
| Other financial liability | - | - | 1,858.57 | - | - | 947.23 | - | - | 1,734.08 |
| | **-** | **-** | **15,209.58** | **-** | **-** | **15,218.50** | **-** | **-** | **17,141.76** |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)**

## B. Fair Values

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(₹ in Lakh)

| March 31, 2017 | Fair value | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Bank Balances | - | 7,895.83 | - |
| **Investments:** | | | |
| Investment in preference shares | - | 553.11 | - |
| Investment in optionally convertible debentures | - | 7,855.32 | - |

(₹ in Lakh)

| March 31, 2016 | Fair value | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Bank Balances | - | 7,173.46 | - |
| **Investments:** | | | |
| Investment in preference shares | - | 453.84 | - |
| Investment in optionally convertible debentures | - | 6,434.09 | - |

(₹ in Lakh)

| April 1, 2015 | Fair value | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Bank balances | - | 3,458.72 | - |
| **Investments:** | | | |
| Investment in preference shares | - | 440.80 | - |
| Investment in optionally convertible debentures | - | 5,351.98 | - |

The management assessed that carrying amount of cash and cash equivalents, trade receivables, loans, Investment in mutual funds, borrowings, trade payable and other financial liabilities approximate their fair values largely due to the short-term maturities of these instruments.

### C. Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| **Financial Assets:**<br>- Investment in optionally convertible debentures<br>- Investment in preference shares<br>- Investment in government securities<br>- Loans<br>- Fixed Deposit with maturity beyond twelve months | Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor | Not Applicable | Not Applicable |

**Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the respective period presented above.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)

**D. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. Similarly in case of lease rental business, the Company keeps 3 to 12 months rental as deposit from the occupants.

No impairment is observed on the carrying value of trade receivables.

**Investment in debt securities**

The Company has investment only in redeemable optionally convertible debentures and the settlement of such instruments is linked to the completion of the respective underlying projects. No impairment has been recognised on such investments till date.

**Cash and cash equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Investment Committee of the Board comprising of Mr. Venkatesh Mysore (Chairperson), Mr. Anil Harish, Mr. T.P. Ostwal, (Independent Directors) and Mr. Vikas Oberoi (Non-Independent Director) on an annual basis, and may be updated throughout the year subject to approval of the Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**ii. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)**

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakh)

| March 31, 2017 | Carrying amount | Contractual Cash Flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Within 1 year | 1-2 years | 2-5 years | More than 5 years |
| Trade payables | 3,401.01 | 3,401.01 | 3,041.10 | 359.91 | - | - |
| Loans from related parties | 9,950.00 | 9,950.00 | 9,950.00 | - | - | - |
| Other financial liabilities | 1,858.57 | 1,858.57 | 1,858.57 | - | - | - |
| **Total** | **15,209.58** | **15,209.58** | **14,849.67** | **359.91** | - | - |

(₹ in Lakh)

| March 31, 2016 | Carrying amount | Contractual Cash Flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Within 1 year | 1-2 years | 2-5 years | More than 5 years |
| Trade payables | 3,410.09 | 3,410.09 | 3,327.11 | 82.98 | - | - |
| Loans from related parties | 10,861.18 | 10,861.18 | 10,861.18 | - | - | - |
| Other financial liabilities | 947.23 | 947.23 | 947.23 | - | - | - |
| **Total** | **15,218.50** | **15,218.50** | **15,135.52** | **82.98** | - | - |

(₹ in Lakh)

| April 1, 2015 | Carrying amount | Contractual Cash Flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Within 1 year | 1-2 years | 2-5 years | More than 5 years |
| Trade payables | 2,704.00 | 2,704.00 | 2,639.42 | 64.58 | - | - |
| Loans from related parties | 12,703.68 | 12,703.68 | 12,703.68 | - | - | - |
| Other financial liabilities | 1,734.08 | 1,734.08 | 1,734.08 | - | - | - |
| **Total** | **17,141.76** | **17,141.76** | **17,077.18** | **64.58** | - | - |

**iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure to these risks in our revenues and costs.

**Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when expense is denominated in a foreign currency).

The Company closely tracks and observes the movement of foreign currency with regards to INR and also forward cover rate. The Company decides to cover or keep the foreign currency exposure open based on the above.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (contd.)

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities are as below:

(₹ in Lakh)

| Particulars | March 31, 2017 USD | March 31, 2017 SGD | March 31, 2017 Euro | March 31, 2017 Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Trade payables | 375.93 | 1.04 | 9.90 | 386.87 |
| | **375.93** | **1.04** | **9.90** | **386.87** |

(₹ in Lakh)

| Particulars | March 31, 2016 USD | March 31, 2016 Total |
|---|---|---|
| **Financial liabilities** | | |
| Trade payables | 468.65 | 468.65 |
| | **468.65** | **468.65** |

(₹ in Lakh)

| Particulars | April 1, 2015 USD | April 1, 2015 Total |
|---|---|---|
| **Financial liabilities** | | |
| Trade payables | 326.91 | 326.91 |
| | **326.91** | **326.91** |

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company do not have any long term external borrowing as on March 31, 2017.

**Commodity Price Risk**

The Company's activities are exposed to steel and cement price risks and therefore its overall risk management program focuses on the volatile nature of the steel and cement market, thus seeking to minimize potential adverse effects on the Company's financial performance on account of such volatility.

**E. Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest and non interest bearing loans and borrowings less cash and cash equivalents, excluding discontinued operations.

The Company's adjusted net debt to equity ratio is as follows:

(₹ in Lakh)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Borrowings | 9,950.00 | 10,861.18 |
| Less : Cash and cash equivalent | 14,118.05 | 1,386.96 |
| **Adjusted net debt** | **(4,168.05)** | **9,474.22** |
| Total equity | 4,11,013.48 | 3,78,325.88 |
| **Adjusted equity** | **4,11,013.48** | **3,78,325.88** |
| Adjusted net debt to adjusted equity ratio | (0.01) | 0.03 |

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# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## NOTE 40 : DISCLOSURE ON SPECIFIED BANK NOTES(SBNS)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lakh)

| Particular | SBNs* | Other denomination | Total |
|---|---|---|---|
| Closing cash in hand as on November 8, 2016 | 11.05 | 14.89 | 25.94 |
| (+) Permitted receipts | - | 74.05 | 74.05 |
| (+) Withdrawal | - | 11.88 | 11.88 |
| (-) Permitted payments | - | (23.42) | (23.42) |
| (-) Amount deposited in banks | (11.05) | (55.64) | (66.69) |
| **Closing cash in hand as on December 30, 2016** | **-** | **21.76** | **21.76** |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

## NOTE 41 : OTHER NOTES

A. In our opinion, all current assets appearing in the Balance Sheet as at March 31, 2017 have a value on realisation in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Balance Sheet.

B. Balance of trade receivables, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.

C. The Company is primarily engaged in real estate development. The Company has acquired various lands / development rights and certain projects are at initial stage of implementation. The projects may be developed with various end uses, such as hotel, retail outlets, plots, residential, commercial and IT specific use. Such projects will be classified under investment properties, PPE or inventories, as the case may be, based on ultimate end use as per final development of the property. Pending such reclassification on final development of such properties, such plots and the cost incurred on development of projects is included under the head 'Works in progress' or 'Plots of land' as part of 'Current assets'.

D. As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ 834.15 lakh on Corporate Social Responsibility (CSR) activities during FY 2016-17, against which the Company has spent ₹ 43.16 lakh during the year under review majorly towards maintaining green initiatives and beautification of public spaces and other CSR initiatives.

E. The share of profit / (loss) in the LLP is accounted in the books of the Company as and when the same is credited / debited to the Partners' Capital Account.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**NOTE 41 : OTHER NOTES (contd.)**

F. Standards issued but not yet effective

The Government of India through the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 which are effective from April 1, 2017. These amendments are as follows:

1. Amendments to IND AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Company is assessing the potential effect of the amendments on its financial statements [the same is not expected to have a material impact on its financial statements].

2. The amendments to IND AS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Application of amendments will result in additional disclosure provided by the Company.

G. Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

H. Figures have been rounded off to the nearest thousand.

As per our report of even date
**For P. RAJ & CO.**
Chartered Accountants
Firm Registration No. 108310W

**P. S. Shah**
Partner
Membership No.44611
Mumbai, May 4, 2017

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

# STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES U/S 129(3) AS ON MARCH 31, 2017

**Part A**
**Subsidiaries**

(₹ in Lakh)

| Sr. No. | Name of subsidiary | Paid-up Share Capital | Other equity (including Reserves and surplus) | Total assets | Total liabilities | Investments | Turnover (including other income) | Profit / (loss) before tax | Provision for tax | Profit / (loss) after tax | Proposed dividend (excluding dividend distribution tax) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Oberoi Constructions Limited | 510.00 | 1,60,211.28 | 2,81,182.46 | 1,20,461.18 | 1,48,269.24 | 9,158.07 | 2,441.47 | 753.34 | 1,688.13 | - |
| 2. | Oberoi Mall Limited | 9.00 | 12,743.33 | 21,023.83 | 8,271.50 | 5,127.99 | 10,191.34 | 8,578.01 | 2,377.16 | 6,200.85 | - |
| 3. | Kingston Property Services Limited | 9.00 | 395.85 | 2,762.73 | 2,357.87 | 440.27 | 4,675.70 | 69.19 | (3.95) | 73.14 | Nil |
| 4. | Kingston Hospitality and Developers Private Limited | 31.00 | 228.97 | 1,106.25 | 846.28 | - | 0.31 | (69.64) | (21.52) | (48.12) | Nil |
| 5. | Expressions Realty Private Limited | 9.00 | 1,078.48 | 4,575.81 | 3,488.33 | 4,574.76 | 0.29 | (292.57) | (90.41) | (202.17) | Nil |
| 6. | Perspective Realty Private Limited | 9.00 | 0.87 | 15.97 | 6.10 | - | 0.21 | 0.01 | 0.00 | 0.01 | Nil |
| 7. | Sight Realty Private Limited | 1.00 | 100.80 | 542.97 | 441.17 | 164.64 | 5.74 | (0.50) | (1.71) | 1.21 | Nil |
| 8. | Incline Realty Private Limited | 500.00 | (223.40) | 2,07,515.69 | 2,07,239.09 | 3,446.77 | 384.38 | 34.68 | 9.94 | 24.74 | Nil |
| 9. | Integrus Realty Private Limited | 1.00 | 223.82 | 1,001.29 | 776.47 | 1,000.00 | 0.29 | (63.01) | (19.47) | (43.54) | Nil |
| 10. | Astir Realty LLP*# | 1,49,529.88 | 0.01 | 1,49,529.95 | 0.06 | 1,14,637.48 | 0.11 | 0.01 | 0.00 | 0.01 | Nil |
| 11. | Buoyant Realty LLP* | 1.01 | 6.38 | 7.50 | 0.12 | - | 0.34 | 0.11 | 0.03 | 0.08 | Nil |

**Note :**

A. Oberoi Constructions Limited, a wholly owned subsidiary holds 100% of the total subscribed and paid up share capital of Perspective Realty Private Limited.

B. All the above entities are wholly owned subsidiary of the Company, whose reporting currency is Indian Rupees and having year end on March 31, 2017.

* Yet to commence operation.

# Paid-up share capital includes amounting ₹ 1.00 lakh as fixed contribution and ₹ 1,49,528.88 lakh as current contribution.

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

Mumbai, May 4, 2017

# STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES U/S 129(3) AS ON MARCH 31, 2017 (contd.)

**Part B**

**Associate Companies And Joint Ventures**

(₹ in Lakh)

| Sr. No. | Name of Associates / Joint Ventures | I-Ven Realty Limited | Sangamcity Township Private Limited |
|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | March 31, 2017 | March 31, 2017 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | | |
| | a) Number | | |
| | i) Equity | 5,00,000 | 9,500 |
| | ii) Preference | 3,62,500 | - |
| | b) Amount of Investment in Associates / Joint Venture | 31,376.73 | 3,302.08 |
| | c) Extent of Holding % | 50% | 31.67% |
| 3. | Description of how there is significant influence | Due to Shareholding | Joint Control |
| 4. | Reason why the associate/joint venture is not consolidated | NA | NA |
| 5. | Networth attributable to Shareholding as per latest audited Balance Sheet | 2,957.26 | 750.44 |
| 6. | Profit / (Loss) after tax for the year | | |
| | a) Considered in Consolidation | (0.04) | (0.35) |
| | b) Not Considered in Consolidation | - | - |

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

Mumbai, May 4, 2017

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# ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE ACT, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ ASSOCIATES/ JOINT VENTURES

(₹ in Lakh)

| Name of the entity | 2016-17 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or (Loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount (₹ in Lakh) | As % of Profit or (Loss) | Amount (₹ in Lakh) | As % of consolidated other comprehensive income | Amount (₹ in Lakh) | As % of total comprehensive income | Amount (₹ in Lakh) |
| **Parent** | | | | | | | | |
| Oberoi Realty Limited | 71.78% | 4,11,013.48 | 84.70% | 32,064.96 | 91.26% | 20.52 | 84.70% | 32,085.49 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Oberoi Constructions Limited | 28.07% | 1,60,721.28 | 4.46% | 1,688.13 | 4.45% | 1.00 | 4.46% | 1,689.12 |
| Oberoi Mall Limited | 2.23% | 12,752.33 | 16.38% | 6,200.85 | 0.00% | - | 16.37% | 6,200.85 |
| Kingston Property Services Limited | 0.07% | 404.85 | 0.19% | 73.14 | 38.20% | 8.59 | 0.22% | 81.73 |
| Incline Realty Private Limited | 0.05% | 276.60 | 0.07% | 24.74 | -44.20% | (9.94) | 0.04% | 14.80 |
| Kingston Hospitality and Developers Private Limited | 0.05% | 259.97 | -0.13% | (48.12) | 0.00% | - | -0.13% | (48.12) |
| Expressions Realty Private Limited | 0.19% | 1,087.48 | -0.53% | (202.17) | 0.00% | - | -0.53% | (202.17) |
| Perspective Realty Private Limited** | 0.00% | 9.87 | 0.00% | 0.01 | 0.00% | - | 0.00% | 0.01 |
| Sight Realty Private Limited | 0.02% | 101.80 | 0.00% | 1.21 | 0.00% | - | 0.00% | 1.21 |
| Integrus Realty Private Limited | 0.04% | 224.82 | -0.12% | (43.54) | 0.00% | - | -0.11% | (43.54) |
| Buoyant Realty LLP | 0.00% | 7.39 | 0.00% | 0.08 | 0.00% | - | 0.00% | 0.08 |
| Astir Realty LLP | 26.11% | 1,49,529.89 | 0.00% | 0.01 | 0.00% | - | 0.00% | 0.01 |
| **Joint Ventures (investment as per the equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Siddhivinayak Realties Private Limited | 0.73% | 4,187.75 | 0.00% | (0.19) | 0.00% | - | 0.00% | (0.19) |
| Oasis Realty (AoP) | 20.61% | 1,18,036.99 | 0.08% | 30.81 | 10.30% | 2.32 | 0.09% | 33.13 |
| Aion Realty LLP | 0.00% | - | 0.00% | (0.03) | 0.00% | - | 0.00% | (0.03) |
| I-Ven Realty Limited | 5.20% | 29,793.49 | 0.00% | (0.04) | 0.00% | - | 0.00% | (0.04) |
| Sangam City Township Private Limited | 0.48% | 2,765.24 | 0.00% | (0.35) | 0.00% | - | 0.00% | (0.35) |
| Saldanha Realty and Infrastructure LLP | 0.80% | 4,571.94 | 0.00% | (0.17) | 0.00% | - | 0.00% | (0.17) |
| Metropark Infratech and Realty Developments Private Limited | 0.03% | 149.11 | 0.02% | 8.47 | 0.00% | - | 0.02% | 8.47 |
| Shri Siddhi Avenues LLP | 0.12% | 672.72 | 0.01% | 2.71 | 0.00% | - | 0.01% | 2.71 |
| Schematic Estate LLP | 0.00% | 0.00 | 0.00% | 0.00 | 0.00% | - | 0.00% | 0.00 |

**Note :**

A. Pursuit Realty LLP ("Pursuit") has been incorporated on February 10, 2017 under Limited Liability Partnership Act, 2008. Oberoi Constructions Limited and Integrus Realty Private Limited, both wholly owned subsidiaries of Oberoi Realty Limited, are the partners of Pursuit. However, in the absence of any business and accounting transactions, including infusion of partner's capital contribution, till March 31, 2017, no financial numbers related to Pursuit exist to form a part of the consolidated financial statements.

** Oberoi Constructions Limited, a wholly owned subsidiary holds 100% of the total subscribed and paid up share capital of Perspective Realty Private Limited.

For and on behalf of the Board of Directors

**Vikas Oberoi**
Chairman & Managing Director

**T. P. Ostwal**
Director

**Saumil Daru**
Director - Finance cum Chief Financial Officer

**Bhaskar Kshirsagar**
Company Secretary

Mumbai, May 4, 2017

# NOTES

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