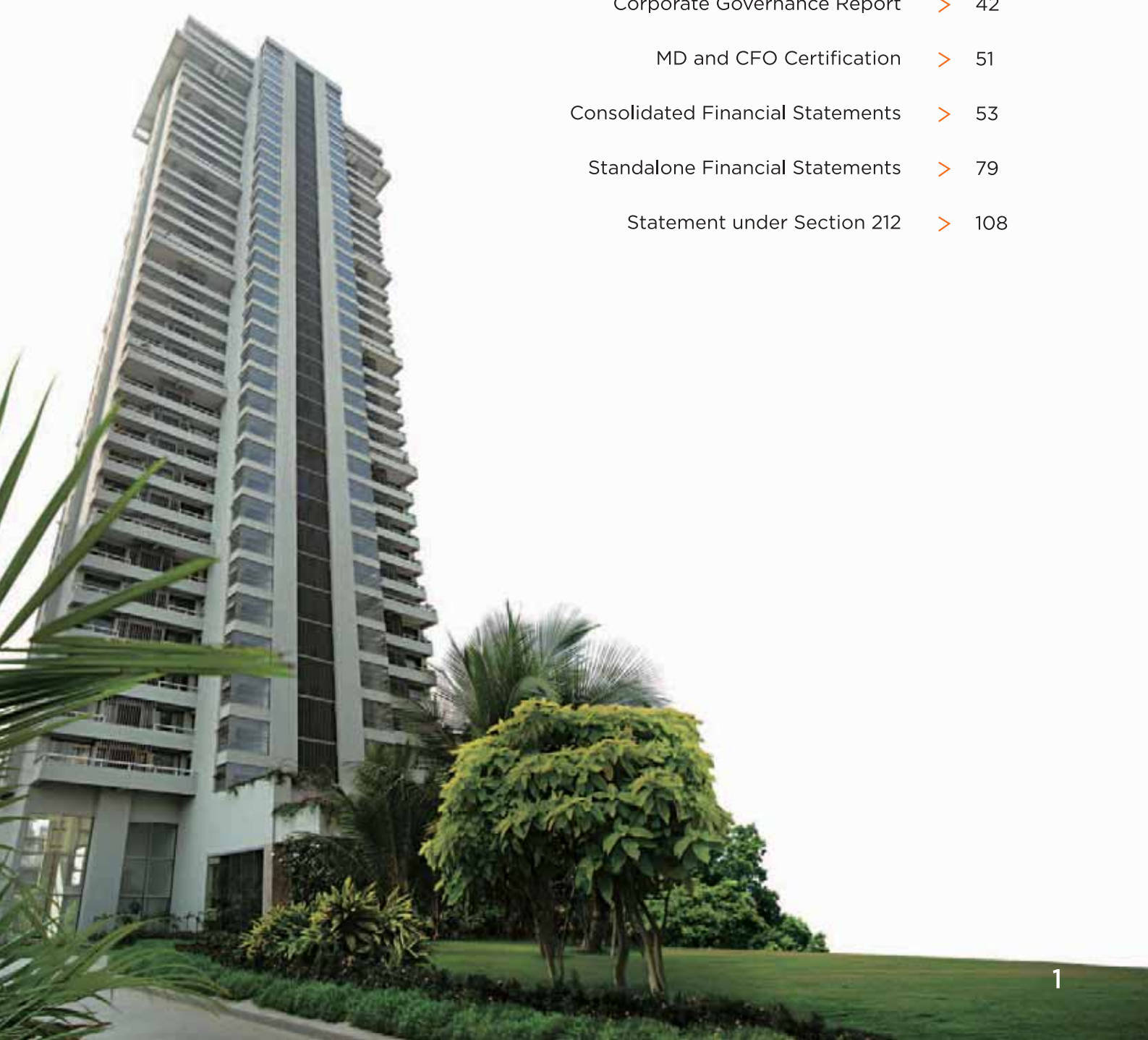


OBEROI CITY NEW MILESTONES




OBEROI
REALTY

OBEROI REALTY LIMITED
ANNUAL REPORT 2010-2011



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Oberoi Realty

The dawn of a
new era in realty

En route the long winding journey of developing destinations, we have crafted some path-breaking landmarks that have carved out a special niche for ourselves.

We don't just create, we inspire.

Our inspirations result in premium destinations, which can change the tone and profile of an entire location.

Our journey has had many moments of brilliance and we are pleased that you could be a part of it.

We look forward to the rest of the journey, with you.



Oberoi Realty – The Chosen One.

- > Three decades of experience with an emphasis on contemporary architecture, strong project execution and quality construction
- > Spearheaded by Vikas Oberoi
- > Primary focus on Mumbai with opportunistic presence in Pune
- > Ongoing and planned projects of nearly 20 million square feet
- > Portfolio spanning across: Residential / Office space / Retail / Hospitality / Social Infrastructure
- > Landmark Developments include Oberoi Woods, Oberoi Mall, Oberoi Seven, Oberoi International School and The Westin Mumbai Garden City in Oberoi Garden City

Destination Developments

We seek to create “Destination Developments” in our mixed-use and single-segment developments. An example is the Oberoi Garden City (OGC), Goregaon, Mumbai, which is an integrated mixed-use development, anchored by a shopping mall, a luxury hotel and an international school. By integrating retail, office space, social infrastructure and hospitality projects, we have been able to create an aspirational value for our upcoming residential developments in OGC.



Taking realty to another level

We, at Oberoi Realty, based in Mumbai, India, are focused on premium real estate developments.

30 years on, after an array of successful premium developments completed in Mumbai, we have succeeded in carving out a niche for ourselves. While the predominant focus has been on residential projects, we have a diversified portfolio covering key segments of the real estate market, which target the upper end of the respective market segment. Innovation in our offerings combined with an emphasis on contemporary architecture, strong project execution and quality construction have helped us transform into a brand to reckon with.

By partnering with the best in the world and India, we continuously keep ourselves abreast with changing global and national trends. In order to achieve the scalability required to undertake large developments, we outsource work to leading international and domestic consultants in the areas of architecture, design, engineering and construction. Our long-term vision has proven itself by identifying suitable land parcels and creating landmark destination developments over the years. We believe that understanding the market and prudent financial management has enabled us to adapt to the changing market conditions in a focused and constructive manner, while growing year on year.

The Reality of Our Realty

The world is shrinking and we are proud to be instrumental in making it smaller. Within a short period, we have etched our identity in the mind of Mumbai, the financial capital of India. The city is dotted with our projects – ones that make you roll down the car window and gape.

This, as we would like to call it, is just the beginning and you can expect plenty of firsts coming your way.

With an experience of delivering 34 projects, we have become synonymous with innovative developments and are constantly reinventing ourselves in terms of design and construction quality.



Our Realty Strength – Our People

We have a strong and experienced management team with established and structured corporate processes. A majority of the key management team has been with us for over a decade.

Our work culture and philosophy is engineered to attract and retain the best minds in the industry. With our best practices and work ethos, we aim to be the preferred employer in the industry.

We also believe that in the coming years, our professional acumen will continue to allow us to take advantage of the current and future market opportunities.

Well established management training and monitoring programmes for succession planning across various levels of our organization is in place for our continued growth.

Hospitality



Hospitality completes a destination. Which accounts for our decision to partner the finest names in hospitality and create marvels which can cater to the most fastidious needs of the very finest international traveler and local resident. This philosophy has enhanced the desirability of our residential units and the trend will continue in the near future.

Social Infrastructure

With our advent into social infrastructure, we move another step towards our aim of developing destinations. Our philosophy of live, study, work and play in the same location comes alive by providing our consumers with infrastructure required for urban education.



Residential

We combine long-term vision with the finest contemporary designs. Our landscaping sets standards in the category. Associations with best-in-class architects make every feature of our residential projects truly international. Our projects transcend mere property development and become the landmarks for their area.

Our Verticals

Office Space

Our office spaces are designed keeping in mind the extensive need of customer customization, adaptability and scale. Immense vision, ambition, contemporary designs by choice architects and world class partners give our projects the edge that almost makes them an automatic choice for leading corporate houses.

Retail

We are proud to have created one of the finest, most innovative retail space in the city. Our international-style design creates the kind of spaces high profile brands and consumers love to be associated with. It's not exaggeration to say that our projects raise area values immediately.





The 8 Pillars of Oberoi Realty

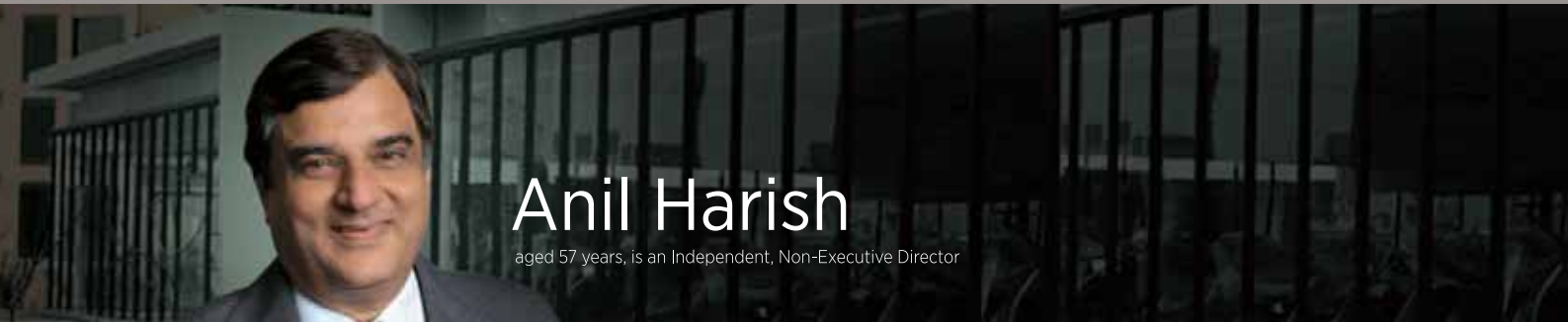
- > **Quality:** Providing products so excellent in their quality, and service so outstanding in its responsiveness that our brand becomes the choice of current and potential customers.
- > **Innovation:** Encouraging new ideas and better solutions to maintain a competitive edge.
- > **Knowledge:** Keeping abreast with the latest developments and investing in expert knowledge for all our projects, thereby lifting the category higher.
- > **Customers:** Gaining preferred status through products and services that fulfill customers' growing aspirations.
- > **People:** Encouraging diversity in the workforce and working in strong partnership to create a better future.
- > **Respect:** Regarding our associates, workforce, team, customers and suppliers with respect and understanding, to value their contributions.
- > **Transparency:** Demonstrating honesty and fairness in our every action and maintaining an open communication model within our company and outside.
- > **Passion:** Promoting a passionate attitude towards unbeatable performance, thereby delivering higher value to our stakeholders.



Vikas Oberoi

aged 41 years, is the Chairman and Managing Director

Vikas Oberoi has been on the Board of Directors since incorporation of the Company. He is a Harvard Business School Alumni. He has more than two decades of experience in the real estate sector. He leads a team of highly experienced professionals and is involved in the formulation of corporate strategy and planning, overall execution and management, and concentrates on the growth and diversification plans of the Company.



Anil Harish

aged 57 years, is an Independent, Non-Executive Director

Anil Harish has been on the Board of Directors since September 2009. He holds a Bachelor's Degree in Arts (Honors) and Bachelor's Degree in Law from University of Mumbai and a Master's Degree in Law from University of Miami, USA. He is a member of the managing committee of the Indian Merchants Chamber and is Associate Vice-President of the Society of Indian Law Firms. He is a partner at D.M. Harish & Co., Advocates. He specializes in practice areas pertaining to real estate, taxation and collaboration. He is also the President of Hyderabad (Sind) National Collegiate Board.



Bindu Oberoi

aged 42 years, is a Non-Independent, Non-Executive Director

Bindu Oberoi has been on the Board of Directors since December 2006. She holds a Bachelor's Degree in Commerce from the University of Mumbai and is involved in the areas of interiors and designing for the projects of the Company.



Jimmy Bilimoria

aged 64 years, is an Independent, Non-Executive Director

Jimmy Bilimoria has been on the Board of Directors since December 2007. He holds a Bachelor's Degree in Commerce from the University of Mumbai and is a fellow member of the Institute of Chartered Accountants, England & Wales. He was the Managing Director and Country Head for the Ciba group in India and had been associated with this group since 1997 in various capacities including Managing Director, Finance Director, Vice Chairman, Country Head And Non-Executive Chairman of Ciba India Limited. He has experience in the field of acquisitions, restructuring and integrations. Besides operational and financial responsibility he was actively involved in various acquisition deals, restructuring of businesses and integration of new opportunities including joint ventures and strategic alliances. He had also represented Ciba India Limited at various International Group forums and business discussions. He has been on the management committees of the Bombay Chamber of Commerce & Industry and the Indo - Swiss Business Forum.



Kavin C. Bloomer

aged 51 years, is a Non-Independent, Non-Executive Director nominated for appointment by SSIII Indian Investments Two Limited

Kavin C. Bloomer has been on the Board of Directors since March 2009. He holds a Bachelor's Degree in Arts from the University of Massachusetts and a Master's Degree in Professional Studies from Cornell University Graduate School. He is the Senior Vice- President and Chief Operating Officer of Panorama Hospitality K.K. and an Executive Director of Morgan Stanley International Inc. and has experience in the hospitality sector, especially in the areas of operations, finance and asset management functions. He has previously held senior management positions with Goldman Sachs Realty Japan Limited and Archon Group L.P., a Goldman Sachs affiliate, in Japan, U.S. and Thailand. He has worked for over a decade with Starwood Hotels and ITT Sheraton Corporation, where he held a number of corporate and field positions, including general manager of the Westin Banyan Tree Hotel in Bangkok, Thailand.



Naresh Naik

aged 41 years, is the Alternate Director to Kavin C. Bloomer.

Naresh Naik was appointed as the Alternate Director to Kavin C. Bloomer in March 2009. He holds a Bachelor's Degree in Architecture from Goa University. He has wide experience in the field of asset management and acquisitions. He was the Head of Asset Management in India for Lehman Brothers Real Estate Partners from 2007 till 2008. Previously, he has worked in various capacities across the Lehman Real Estate Funds North American and Indian portfolios. He was also involved in creating the initial asset management infrastructure upon Lehman Brothers' first venture into the Indian real estate private equity space in 2001. Currently he is the India head for Morgan Stanley Real Estate.



Tilokchand P. Ostwal

aged 56 years, is an Independent, Non-Executive Director

Tilokchand P. Ostwal has been on the Board of Directors since December 2007. He holds a Bachelor's Degree in Commerce from the Shivaji University, Kolhapur and is a fellow member of the Institute of Chartered Accountants of India. He is a practicing Chartered Accountant with an experience of approximately 32 years. He is the Vice-Chairman of the Executive Board of International Fiscal Association, Netherlands. He is a member of the taxation committees of The Bombay Chartered Accountant Society, Bombay Chamber of Commerce and Industries, Indian Merchants Chamber, The Associated Chambers of Commerce and Industry of India, International Taxation Committee of ICAI and The Bombay Chartered Accountant Society. He is a visiting professor at Vienna University, Austria where he teaches International Tax for the Master's Degree in Law. He has also been appointed as a member of a group constituted by the United Nations for developing transfer pricing manual and documentation for developing countries. He has been adjudged at the 11th position amongst the top 50 tax professionals in the world for the year 2006 - 2007 by Tax-Business magazine, UK. He is involved in handling international tax issues on cross-border transactions for a wide range of clients in India.



PRISMA

PRISMA

The Vision of Tomorrow, Today

Maximising Mumbai and being Opportunity Centric.

We believe that Mumbai is an attractive real estate market and we will continue to operate with Mumbai as our primary market. However, we are a knowledge-led and an outsourcing driven company and are open to any suitable development opportunities that arise outside of Mumbai.

With a strong bottom line, strategic land banks in Mumbai, great reputation, technically superb associates and sound future thinking, we are poised to further our position as one of the top realty companies in the country.



Vikas Oberoi
Chairman and Managing Director

Chairman's Message

Dear Shareholder,

On behalf of Oberoi Realty Limited, my team and I would like to take this opportunity to thank each and every one of you for the faith that you have reposed in the company. We also formally welcome you to the Oberoi Realty family.

For the last 3 decades, millions have entrusted your company with their precious dreams. It is a responsibility that the company has carried out with undeterred focus, integrity, passion and with the highest standards of quality. The company's focus on quality and attention to detail has helped it carve a unique 'Oberoi Realty' style over the years. A journey that started with a focus on residential projects diversified into office space, retail, hospitality and social infrastructure projects, which enhanced the attractiveness of the company's residential projects. The outsourcing model of the company ensures that it partners with leading design and construction companies in

India, and the world, to deliver world-class living in terms of quality and style to its customers. The company has always tried to innovate and do different things and sometimes even do regular things differently. These key factors that have helped your company create a niche for itself.

The last year has been significant in the lifespan of your company. The company got listed on the bourses in October 2010 and along with your support, will scale new heights. The company received an overwhelming response for its new residential launches last year, Oberoi Esquire and Oberoi Splendor Grande. The last year also saw the launch of The Westin Mumbai Garden City, the company's first hospitality venture. The company's retail development, the Oberoi Mall has successfully completed nearly 3 years in operation. Your company has an extremely capable and experienced management team and they continue to strategize, plan, monitor and review the progress of all its developments. The company continues to have a young and motivated work-force that brings in fresh thinking and energy to the

company. The company has brought in global talent for some key roles to leverage international best practices to its advantage. The company's strong focus on design and quality has ensured increased customer satisfaction over the years.

Last year, your company has witnessed buoyancy in sales of its residential projects. Going forward, the company believes that the demand for projects in the right location in Mumbai, at the right price, and most importantly from a trusted developer, will continue to happen. Additionally, the company's projects in office space, retail, and hospitality will continue to give an annuity income of over Rs. 100 crores and this will only increase as your company completes its planned office space development. The company has seen sustained growth over the years and its turnover grew to Rs. 1058 crores, over 31% YoY and the profit after tax was at Rs. 517 crores for the financial year 2010-11, a growth of 13% YoY.

Your company's long-term strategy has been to identify suitable land parcels and create landmark 'destination developments' in stand-alone or

integrated projects. The company has always been prudent about its financial planning and land acquisition and will continue to do so in the future as well. The company continues to be debt-free and has nearly Rs. 1500 crores in cash and cash equivalents, which will be used for business growth, and to acquire land at an opportune time. The company is not against raising debt and will leverage prudently at the right time. The Real Estate sector is cyclical and with cash on hand, the company will use this cyclicity to its advantage. The company is confident that its strategy of 'aggression with caution and prudence' about land acquisition will help it grow and continue to deliver its best to you.

Once again, I would like to take this opportunity to welcome you to the Oberoi Realty family. The company is truly humbled by your belief and will continue to retain your trust and create value for you.

Vikas Oberoi
Chairman and Managing Director

The fruit of today's vision

Awards symbolise recognition and appreciation from the industry and peers. It is no small achievement to win an enviable collection consistently, as we have done. Below is a list of a few select awards we have earned over the years:

2010

> Asia Retail Congress Awards

Emerging Retailer of the Year awarded to Oberoi Mall

> Shoppers and Consumers Insights Awards

Most Admired Shopping Centre of the Year (Metros) awarded to Oberoi Mall

Most Admired Shopping Centre of the Year (Marketing & Consumer Promotions) awarded to Oberoi Mall

Most Admired Shopping Center Developer of the year awarded to Oberoi Mall

> Construction World Architect and Builder Awards

India's Top 10 Builders awarded to Oberoi Realty

> EPC World Awards

Outstanding Contribution in Real Estate sector (Residential) for Oberoi Springs

> Accommodation Times Awards

Real Estate Company of the Year 2010 to Oberoi Realty

2009

> Construction Source India

Excellence Award for Best Real Estate Developer Award given to Mr. Vikas Oberoi

> Accommodation Times

Real Estate Company of the Year 2009 awarded to Oberoi Constructions Private Limited

2008

> National Safety Council

Bronze Safety Award-Construction Sector 2008 awarded to Oberoi Constructions Private Limited

> Indian Concrete Institute

Award for the Outstanding Prestressed Concrete Structure for 2007-2008 presented to Commerz

2007

> The Times of India

Glory of Mumbai Awards 2007 to Oberoi Gardens

> Construction World Top Architects & Builders Awards

Among India's Top 15 builders awarded to Oberoi Constructions Private Limited

2005

> Young Presidents' Organization

Young Presidents' Organization to Mr. Vikas Oberoi

2000

> Accommodation Times

Young Achiever of the Year Award for Real Estate Development awarded to Mr. Vikas Oberoi

A snapshot of the year that was...

Business Highlights - FY11

- > Company successfully got listed at BSE and NSE
- > Launch of Oberoi Splendor Grande and Oberoi Esquire in the residential segment
- > Completed 3 successful years of Oberoi Mall
- > Commenced commercial operations of The Westin Mumbai Garden City - our maiden hospitality venture
- > Construction activities of our mixed use luxury project at Worli have been initiated
- > Won 7 prestigious awards under various categories
- > Mapping nearly 10 million sq.ft. of Mumbai City

Financial Highlights - FY11 Consolidated

- > Revenue at Rs. 1,058.78 crores
- > EBITDA at Rs. 639.77 crores, an EBITDA margin of 60.43%
- > PBT at Rs. 615.47 crores
- > PAT at Rs. 517.18 crores

Consolidated Financial Performance:

(Rs. in Lakh)

Particulars	As of March 31,				
	2011	2010	2009	2008	2007
Gross Income	105,877.56	80,549.52	45,489.12	55,856.27	24,741.85
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	63,977.02	48,906.25	27,687.04	30,484.14	13,403.01
Profit Before Tax (PBT)	61,546.88	48,080.45	26,986.78	30,227.23	13,206.98
Profit After Tax (PAT)	51,718.23	45,818.41	25,213.91	29,536.57	7,834.58
Net Worth	334,757.33	186,385.18	144,317.81	122,016.00	92,540.28
Equity Share Capital	32,823.33	28,867.13	260.06	260.06	260.06
Reserves and Surplus	298,344.00	153,928.05	138,347.80	113,925.96	84,450.25
Debt	-	-	1,070.70	14,353.84	31,433.77
Capital Employed	334,757.33	186,385.18	145,388.51	136,369.84	123,974.05
Basic and Diluted EPS (in Rs.)	16.88	15.63	8.48	10.23	2.99

Key Ratios:

Particulars	2011	2010	2009	2008	2007
EBITDA Margin	60.43%	60.72%	60.87%	54.58%	54.17%
PBT Margin	58.13%	59.69%	59.33%	54.12%	53.38%
PAT Margin	48.85%	56.88%	55.43%	52.88%	31.67%
Return on average Net Worth	19.85%	27.71%	18.93%	27.53%	15.93%
Return on average Capital Employed	19.85%	27.62%	17.90%	22.69%	11.26%
Debt / Net Worth	-	-	0.01	0.12	0.34

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the audited accounts for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS:

(Rs. in Lakh)

Particulars	Consolidated		Standalone	
	2010 - 2011	2009 - 2010	2010 - 2011	2009 - 2010
Operating Income	98,432.80	77,719.67	38,549.51	3,904.93
Other Operating Income	1,171.34	1,268.18	432.97	117.58
Other Income	6,273.42	1,561.67	4,969.65	508.44
Total Income	105,877.56	80,549.52	43,952.13	4,530.95
Total Expenditure	44,284.46	32,551.64	19,495.31	1,709.14
Profit Before Tax and Prior Period Items	61,593.10	47,997.88	24,456.82	2,821.81
Add / (Less): Prior Period Items	(46.22)	82.57	49.39	78.48
Profit Before Tax	61,546.88	48,080.45	24,506.21	2,900.29
Less: Provision for Tax	9,828.65	2,262.04	7,449.64	472.56
Profit After Tax	51,718.23	45,818.41	17,056.56	2,427.73
Balance brought forward from previous years	99,138.23	59,047.96	17,781.70	16,650.26
Profits Available for Appropriation	150,856.46	104,866.37	34,838.26	19,077.99
Appropriations:				
Transfer to General Reserve	3,939.00	4,345.00	427.00	-
Dividend				
Equity Shares (Proposed)	3,282.33	577.34	3,282.33	577.34
Preference Shares (Proposed)	0.00	115.08	0.00	115.08
Preference Shares (Paid)	0.00	489.80	0.00	489.80
Reversal of Excess Provision of PY	(83.11)	-	(83.11)	-
Tax on Dividend				
Current Year (Proposed)	532.48	117.68	532.48	30.83
Current Year (Paid)	-	83.24	-	83.24
Reversal of Excess Provision of PY	(14.12)	-	(14.12)	-
Balance carried to Balance Sheet	143,199.88	99,138.23	30,693.68	17,781.70

FINANCIAL PERFORMANCE:

Consolidated Financials

During the year under review, the consolidated Total Income of the Company increased to Rs.105,877.56 Lakh as compared to Rs.80,549.52 Lakh for the previous year, representing an increase of 31%. Profit Before Tax stood at Rs.61,546.88 Lakh for the year under review as compared to Rs.48,080.45 Lakh for the previous year representing an increase of 28%. Profit after Tax stood at Rs.51,718.23 Lakh for the financial year 2010-11 as compared to Rs.45,818.41 Lakh for the financial year 2009-10 representing an increase of 13%.

Standalone Financials

During the year under review, the consolidated Total Income of the Company increased to Rs.43,952.13 Lakh as compared to Rs.4,390.95 Lakh for the previous year, representing an increase of 870%. Profit Before Tax stood at Rs.24,506.21 Lakh for the year under review as compared to Rs.2,900.29 Lakh for the previous year representing an increase of 745%. Profit after Tax stood at Rs.17,056.56 Lakh for the financial year 2010-11 as compared to Rs.2,427.73 Lakh for the financial year 2009-10 representing an increase of 603%.

INITIAL PUBLIC OFFERING:

Your Directors are happy to inform that your Company's Initial Public Offering ('IPO' / 'Issue') of 39,562,000 Equity Shares of face value of Rs. 10 each received a very good response from the investors. The Issue opened for subscription on October 6, 2010 and closed on October 8, 2010. The Anchor Investor bid / issue period was on October 5, 2010. The Issue was priced at Rs. 260 per Equity Share (including securities premium of Rs. 250 per Equity Share). The gross proceeds of the Issue were Rs. 102,861.20 lakh. The Qualified Institutional Bidder portion (excluding Anchor Investor Portion) was subscribed to the extent of 21.99 times, while the Anchor Investor Portion was subscribed to the extent of 1.43 times. Also, the Retail and Non-Institutional portion were subscribed to the extent of 0.91 times and 3.52 times respectively. The Issue was overall subscribed to the extent of 10.12 times. The Equity Shares of the Company were listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited on October 20, 2010. The Issue constituted 12% of fully diluted post Issue paid-up Equity Share capital of the Company.

UTILISATION OF IPO PROCEEDS:

The Audit Committee and Board of Directors of the Company have taken on record the statement of utilisation of IPO proceeds as on March 31, 2011 and the same is as under:

(Rs. in Lakh)	
Particulars	Amount
Construction of Projects	18,992.95
Acquisition of land or land development rights	3,260.00
General Corporate Purposes	202.73
Share Issue Expenses	4,060.53
Total	26,516.21

The utilisation of IPO proceeds till March 31, 2011 has been in accordance with the Objects of the Issue mentioned in the Prospectus dated October 13, 2010. However, your Directors with a view to bringing flexibility for undertaking any business opportunity which may arise in future, have proposed a special resolution for variation in utilisation of Issue proceeds which forms part of the Notice of Annual General Meeting.

DIVIDEND:

Keeping in view the current economic scenario and the future funding requirements of the Company, your Directors are pleased to recommend dividend on the Equity Shares of the Company at the rate of Re. 1/- per share, i.e. 10% for the year ended March 31, 2011 (Previous Year: Re. 0.2 per share (i.e. 2%)) on expanded Equity Share capital.

Dividend of Rs. 270 upto December 31, 2010 on Preference Shares has priority over the dividend on Equity Shares.

SUBSIDIARY COMPANIES:

At present the Company has seven subsidiary companies, namely Oberoi Constructions Private Limited, Oberoi Mall Private Limited, Kingston Property Services Private Limited, Kingston Hospitality and Developers Private Limited, Triumph Realty Private Limited, Expressions Realty Private Limited and Perspective Realty Private Limited.

During the year under review, no new subsidiary was incorporated or acquired.

SUBSIDIARY COMPANIES ACCOUNTS:

The Ministry of Corporate Affairs vide General Circular No. 2 / 2011 dated February 8, 2011 has issued directions under Section 212(8) of the Companies Act, 1956 granting general exemption from applicability of the provisions of Section 212 of the Companies Act, 1956 in relation to the subsidiary companies, subject to fulfillment of the conditions specified in the said circular.

Your Company has availed the benefit of general exemption provided by the aforesaid circular and accordingly, the documents mentioned in Section 212(1)(a) to (d) of the Companies Act, 1956 relating to Company's subsidiaries are not attached to the Balance Sheet of your Company. Also, in terms of the said circular, your Directors shall fulfill the prescribed conditions, make the requisite disclosures and further undertake that the annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and its subsidiary companies seeking such information at any point of time. Further, the annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders at the registered office of the Company and of the respective subsidiary company concerned. The statement as required under clause (iv) of the aforesaid circular is also attached to the financial statements hereto.

STATEMENT UNDER SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 FOR SUBSIDIARY COMPANIES:

A statement pursuant to Section 212(1)(e) read with Sub-Section (3) of the Section 212 of the Companies Act, 1956 for the financial year 2010-11 for the subsidiary companies, namely Oberoi Constructions Private Limited, Oberoi Mall Private Limited, Kingston Property Services Private Limited, Kingston Hospitality and Developers Private Limited, Triumph Realty Private Limited, Expressions Realty Private Limited and Perspective Realty Private Limited is attached to the Balance Sheet of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the annual accounts, the applicable standards have been followed alongwith proper explanations relating to material departures.
- the Directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit of the Company for that period.
- the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS:

Mr. Jimmy Bilimoria, an Independent Non-Executive Director, shall retire by rotation in the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Mr. Kavin C. Bloomer, a Non-Independent Non-Executive Director, who is liable to retire by rotation at the ensuing Annual General Meeting, has not offered himself for re-appointment. The resolution seeking approval of the Shareholders for re-appointment of Mr. Jimmy Bilimoria has been incorporated in the Notice of the Annual General Meeting.

As required under clause 49(IV)(G) of the Listing Agreement, the requisite information of Mr. Jimmy Bilimoria, *inter alia*, in the nature of brief resume, nature of expertise, companies in which he holds directorship / memberships of Board Committees, shareholding in the Company is annexed to the Notice of Annual General Meeting.

AUDITORS:

M/s. P. Raj & Co., Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received necessary certificate from the Statutory Auditors to this effect and their re-appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

As per the recommendation of the Audit Committee, the Board of Directors proposes the re-appointment of M/s P. Raj & Co., Chartered Accountants as Statutory Auditors of the Company.

AUDITORS' REPORT:

The Auditors' Report does not contain any reservation, qualification or adverse remark.

AUDIT COMMITTEE:

The Company has constituted an Audit Committee in accordance with provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The composition of the Audit Committee as on the date of this report is as under:

1. Mr. T. P. Ostwal (Chairman);
2. Mr. Anil Harish;
3. Mr. Jimmy Bilimoria;
4. Mr. Kavin C. Bloomer (Mr. Naresh Naik acting as Alternate Director).

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.

CODE OF CONDUCT:

Pursuant to Clause 49 of the Listing Agreement, the declaration signed by the Managing Director affirming the compliance of Code of Conduct by the Directors and senior management personnel for the financial year 2010-11 is annexed and forms part of the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report has been separately furnished in the Annual Report and form part of it.

EMPLOYEE STOCK OPTION PLAN (ESOP):

The Company values the role its employee play in the growth of the organisation. The management firmly believes that the value created and enhanced by the employees should be shared with them and hence the Company has constituted an ESOP scheme approving issue of upto 1,443,356 options, each option conferring a right upon eligible employee to apply for one Equity Share of Rs. 10 each of the Company.

The information in terms of Clause 12 of the SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 is annexed to this report.

The certificate from the Statutory Auditors as required under Clause 14 of the said guidelines, with respect to the implementation of the Company's ESOP Scheme shall be placed at the Annual General Meeting.

PUBLIC DEPOSITS:

During the year under review your Company has not accepted any deposits in terms of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 and also no amount was outstanding on account of principal or interest thereon, as of the date of the Balance Sheet.

UNCLAIMED SHARES:

Out of the Equity Shares allotted to the successful applicants in the IPO of the Company concluded in the month of October 2010, certain shares have not been credited to the demat accounts of the respective allottees and are lying unclaimed.

As on March 31, 2011, there were 200 such unclaimed Equity Shares. In accordance with Clause 5A(I)(a) of the Listing Agreement, the registrar to the issue (Link Intime India Private Limited) had issued third reminder notices at the addresses of such allottees and as on the date of this report no response has been received from the concerned allottees.

PARTICULARS OF EMPLOYEES:

The information under Section 217 (2A) of the Companies Act, 1956 and the rules made there under is provided in annexure forming part of this report. In terms of Section 219 (1B) (iv) of the Companies Act, 1956, the reports and accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As the Company is not a manufacturing company, the Directors have nothing to report pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FOREIGN EXCHANGE EARNINGS AND OUTGO:**1. Value for Imports during the year (C. I. F. basis):**

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Material	-	0.78
Capital Goods	95.81	2,962.62

2. Expenditure in Foreign currency during the year (on payment basis):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Foreign Travel	85.66	12.10
Professional Fees	649.00	184.85
Others	73.33	15.21

3. Remittance in foreign currency on account of dividends:

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Equity Shares	62.11	5.60
Preference Shares	31.97	672.83

4. Earnings in Foreign Currency (on receipts basis):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Sale of residential units	587.69	558.29
Rooms, Restaurant, Banquets and other services	3,196.81	1,443.72

ACKNOWLEDGEMENT:

Your Directors take the opportunity to express their deep sense of gratitude to bankers, local authorities, employees, customers, vendors and suppliers.

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

For and on behalf of the Board

Vikas Oberoi

Chairman & Managing Director

Mumbai, May 4, 2011

Annexure

Statement pursuant to Clause 12 of SEBI (Employee's Stock Option Scheme and Employee's Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2011

S.No.	Particulars	ESOP 2009
1	Total number of options granted	1,349,553 ⁽²⁾
2	Pricing formula	IPO Price ⁽¹⁾ i.e. Rs. 260
3	Options vested	Nil
4	Options exercised	Nil
5	Total number of Equity Shares arising as a result of exercise of options (outstanding)	Nil
6	Options lapsed / cancelled / forfeited	129,166 ⁽²⁾
7	Variation of terms of options	See note ⁽³⁾ below
8	Money realized by exercise of options	N.A.
9	Total number of options in force as on March 31, 2011	1,220,387 ⁽²⁾
10	Employee-wise detail of options granted during the financial year 2010-2011	
	• Senior Managerial Employee	390,637 ⁽⁴⁾
	• Any other employee receiving 5% or more of the total number of options granted during the year	Nil
	• Employees granted options equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil
11	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)	Rs. 5.59
12	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. Had the Company used fair value method of valuing stock options, the employee compensation cost would have been higher by Rs. 668.98 Lakh, profit before tax would have been lower by Rs. 668.98 Lakh and basic and diluted EPS would have been lower by Re. 0.22.
13	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: Rs. 260. Weighted average fair value of options: Rs. 126.97
14	Description of method and significant assumptions used during the year to estimate fair value of options	
	• Risk Free Interest Rate	7.06%
	• Expected Life	4.2 years
	• Expected Volatility	51.85%
	• Dividend Yield	-
	• Price of the underlying share in market at the time of the grant of options	Rs. 260

Notes:

- (1) **'IPO Price'** means the final price per Equity Share at which shares were issued and allotted in the initial public offer of equity shares of the Company i.e. Rs. 260 per Equity Share of Rs. 10 each;
- (2) The options granted and lapsed / cancelled / forfeited during the year ended March 31, 2011 and outstanding as on March 31, 2011 are under Grant 1 of ESOP 2009.

'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 shall consider and approve grant of options.

Meeting of the compensation committee for the purpose of Grant 1 was held on May 4, 2010.

- (3) The Board of Directors and the shareholders in their meeting held on May 4, 2010 approved the following variations in the ESOP 2009:

- (i) Addition of following paragraph to clause no. 7:

In the event of any change in the constitution of the Company, change of control of the Company, re-structuring of the Company including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation, etc., or amalgamation of any other entity with the Company, the Options Granted shall Vest as per the discretion of the Compensation Committee, subject to the minimum time for Vesting prescribed under the SEBI ESOP Guidelines. In such an event, the Compensation Committee would have the authority to alter all or any of the terms relating to the Grant or this ESOP 2009 in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under Applicable Law, so as to ensure that the benefits under the Grant are passed on to the Employees. The Compensation Committee shall take appropriate actions to ensure that total value of the Options remains the same after the aforesaid corporate actions and in this regard shall if necessary, arrange issuance of fresh Options / shares of the holding / subsidiary companies of the Company and / or resultant entities emerging due to such corporate actions.

- (ii) Addition of following paragraph as clause no. 12.2:

The Compensation Committee may re-price the Options, which are not exercised, if ESOP 2009 is rendered unattractive due to fall in the share price in the stock market. Provided that the Compensation Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Option Grantees / Employees and such re-pricing is in terms of / compliance with the SEBI ESOP Guidelines.

- (iii) Addition of following paragraph as clause no. 13.7:

The existence of the ESOP 2009 and the Grants made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorise any change in the capital structure, including any issue of shares, debt or other securities having any priority or preference with respect to the shares or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the ESOP 2009 or any Grant made under the ESOP 2009. No Employee or other person shall have any claim against the Company as a result of such action.

- (iv) Addition of following paragraph as clause no. 13.8:

Nothing contained in the ESOP 2009 shall be construed to prevent the Company directly or through any trust settled by the Company, from implementing any other new scheme for granting stock options and / or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the ESOP 2009 or any Grant made under the ESOP 2009. No Employee or other person shall have any claim against the Company and / or trust as a result of such action.

- (4) 'Senior Managerial Employees' are directors and employees at the level immediately below the board of directors.

Following Senior Managerial Employees have been granted options during the year 2010-11:

Name	Designation	No. of options granted
Mr. Saumil Daru	Chief Financial Officer	118,996
Mr. Raman Sapru	Executive Vice President- Engineering	111,063
Mr. Rajendra Chandorkar	Executive Vice President- Architecture	111,063
Mr. Arun Kumar Kotian	Vice President-Corporate Affairs	34,906
Mr. Jacob Jacob [#]	Executive Vice President- HRD & Employee Services	11,900
Mr. Bhaskar Kshirsagar	Company Secretary	2,709

[#] resigned w.e.f. October 26, 2010 and hence the options granted stand cancelled.

I. Macro-Economics:

1. Global Economy:

After the melt-down of 2008-09; the Global Economy has recovered significantly and appears stronger than that in previous financial year. Though the pace of economic growth may be relatively subdued as compared to that of pre-crisis era; the developed nations are showing modest growth whereas emerging nations including Brazil, Russia, India, China, etc. are getting themselves ready for an unprecedented growth. However the world continues to surprise us with extreme events either man-made such as the uprising in countries such as Egypt, Yemen, etc. or Acts of God such as the devastating earthquake in Japan. It would be important to see how the Global Economy shapes up and prepares itself for such events.

2. Domestic Economy:

India is the 4th largest economy in the world in Purchasing Power Parity terms after the US, China and Japan. India's GDP growth accelerated steadily since liberalisation of economy in 1991. The near 8% average annual growth over the last decade was unprecedented. The nominal GDP of the country nearly trebled from less than Rs. 20 Lakh Crore in the year 2000 to more than Rs. 60 Lakh Crore in the year 2010. Further the per capita GDP rose 2.5 times from less than Rs. 18,000 to more than Rs. 48,000 during the same period. The year 2010-11 is estimated to see a growth of around 8.5%.

The last few months have also seen the Government and the Reserve Bank of India being challenged on the inflation front. Counter active measures by them and increasing commodity prices are likely to have a moderating effect on the GDP growth in 2011-12 which is projected to be around 8%.

It was also interesting to see the performance of the country during the 2008-09 crisis. India was able to ride through the challenging period relatively unscathed, primarily because of the prudent fiscal policies followed by the financial regulators and also because of the internal consumption story which meant that the country never singularly relied on exports for growth.

Further India's population is growing and growing younger. A population of 1.2 bn, with around 45% of population below the age of 20 years, will ensure that the country stays young. India will be adding around 365 mn. people to the workforce over the next 15 years. Further, healthy and increasing literacy rate across the country is also working in favour of the economy to get the country ready for the world.

All these factors would ensure that the country is now ready to become a force to reckon with in the global economy.

3. Real Estate:

Real Estate has been one of the three primary needs of mankind with food and clothing being the other two. Hence one cannot undermine the importance of this sector in transitioning an economy from developing to developed. Further it gains more importance in the context of India because of the huge population which requires a house to stay, an office space to go to work, a retail destination for entertainment and so on. Real Estate is the show-case for any country to signal its transition from a developing to a developed economy.

A young and aspirational population with rising household incomes will ensure that demand for real estate in forms of residential homes, office spaces, retail malls, hotels, etc. would continue to rise as India plays catch-up with the world and transitions from a developing to a developed economy.

4. Mumbai Real Estate:

Mumbai is the largest city in India in terms of population, with a population of around 20 mn. Its contribution to the national GDP is in excess of 5% and this makes it the financial capital of the country. By the year 2030, the city is expected to have a GDP of Rs. 12 Lakh Crore which would be bigger than many countries in the world and a population of 33 mn. which will again be larger than the population of many countries. The per capita income in Mumbai is Rs. 1.28 Lakh which is almost thrice the national average and amongst the highest in the country.

The real estate market in this city is easily among the most mature real estate markets in India. The pricing as well as the fact of having some of the most discerning buyers in the country make it a difficult market to operate.

The city is estimated to have around 4 mn. households with average household size being around five members. However with the increasing trend of nuclear families the number of households will increase manifold. Further, the continuing influx of population into the city continues and also the city is a hub for many expatriates who come to the country for employment. All these factors would ensure that the demand for residential homes in the city would continue to be strong.

Mumbai is also home to all the large industrial conglomerates and the giants of banking & financial services industry. The strong economic growth projected for the country would ensure that the demand for Grade A office space for large corporate houses would continue to be strong.

The growth of an organised retail segment is expected to be driven by demographic factors, increasing disposable incomes, the increased purchasing power of the growing middle class and consumerist aspirations, in addition to macro policy decisions, such as allowing FDI in single brand retailing. Due to a limited stock of operational malls and a favourable demographic profile for the growth of organised retail in Mumbai, demand for retail spaces would continue to be strong.

The hospitality market in Mumbai is predominantly business-driven. Proximity to the international airport, as well as the emergence of business districts like the Bandra Kurla Complex, Andheri, Powai and Malad has heightened the attractiveness of the region where your Company operates its five star hotel. The presence of banking, financial services, pharma, IT / ITES and diamond polishing sectors would continue to ensure a strong demand for hotels.

The management of your Company strongly believes that Mumbai would continue to lead the way for the country and there is huge scope in Real Estate. With a strong residential and office space demand, the ancillary real estate businesses such as retail, hospitality and social infrastructure (schools, hospitals, etc.) would continue to be robust and the Company is ready to take the advantage of various opportunities that this city will provide in the coming future.

II. Opportunities and Challenges:

1. Opportunities:

Since your Company operates in Mumbai which will continue to be the epicenter of 'India Growth Story', it provides your Company with a unique opportunity to serve the real estate demand for the city. Your Company's presence in different verticals within real estate such as residential, office space, retail, hospitality and social infrastructure further enhances the scope of opportunities as each vertical will play a key role by itself.

Three key strengths of your Company which will ensure that it is able to capitalise on these opportunities are:

i) Established Brand and Reputation:

The 'OBEROI REALTY' brand is a differentiating factor for the customers, which helps establish customer confidence, influences buying decisions and has enabled the Company to achieve premium prices for the projects. As of March 31, 2011, the Company (along-with the Promoter and Promoter Group) has developed 34 projects covering more than 53 Lakh sqft. of area.

The reputation of your Company as a reliable customer enables it to work with quality service providers, particularly in times when demand for their services is high.

The established brand, reputation and track record of developing projects which emphasise contemporary architecture, strong project execution and quality construction have enabled your Company to perform consistently. The brand and reputation has enabled and will enable the Company to be a preferred choice for land owners to deal with.

ii) Cash Flow Stability and High Leveraging Capability:

Your Company has strong Financials which is an output of the prudence that it has displayed since its inception. The management of the Company is well aware of the fact that real estate is a cyclical business. During economic downturns, the demand for real estate unlike many other products does not only reduce but it may completely stops. This can choke the cash flows and create an existential threat. To insulate the Company from such volatility, the management clearly distinguishes all its properties as investment and development properties. The investment properties provide steady stream of cash flows and perform the role of an insulator.

The Company also follows a conservative debt practice. While it is not averse to debt; in no circumstance would it like to raise debt which at any point in time can create an existential threat. While the Company is open to various routes of raising debt, the preferred route would be by discounting the steady stream of cash flows generated by its investment properties. However the final structure of borrowing would depend on the circumstances prevailing at that point in time.

iii) Scalable Business Model:

Your Company employs qualified and experienced professionals from top universities and operates an outsourcing model that allows scalability and emphasises contemporary design and quality construction. It has been using this model since the year 2003 and the management believes that this has been a key factor of success. The Company has experienced and capable internal design management and project management teams who oversee and execute all aspects of project development. Besides their professional qualifications the Company's employees have also attended executive education programmes / graduation programmes from institutions such as Harvard Business School, Indian Institute of Management, Indian School of Business, etc. and have been with the Company since long.

The Company has long-standing relationships with world renowned external service providers such as architects and contractors. The outsourcing model enables the Company to leverage the expertise of service providers and also enables the management to focus on those aspects of the business which are high in the value chain.

2. Challenges:

While the management of your Company continues to strive for creating more 'Destination Developments' it foresees the following challenges:

- The unprecedented level of inflation being observed currently is a big threat for the country as well as real estate sector. To add woes to this; the Reserve Bank of India has been increasing the interest rates which is perceived to be detrimental to the growth of Real Estate sector.
- Further inflation also leads to increase in material costs thereby increasing the construction cost.
- Real Estate sector continues to be a labour intensive industry and shortage of manpower affect the delivery of projects in time.
- It is important to develop the infrastructure to go with the real estate development in order to enhance the value of real estate in long run.

III. Business Overview:

1 Portfolio Analysis:

Your Company has four key land parcels in Mumbai. A brief description on the development of each land parcel is provided below:

i) Oberoi Garden City (Goregaon):

The flagship mixed-use development of your Company is Oberoi Garden City, an integrated development on an 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, approximately 3,160 acre no-development green zone. The development is approximately eight kilometres from Mumbai's domestic airport and approximately five kilometres from the international airport in Mumbai. Key projects in Oberoi Garden City are as under:

a) Oberoi Mall (Retail):

The Company's first retail asset, Oberoi Mall was opened on April 15, 2008 with approximately 552,893 sqft. of area. Designed by Bentel and Associates, South Africa, the facilities include two levels of basement parking with capacity for approximately 1,000 cars, a large central atrium with natural light, elevators and escalators for internal circulation, central air-conditioning and an integrated building management system. The performance of Oberoi Mall has consistently improved over the last three years. For FY11 the revenue of Oberoi Mall was Rs. 6,674.94 Lakh an increase of 9.78% over FY10 revenues of Rs. 6,080.07 Lakh. The EBITDA margin of Oberoi Mall was 94.96% in FY11 vs. 96.19% in FY10 and the occupancy was 91.33% in FY11 vs. 88.20% in FY10. Annually approximately 8 million people visited the Mall for Fun, Food, Fashion and Films with over 101 options available. The key tenants comprise Central, Lifestyle, Croma, PVR Cinemas, etc. Your management is confident of consistent improvement in FY12 with respect to the revenue.

b) Commerz (Office Space):

It is the office space component of a 32-storey which also includes a luxury hotel. The building amenities include high-speed elevators, central air-conditioning, power backup, two levels of underground car parking and an integrated building management system. Commerz occupies approximately 423,786 sqft. of area (including 58,898 sqft. of area which is occupied by the Company for its Registered Office). The target market is corporates seeking office space for front-office operations. Commerz continues to attract corporates looking to shift from island city to suburbs as well as corporates looking for a launch pad in Mumbai. The revenues for FY11 were Rs. 4,579.92 Lakh which was a considerable improvement as compared to FY10 revenues of Rs. 2,769.13 Lakh. The EBITDA margin of Commerz was 95.25% in FY11 vs. 97.46% in FY10 and the occupancy was 76.71% in FY11 vs. 43.97% in FY10.

c) The Westin Mumbai Garden City (Hospitality):

The hotel is operated and managed by Starwood under the Westin brand, which occupies approximately 381,820 sqft. of area within the 32-storey tower also occupied by the Commerz (office space). The hotel facilities and amenities include a banquet hall, fully-equipped business centre, spa, gymnasium, saloon and health centre, four restaurants offering different cuisines and 269 contemporary guest rooms. The hotel commenced operations in May 2010 and for FY 11 The Westin Mumbai Garden City contributed Rs. 6,986.94 Lakh to the revenue with EBITDA of Rs. 1,147.91 Lakh. The Hotel has now established itself and its performance has improved significantly since commencement of operations. The management is confident that the hotel will put in a better performance in FY12.

d) Oberoi International School (Social Infrastructure):

It is a contemporary urban school, comprising 10 storeys with approximately 305,309 sqft. of area. The facilities and amenities include spacious scientifically designed classrooms, learning clusters with mobile furniture in an ambience that provides a stimulating environment for interactive and collaborative learning. Other amenities include a swimming pool, tennis courts, squash courts, athletic track and creative art studios. The Oberoi International School offers the International Baccalaureate (IB) Primary Years Program, as well as the Diploma Program. The Oberoi International School also offers the Middle Years Program under the IGCSE syllabus. The Oberoi International School building is owned by the Company and leased to and operated by Oberoi Foundation, a public charitable trust.

e) Oberoi Woods (Residential):

It is a premium residential apartment complex in Oberoi Garden City, Goregaon. It comprises three 35-storey towers, totaling 600 units (598,200 sqft.) of which 599 units have been sold as at the end of FY11. The project has been completed.

f) Oberoi Exquisite (Residential):

The project was launched in November 2009 and received an encouraging response. As at the end of FY11 the Company has sold 424 units (759,320 sqft.) with an average realisation of Rs. 11,914 per sqft. The total value of sales made is Rs. 90,463.50 Lakh, of which Rs. 49,273.78 Lakh has been collected and Rs. 25,954.42 Lakh has been recognised as revenue.

g) Oberoi Esquire (Residential):

The project was launched in February 2011 and received an overwhelming response. As at the end of FY11 the Company sold 109 units (273,025 sqft.) with an average realisation of Rs. 11,682 per sqft. The total value of sales made is Rs. 31,895.53 Lakh, of which Rs. 6,084.20 Lakh has been collected. There is no revenue recognition from this project as it is yet to reach the threshold required for the same.

ii) Oberoi Splendor (Andheri):

Oberoi Splendor is a mixed-use development comprising residential, office space and social infrastructure projects, on approximately 21.50 acres of land in Andheri (East) in the western suburbs of Mumbai. The development is

conveniently located near the arterial Western Express Highway and overlooks Aarey Milk Colony, an approximately 3,160 acre no-development green zone.

a) Oberoi Splendor (Residential):

The project was launched in February 2006 and the Company will be handing possession in FY12. It is a premium apartment complex, which comprises six 27-storey towers, totaling 1,296 units over 1,279,152 sqft. As at the end of FY11, the Company sold 1,205 units (1,189,335 sqft.) with an average realisation of Rs. 11,476 per sqft. The total value of sales made is Rs. 136,493.52 Lakh, of which Rs. 129,363.76 Lakh has been collected and Rs. 128,572.29 Lakh has been recognised as revenue.

b) Oberoi Splendor Grande (Residential):

The project was launched in November 2010. It is a luxury apartment complex, which comprises one 27-storey tower, totaling 156 units over approximately 283,920 sqft. As at the end of FY11 the Company sold 45 units (81,900 sqft.) with an average realisation of Rs. 12,737 per sqft. The total value of sales made is Rs. 10,431.32 Lakh, of which Rs. 4,668.76 Lakh has been collected and Rs. 2,924.81 Lakh has been recognised as revenue.

iii) Oasis (Worli):

This is a joint venture entered into by a subsidiary of the Company to develop a mixed-use development in Worli, located on the arterial Annie Besant Road. The Company is contemplating a development of residential complex, office space, hotel and a small retail component in this development. The management is in discussion with international contractors for the construction of this project. The management is confident of launching the project in FY12. Further work on this project continues and amount of Rs. 5,259.13 Lakh has been incurred on the construction of this project as at the end of FY11.

iv) Oberoi Exotica (Mulund):

Oberoi Exotica is a residential development on approximately 18.26 acres of land in Mulund in the central suburbs of Mumbai. The development is located on LBS Marg, a key road in the central suburbs, and overlooks the Borivali National Park. The Company plans to shortly commence development.

IV. Financial Performance:

Analysis of consolidated financial statements for FY11 is provided below. The equivalent comparative numbers for FY10 are provided in brackets.

1. Balance Sheet Analysis:

The Net Worth of your Company increased from Rs. 186,385.18 Lakh as at the end of FY10 to Rs. 334,757.33 Lakh as at the end of FY11. A comparative table showing synopsis of FY11 vs. FY10 Balance Sheet is provided below:

(Rs. in Lakh)

Particulars	As of March 31,	
	2011	2010
Sources of Funds:		
Share Capital	36,413.33	32,457.13
Reserves and Surplus	298,344.00	153,928.05
Total	334,757.33	186,385.18
Application of Funds:		
Cash and Cash Equivalents (Including Investments)	146,431.74	43,967.41
Net Fixed Assets	96,909.30	81,704.14
Net Working Capital	91,329.21	60,672.58
Deferred Tax Asset	87.08	41.03
Miscellaneous Expenditure	-	0.02
Total	334,757.33	186,385.18

i) Sources of Funds:

The total Sources of Fund were Rs. 334,757.33 Lakh (Rs. 186,385.18 Lakh) as at the end of FY11. This was primarily due to increase in Equity Share Capital and Securities Premium by way of Initial Public Offering for Rs. 102,861.20 Lakh and increase in Reserves and Surplus on account of profits generated in FY11.

ii) Application of Funds:

The total Application of Funds was Rs. 334,757.33 Lakh (Rs. 186,385.18 Lakh) as at the end of FY11.

(a) The Cash and Cash Equivalents was Rs. 146,431.74 Lakh (Rs. 43,967.41 Lakh) which was primarily due to Initial Public Offering and generation through internal accruals.

(b) Net Fixed Assets was Rs. 96,909.30 Lakh (Rs. 81,704.14 Lakh) primarily on account of addition of Fixed Assets, Capital Work-in-progress and Capital Advances of Rs. 17,628.61 Lakh (Rs. 16,724.09 Lakh).

(c) The Net Working Capital comprises Rs. 4,675.12 Lakh (Rs. 4,037.74 Lakh) for Sundry Debtors, Rs. 77,419.50 Lakh (Rs. 61,944.64 Lakh) for Inventories, Rs. 71,627.67 Lakh (Rs. 62,588.72 Lakh) for Loans and Advances, Rs. 1,726.75 Lakh (Rs. 520.69 Lakh) for Other Current Assets and Rs. 64,119.84 Lakh (Rs. 68,419.21 Lakh) for Current Liabilities and Provisions.

2. Profit and Loss Analysis:

A comparative table showing synopsis of FY11 vs. FY10 Profit and Loss Account is provided below:

(Rs. in Lakh)

Particulars	For the year ended March 31,	
	2011	2010
Revenue from Projects	78,680.37	67,810.98
Rooms, Restaurants, Banquet and Other Services	6,714.08	-
Rentals and Related Income	11,207.53	8,335.25
Property and Project Management Income	1,830.82	1,573.44
Operating Income	98,432.80	77,719.67
Other Operating Income	1,171.34	1,268.18
Other Income	6,273.42	1,561.67
Total Income	105,877.56	80,549.52
Operating Costs	37,663.07	30,431.63
Manpower Costs	2,703.98	700.66
Depreciation / Amortisation	2,368.30	905.76
Other Costs	1,533.49	510.98
Profit Before Interest, Tax and Prior Period Items	61,608.72	48,000.49
Interest and Finance Charges	15.62	2.61
Prior Period Items	46.22	(82.57)
Profit Before Tax	61,546.88	48,080.45
Taxes	9,828.65	2,262.04
Profit After Tax	51,718.23	45,818.41

i) Revenue from Projects:

The Total Income of the Company for FY11 was Rs. 105,877.56 Lakh (Rs. 80,549.52 Lakh).

The Total Revenue from Projects for FY11 mainly comprises Rs. 25,954.42 Lakh (Rs. Nil) for Oberoi Exquisite, Rs. 42,821.29 Lakh (Rs. 54,732.00 Lakh) for Oberoi Splendor, Rs. 2,924.81 Lakh (Rs. Nil) for Oberoi Splendor Grande, Rs. 900.00 Lakh (Rs. Nil) for Oberoi Seven, Rs. 5,960.97 Lakh (Rs. 11,934.24 Lakh) for Oberoi Springs and Rs. 118.79 Lakh (Rs. 1,143.37 Lakh) for Oberoi Woods.

The Total Revenue from the Westin Mumbai Garden City for FY11 was Rs. 6,714.08 Lakh (Rs. Nil)

The management has strategically decided to create a portfolio of rent generating assets. In an endeavour to achieve this, the total Rental and Related Income has consistently increased over the past 3 years and for FY11 it was Rs. 11,207.53 Lakh mainly comprises by Oberoi Mall Rs. 6,345.32 Lakh (Rs. 5,606.35 Lakh) and Commerz Rs. 4,713.82 Lakh (Rs. 2,735.60 Lakh).

The total Property and Project Management Revenues for FY11 was Rs. 1,830.82 Lakh (Rs. 1,573.44 Lakh)

ii) Other Income:

The Other Income for FY11 was Rs. 6,273.42 Lakh (Rs. 1,561.67 Lakh) which primarily comprises income from treasury operations on deployment of surplus funds.

iii) Operating Costs:

The Total Operating Cost for FY11 was Rs. 37,663.07 Lakh (Rs. 30,431.63 Lakh). This comprises the project specific costs pertaining to development properties and operating costs of investment properties viz. The Westin Mumbai Garden City, Oberoi Mall and Commerz.

iv) Manpower Costs:

The Total Manpower Cost for FY11 was Rs. 2,703.98 Lakh (Rs. 700.66 Lakh). The increase was primarily due to commencement of operations of The Westin Mumbai Garden City during the current financial year.

v) Depreciation / Amortisation:

The Total Depreciation / Amortisation for FY11 was Rs. 2,368.30 Lakh (Rs. 905.76 Lakh). During the year the Company completed 'The Westin Mumbai Garden City' and 'Oberoi International School' which led to higher depreciation costs.

vi) Taxes:

The Total Taxes for FY11 was Rs. 9,828.65 Lakh (Rs. 2,262.04 Lakh). The increase was primarily on account of new projects which do not enjoy the tax shield under section 80IB of the Income-tax Act, 1961.

3. Cash Flow Analysis:

A comparative table of FY11 vs FY10 Cash Flows is provided below:

(Rs. in Lakh)

Particulars	For the year ended March 31,	
	2011	2010
Opening Cash and Cash Equivalents	36,069.21	16,691.37
Net Cash Inflow / (Outflow) from Operating activities	20,034.23	52,281.88
Net Cash Inflow / (Outflow) from Investing activities	(14,631.09)	(28,475.69)
Net Cash Inflow / (Outflow) from Financing activities	98,458.50	(4,428.35)
Net Increase / (Decrease) in Cash and Cash Equivalents	103,861.64	19,377.84
Closing Cash and Cash Equivalents	139,930.85	36,069.21

i) Cash Flow from Operating activities:

Net Cash generated from Operating activities for FY11 was Rs. 20,034.23 Lakh (Rs. 52,281.88 Lakh). The Cash Flow from Operating Activities for FY11 mainly comprise Profit Before Tax and Prior Period items Rs. 61,593.10 Lakh (Rs. 47,997.88 Lakh) adjusted for Depreciation / Amortisation Rs. 2,375.06 Lakh (Rs. 905.76 Lakh), Interest Income Rs. 4,885.85 Lakh (Rs. 1,334.37 Lakh), Dividend Income Rs. 1365.61 Lakh (Rs. 213.40 Lakh), Increase in Receivables Rs. 884.13 Lakh (Rs. 23,662.64 Lakh), (Increase) / Decrease in Inventory Rs. (15,474.86) Lakh (Rs. 8,964.78 Lakh), Increase / (Decrease) in Payables Rs. (7,310.73) Lakh (Rs. 27,860.92 Lakh) and Direct Taxes paid Rs. 13,993.52 Lakh (Rs. 8,364.83 Lakh).

ii) Cash Flow from Investing activities:

Net Cash used in Investing activities for FY11 was Rs. 14,631.09 Lakh (Rs. 28,475.69 Lakh). The Cash Flow from Investing activities for FY11 mainly comprise acquisition of Fixed Assets / Capital Work-in-progress of Rs. 17,628.61 Lakh (Rs. 16,724.09 Lakh), sale / (acquisition) of Investments Rs. 1,397.55 Lakh (Rs. (6,402.49) Lakh), Dividend received of Rs. 1,365.61 Lakh (Rs. 213.40 Lakh), Interest received of Rs. 3,297.92 Lakh (Rs. 1,201.26 Lakh) and Increase in Loans and Advances to Joint Ventures of Rs. 3,093.30 Lakh (Rs. 6,765.36 Lakh).

iii) Cash Flow from Financing activities:

Net Cash generated / (used in) from financing activities for FY11 was Rs. 98,458.50 Lakh (Rs. (4,428.35) Lakh). The Cash Flow from Financing activities for FY11 mainly comprise the proceeds from Initial Public Offering of Rs. 102,861.20 Lakh, amount spent on account of Share issue expenses Rs. 3,687.91 Lakh (Rs. 372.62 Lakh) and payment of Dividend and tax thereon of Rs. 712.86 Lakh (Rs. 848.03 Lakh).

V. Human Resource:

1. Head-count:

The success of any organisation is directly attributable to the quality of human talent. The management is continuously striving to attract and retain the best in class talent. The total manpower strength for the real estate business as of March 31, 2011 is 438 up from 377 in the previous year. The total manpower strength of for the hospitality business as of March 31, 2011 is 394.

2. Recruitment:

During the financial year your Company has added over 167 full time employees under the real estate business at various levels of management and the average age of the organisation is around 31 years. Being among the preferred brands to work within the sector, your Company has been able to hire lateral talent from management institutes like Indian Institutes of Management, Indian School of Business as also technical graduates from various reputed institutions.

3. Training and Career Development:

The Company places high emphasis on continuous learning and development of the employees and towards this, it has nominated its employees for various leadership and management programs in addition to regularly sponsoring our employees for enhancing their job skills. For FY11 our employees have attended more than 40+ training programs including management programs at prestigious institutes like Harvard Business School, Indian School of Business among others.

To facilitate employee career development and engagement, the management is working on enhancing HR systems and processes from time to time. The management is in process of refining the performance management process and the outcome of this process is linked to other HR systems of compensation, promotions etc. The emphasis of the performance review tool is on a regular dialogue between the employee and the manager and provides necessary coaching and guidance in terms performance metrics, training opportunities, compensation and clear career path aligned to organisational needs.

4. Employee Welfare:

The Company is a fun place to work at, as there are regular employee welfare initiatives implemented and provides ample opportunities for employee bonding. A competitive annual cricket league, Diwali and Holi celebrations, collage competitions, staff picnic are few of the programs conducted during the year 2010-11.

VI. Internal Control Systems:

Your Company has always believed in being a knowledge based organisation and has continued to keep focus on processes and controls. The finance team continues to streamline the process and manage risk and comprises top-notch professionals

such as Chartered Accountants, Cost Accountants, Company Secretaries and Lawyers. In terms of internal controls, the internal audit of the Company is conducted by KPMG. The internal auditor directly reports to the Board / Audit Committee. Further the statutory audit of the Company is conducted by P. Raj & Co. Chartered Accountants, who submits their reports to the Board / Audit Committee.

The Company was amongst the earliest real estate companies to implement SAP R3 in 2007. The Company implemented Financial Accounting (FI), Controlling (CO), Materials Management (MM), Sales and Distribution (SD), Project Systems (PS), Human Resource Management Systems (HRMS), Business Intelligence (BI) and Flexible Real Estate Management (REFX) modules of SAP. In the current financial year the Company also implemented SAP Customer Relationship Management (CRM) to enhance its customer relationship processes and Microsoft SharePoint for enhancement of employee engagement. All the major subsidiaries run on SAP and have robust processes in place. This helps the Company to build a model which is easily scalable. The Company believes in leveraging the power of Information Technology to the full extent and would continue to strive in being the first mover in implementation of new technologies.

VII. Risks and Concerns:

1. **Fluctuations in market prices:**

The performance of your Company may be affected by the sales and rental prices of its projects which may be affected by prevailing market conditions and prices in the real estate sector in Mumbai and in India generally (including market forces of supply and demand), the nature and location of its projects, and other factors such as brand and reputation and the design of the projects.

2. **Sales volume:**

The volume of bookings depends on the ability to design projects that will meet customer preferences and market trends, and to timely market and pre-sell the projects, the willingness of customers to pay for the projects or enter into sale agreements well in advance of receiving possession of the projects and general market conditions. Your Company markets and pre-sell its projects in phases from the time it launches the project, until the time it completes the project, depending on market conditions.

3. **Speed and cost of construction and development:**

Construction progress depends on various factors, including the availability of labour and raw materials, the actual cost of construction (which is particularly affected by fluctuations in the market price for steel and cement) and changes to the estimated total construction cost, the receipt of approvals and regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions.

4. **Occupancy levels of our leased office / retail spaces:**

Your Company receives lease income from rentals of office space project, Commerz and the retail project, Oberoi Mall. The amount that of rental income is based upon the amount of space leased and the rate per square foot charged for that leased space. The occupancy and rates charged per square foot depends on various factors including the location and design of the project, the tenant mix (this is relevant in the case of shopping malls), prevailing economic conditions and competition.

5. **Performance of the hospitality asset:**

The operating results may be affected by the average occupancy level of the hotel and room rates charged which is in turn affected by a number of factors, such as state of Indian economy, proximity to offices, corporates and convention centres, terrorist attacks and other significant events, pricing of rooms and seasonality of the business.

6. **Cost and availability of land and Development Rights:**

The cost of land, which includes the amounts paid for freehold rights, leasehold rights, construction cost of area given to landlords in consideration for joint development rights, cost of registration and stamp duty, may represent a substantial part of the project cost, particularly in Mumbai. Your Company acquires land and land development rights from the government and private parties. The profitability of the business is dependent on the land acquisition costs and the growth is dependent on the availability of land for future development and competes with other developers to identify and acquire land of suitable size and location for the development of its projects.

7. **Financing costs:**

The acquisition of land and the development of real estate projects require substantial capital expenditure. Your Company has in the past, and may in the future, incur debt financing to fund business and operations. The ability to obtain financing, as well as the cost of such financing, affects its business and operations. In 2008 and 2009, the global liquidity crisis severely affected the availability of debt financing internationally and in India. Banks in India became and continue to be particularly cautious about lending to the real estate sector, which may adversely affect the real estate market generally. In addition, interest rates in India have fluctuated over the last few years. These changes in interest rates not only affect the ability and willingness of prospective customers to buy but also affect the costs at which developers get funding.

8. **Industry factors:**

Some of the underlying characteristics of Indian real estate which are a cause of concern are as follows:

i) **Fragmented market:**

Rapid growth in the sector during the last decade has contributed towards the emergence of larger players that have differentiated themselves through superior execution and branding. These players have been able to capitalise on their early mover advantage with high market shares, though generally they remain confined to local or regional

markets. While the larger regional players are now initiating efforts to develop a broader geographic presence, their home markets continue to generate a majority of their profitability.

ii) Importance of local knowledge:

The real estate sector is generally regulated at the state level. As a result, the rules and regulations that impact, among other things, approval processes and transaction costs, vary from state to state. Also, real estate is affected by the condition of the geographic area surrounding the property which makes local knowledge essential for development.

iii) Regulatory Framework:

The real estate sector in India is highly regulated. Regulations applicable to the operations of your Company include statutes regarding land acquisition, the ratio of built-up area to land area, land usage, the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's administrative capabilities. Approvals must be obtained at both the national and local levels, and the results of operations are expected to continue to be affected by the nature and extent of the regulation of our business, including the relative time and cost involved in procuring approvals for each new project, which can vary from project to project. In view of this the management has always supported the idea of having a real estate regulator to streamline the process and mitigate the risk.

VIII. Outlook:

FY12 looks to be a challenging year for the real estate sector with some expected headwinds and issues with corporate governance. Your Company will continue its focus on delivering high quality projects while further enhancing its processes and controls. Key strategies of your Company going forward would be:

1. Destination Developments:

The Company intends to continue to focus on Mumbai with a preference for mixed-use destination projects such as the Oberoi Garden City and Oberoi Splendor developments. The management believes that these integrated mixed-use developments create significant value to customers, resulting in a premium return. The Company will continue to emphasise contemporary architecture, strong project execution and quality construction to create and cater to this demand.

2. Continuing Focus on Mumbai Metropolitan Region:

The management believes that Mumbai Metropolitan Region (comprising the island city, suburbs and extended suburbs) is an attractive real estate market in terms of returns on investment, with both depth of demand for quality real estate developments across segments and price points and entry barriers for new players. While there are significant barriers to entry which favour established real estate companies, Mumbai's position as the financial capital of India, a high-income, discerning customer base and an expanding segment of young, upwardly mobile professionals provide a substantial target market for the developments of your Company. The management believes Mumbai will continue to have opportunities for acquiring land and land development rights mainly in three forms:

- Greenfield Land acquisition from Industry / Mill which are now defunct.
- Free-sale components of slum rehabilitation schemes under the urban renewal.
- Cluster redevelopment schemes approved by government under the urban renewal.

While Mumbai remains and is expected to remain the primary focus, the management is keen to be opportunity centric and will continue to evaluate growth opportunities in prioritised parts of India on a case by case basis.

3. Balanced Revenue Generation Model for Cash Flow Visibility:

The management intends to maintain a balance of assets developed for sale (development properties) and assets developed for ownership (investment properties) and leased to third parties to achieve steady and visible cash flow and better manage cyclical risks. The management believes that the investment properties provides your Company with a stable income stream which helps to compensate for volatility in sales of residential and other development projects for sale. In determining the proportion of assets to be retained, the management considers a number of factors, such as prevailing and expected market conditions, the strategic nature and location of the asset, and cash flow and other needs of the business.

4. Continue to Strengthen Relationships with Key Service Providers:

The management has been successful in following an outsourced business model and intends to continue to follow outsourcing model and further strengthen its relationships with key service providers such as architects and contractors. Your Company has actively sought international architects, designers and contractors who will further improve the delivery. The management also believes that its outsourcing model will enable the Company to develop projects with quality design and construction as it is able to access the best service providers in their respective fields to create the type of projects that the customers want in Mumbai and in other parts of India. In parallel, your Company is strengthening the management team on the delivery side to bring world class practices and standards in its projects.

Cautionary Statement:

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

Report on Corporate Governance for the year ended March 31, 2011

Your Company completed its IPO of 39,562,000 Equity Shares and got listed on October 20, 2010 on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

I. 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 in the best interest of shareholders and other stakeholders. Philosophy of Corporate Governance is primarily based on the principles of integrity, transparency, fairness, accountability, full disclosure, independent monitoring of the state of affairs.

II. Board of Directors

1. Composition / Category of Directors / Attendance at Meetings / Directorships and Committee Memberships in other companies as on March 31, 2011

The present strength of the Board of Directors is six. However, there is an Alternate Director who is not included in the total strength. There are five Non Executive Directors and one Executive Director, of which three are Independent Directors.

The Chairman of the Board is an Executive Director.

Name	Category	Attendance			Directorships ⁽¹⁾ / Mandatory Committee ⁽²⁾ Memberships			
		No. of Board Meetings held during the year	No. of Board Meetings attended	Last AGM attendance	Directorship in public companies (including Oberoi Realty Limited)	Directorship in private companies	Mandatory committee Memberships	Mandatory committee Chairmanships
Mr. Anil Harish	Non - Executive, Independent Director	4	3	No	14	11	6	4
Ms. Bindu Oberoi	Non- Executive, Non- Independent Director	4	3	Yes	8	2	0	1
Mr. Jimmy Bilimoria	Non - Executive, Independent Director	4	3	No	10	1	2	5
Mr. Kavin C. Bloomer	Non- Executive, Non- Independent Director (Director nominated by SSIII Indian Investments Two Limited, Mauritius)	4	0	No	1	1	2	0
Mr. Naresh Naik (Alternate Director to Mr. Kavin C. Bloomer)	Non- Executive, Non - Independent Director	4	4	No	1	5	2	0
Mr. T.P. Ostwal	Non - Executive, Independent Director	4	3	Yes	6	3	1	3
Mr. Vikas Oberoi (Chairman and Managing Director)	Executive, Non - Independent Director	4	4	Yes	9	11	1	0

⁽¹⁾ Directorships in foreign companies and membership in governing councils, chambers and other bodies are not included. Private company which is a subsidiary of public company is considered as public company.

⁽²⁾ Mandatory committees are the committees prescribed under the listing agreement i.e. Audit Committee and Shareholders' Grievance Committee.

Except Mr. Vikas Oberoi and Ms. Bindu Oberoi, no other Directors are related to each other. Ms. Bindu Oberoi is sister of Mr. Vikas Oberoi.

None of the Independent Directors have any pecuniary relationship or transaction with the Company.

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

During the financial year 2010-2011, four meetings of the Board of Directors were held on May 4, 2010, August 18, 2010, November 8, 2010 and January 28, 2011. The interval between any two meetings was not more than four months.

3. Directors Remuneration

The details of the remuneration / compensation of the Executive and Non-Executive Directors for the year ended March 31, 2011 is as under:

(Rs. in Lakh)

Name	Salary	Perquisites	Sitting fee	Commission**
Executive Director				
Mr. Vikas Oberoi#	120.00	72.00	-	-
Non Executive Director				
Mr. Anil Harish	-	-	0.65	8.00
Ms. Bindu Oberoi	-	-	-*	-
Mr. Jimmy Bilimoria	-	-	0.95	8.00
Mr. Kavin C. Bloomer	-	-	-	-
Mr. Naresh Naik	-	-	-*	-
Mr. T.P. Ostwal	-	-	1.00	8.00

* waived

** to be paid subject to shareholders' approval in the Annual General Meeting, in accordance with provisions of section 309 of the Companies Act, 1956.

excluding defined contribution and benefit plan.

None of the Directors has been granted any stock options under the employee stock option scheme of the Company.

4. Shareholding of Directors in the Company as on March 31, 2011

Name	Number of Shares	%
Mr. Vikas Oberoi	224,313,573	68.34
Ms. Bindu Oberoi	111	0.00
Total	224,313,684	68.34

Additionally, Mr. Vikas Oberoi holds 99.99% shares of R. S. Estate Developers Private Limited, which holds 33,300,000 (i.e. 10.15%) Equity Shares of the Company as on March 31, 2011.

5. Re-appointment of Directors

At this Annual General Meeting, Mr. Jimmy Bilimoria and Mr. Kavin C. Bloomer are liable to retire by rotation.

Mr. Jimmy Bilimoria has offered himself for re-appointment.

His brief biography is as under:

Mr. Jimmy Bilimoria is an Independent, Non-Executive Director of the Company. He has been on the Board of Directors of the Company since December 2007. He was the Managing Director and Country Head for the Ciba group in India and had been associated with this group since 1997 in various capacities including managing director, finance director, vice chairman, country head and non-executive chairman of Ciba India Limited. He has experience in the field of acquisitions, restructuring and integrations. Besides operational and financial responsibility he was actively involved in various acquisition deals, restructuring of businesses and integration of new opportunities including joint ventures and strategic alliances at Ciba India Limited. He had also represented the Ciba India Limited at various International Group forums and business discussions. He has been on the management committees of the Bombay Chamber of Commerce and Industry and the Indo - Swiss Business Forum.

III. 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 and that the same has been uploaded on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on March 31, 2011.

Mumbai, May 4, 2011

Vikas Oberoi
Chairman and Managing Director

IV. Audit Committee

The composition of the Audit Committee as on March 31, 2011 is as under:

Name of Members	Category
Mr. T. P. Ostwal (Chairperson)	Independent Director
Mr. Anil Harish	Independent Director
Mr. Jimmy Bilimoria	Independent Director
Mr. Kavin C. Bloomer (Mr. Naresh Naik acting as Alternate Director)	Non-Independent Director

The Chief Financial Officer, Internal Auditors and the Statutory Auditors are invitees to the relevant meetings of the Audit Committee.

During the year under review the Audit Committee met three times on May 4, 2010, November 8, 2010 and January 28, 2011. Post listing of Equity Shares of the Company, the time interval between any two Audit Committee meetings was not more than four months.

Attendance of members of Audit Committee at the committee meetings during the year ended March 31, 2011 is as under:

Name of Members	Number of Meetings	
	Held	Attended
Mr. T. P. Ostwal (Chairman)	3	3
Mr. Anil Harish (w.e.f. February 4, 2011)	0*	0*
Mr. Jimmy Bilimoria	3	3
Mr. Naresh Naik (as Alternate Director to Mr. Kavin C. Bloomer)	3	1

* No Audit Committee meeting was held during the period he was member of Audit Committee.

The terms of reference and power of the Audit Committee is as mentioned in Clause 49 (II) of the Listing Agreement entered with the Stock Exchanges and would include overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements, reviewing with the management on the financial statements and adequacy of the internal audit function, recommending the appointment / re-appointment of statutory auditors and 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. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Committee discusses with the external Auditors their audit methodology, audit planning and significant observations / suggestions made by them.

V. Management Development, Remuneration and Compensation Committee

The role of the Committee is to approve / recommend the remuneration / packages of the Executive and Non Executive Directors / Senior Executives.

Also this Committee discharges the functions of compensation committee prescribed under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

The composition of the Management Development and Remuneration Committee as on March 31, 2011 is as under:

Name of Members	Category
Mr. Jimmy Bilimoria (Chairperson)	Independent Director
Mr. Anil Harish	Independent Director
Mr. Kavin C. Bloomer (Mr. Naresh Naik acting as Alternate Director)	Non-Independent Director
Mr. T. P. Ostwal	Independent Director
Mr. Vikas Oberoi	Non-Independent Director

During the year under review the Committee held one meeting on May 4, 2010 and was attended by all the members.

The remuneration paid to Directors is disclosed under point no. II (3) of this report under heading 'Directors Remuneration'.

Service contract / notice period / severance fees

A contract of service has been entered into by the Company with the Managing Director. In terms of the said contract if the Managing Director terminates the contract, he has to give three months notice in writing to the Company, in which case no severance fees is payable by the Company.

During the year ended March 31, 2011, the Board of Directors in its meeting held on November 8, 2010 discontinued the Management Development and Remuneration Committee and the functions, duties, responsibilities, powers, authorities that were to be discharged / exercised by the said Committee were decided to be henceforth discharged / exercised by Compensation Committee. Also in the said Board meeting, the Board decided to rename the Compensation Committee as 'the Management Development, Remuneration and Compensation Committee'.

VI. Shareholders' / Investors' Grievance Committee

The composition of the Shareholders' / Investors' Grievance Committee as on March 31, 2011 is as under:

Name of Members	Category
Ms. Bindu Oberoi (Chairperson)	Non-Independent Director
Mr. Kavin C. Bloomer (Mr. Naresh Naik acting as Alternate Director)	Non-Independent Director
Mr. T. P. Ostwal	Independent Director
Mr. Vikas Oberoi	Non-Independent Director

During the year under review the Shareholders' / Investors' Grievance Committee had one meeting on January 28, 2011, which was attended by all Committee Members.

The Shareholders' / Investors' Grievance Committee has been constituted to specifically look into the matter of the redressal of shareholders' and investors' complaints, including but not limited to, transfer / transmission of shares, non-receipt of dividends, non-receipt of Annual Report, non-receipt of refund of application money, non-credit of / allotment of Equity Shares and any other grievance that a shareholder or investor may have against the Company.

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

No. of Investor Complaints Received during the financial year	Disposed off during the financial year	Investor Complaints pending at the end of the financial year
32	32	NIL

VII. Operations Committee

The Board of Directors in its meeting held on November 8, 2010 constituted Operations Committee. As on March 31, 2011, Mr. Vikas Oberoi and Ms. Bindu Oberoi are the Committee members with Mr. Vikas Oberoi being the Chairman of the Committee. During the year, five meetings of the Committee were held and attended by both the members.

The terms of reference of the Operations Committee includes Business Development (*inter alia*, involve the acquisition of land), borrowing of funds and approving / monitoring routine operational activities.

VIII. Investment Committee

This Committee consist of Mr. Jimmy Bilimoria, Mr. Kavin C. Bloomer (Mr. Naresh Naik is Alternate Director to Kavin C. Bloomer) and Mr. T.P. Ostwal with Mr. Jimmy Bilimoria being the Chairman of the Investment Committee.

During the year under review no meeting of the Investment Committee was held.

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

IX. Committees dissolved / discontinued during the year

During the year under review, IPO Committee, Business Development Committee, Finance Committee and Management Development and Remuneration Committee of the Board were dissolved / discontinued.

X. Subsidiary Monitoring Mechanism

The minutes of Board Meeting of the subsidiary companies are placed before the meeting of Board of Directors.

In compliance of the Clause 49(III)(i) of the Listing Agreement, Mr. T.P. Ostwal, Independent Director of the Company is also a Director on the Board of Directors of Oberoi Constructions Private Limited, which is a material non-listed Indian subsidiary of the Company.

XI. Disclosures

1. There are no materially significant related party transactions, which have potential conflict with the interests of the Company at large. Additionally, it is brought to the notice of the members that Mr. Vikas Oberoi, the Promoter of the Company has, pursuant to an undertaking dated December 23, 2009, agreed that he shall not undertake the development of any land or construction of building(s) thereon under the brand name 'Oberoi' or under any other brand subject to the following:
 - i) the completion of all ongoing and currently under planning projects under the brand name 'Oberoi' or under any other brand, whether he holds an interest in the same directly or indirectly;
 - ii) the completion of the planned project at Worli, Mumbai by I-Ven Realty Limited;
 - iii) pursuing existing / planned projects by (i) R. S. Estate Developers Private Limited; (ii) Shrivatsa Realty Private Limited; and (iii) Beachwood Properties Private Limited.

This undertaking shall be effective and binding until the Promoter holds more than 50% of the paid-up Equity Share capital of the Company or power to exercise more than 50% of the voting rights in the Company.
2. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
3. There is no formal whistle blower policy of the Company. However, no personnel has either been denied access to the Audit Committee or approached the Audit Committee.
4. Your Company has complied with all the mandatory requirements of the Clause 49 of the listing agreement of the Stock Exchange. Further, your Company has adopted one Non mandatory requirement of Clause 49 of the Listing Agreement, viz. Remuneration Committee of the Board which has been constituted to determine the remuneration packages of the Directors and Senior Executives.
5. The CEO / CFO certification in terms of Clause 49 of the Listing Agreement forms part of the Annual Report.

XII. Means of Communication

The financial results under clause 41 of the Listing Agreement are generally published in the Economic Times and Maharashtra Times, Mumbai.

The above information is also uploaded by BSE and NSE at their website www.bseindia.com and www.nseindia.com respectively. The above results along with the investor presentations are also displayed on the website of your Company www.oberoirealty.com. Press Releases by the Company on the financial results are sent to BSE and NSE and are also uploaded on the website of the Company. The presentation made to the analyst and transcript of the analyst conference call are also uploaded on the website of the Company.

A separate e-mail id cs@oberoirealty.com has been designated for the purpose of registering complaints by shareholder or investors.

XIII. General Shareholders Information

1. General Body Meeting

Details of last three Annual General Meetings:

Financial Year ended	Date	Time	Venue
March 31, 2010	May 4, 2010	5.45 p.m.	Trident Meeting Room No. 1, Trident, Nariman Point, Mumbai - 400 021
March 31, 2009	September 29, 2009	11.30 a.m.	Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai- 400 063
March 31, 2008	September 30, 2008	11.00 a.m.	International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai- 400 063

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

Annual General Meeting held on May 4, 2010:

Amendment of Employee Stock Option Scheme.

Annual General Meeting held on September 29, 2009:

NIL

Annual General Meeting held on September 30, 2008:

NIL

Postal Ballot

During the year no ordinary or special resolutions were passed through postal ballot. No special resolution is proposed to be conducted through postal ballot.

2. Other Information

Registered Office 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	June 30, 2011, 2.00 p.m., Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020.
Financial Year	The financial year of the Company starts from April 1 st and ends on March 31 st of the succeeding year
Book closure dates	From June 18, 2011 to June 30, 2011
Rate of dividend and dividend declaration date	Re. 1/- per Equity Share i.e. 10% dividend as recommended by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting to be held on June 30, 2011
Tentative calendar of Board Meetings for the financial year 2011-12	For the quarter ended June 30, 2011- beginning of August 2011 For the quarter and half year ended September 30, 2011 - beginning of November 2011 For the quarter ended December 31, 2011 - beginning of February 2012 For the quarter and year ended March 31, 2012 - May 2012
Listing on stock exchanges	The Equity Shares are listed on BSE and NSE
Stock code	The BSE scrip code of Equity Shares is 533273 The NSE scrip symbol of Equity Shares is OBEROIRLTY
ISIN Number	INE093I01010
Listing fees	The listing fees of BSE and NSE for Financial Year 2011-12 has been paid
Custodian fees	The custodian fees payable to NSDL and CDSL based on the number of folios as on March 31, 2011 has been paid
Registrar and Transfer agents	Link Intime (India) Private Limited C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West) Mumbai 400 078 Email : rnt.helpdesk@linkintime.co.in Tel: (022) 2594 6970-78 Fax: (022) 2594 6969
Share Transfer system	For share 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 will be generally approved within 25 days from the date of receipt subject to all documents being in order. For shares held in dematerialized 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, 2011, the Company does not have any outstanding GDRs / ADRs / Warrants / Convertible Instruments (other than stock options). As on March 31, 2011, there are 1,220,387 options outstanding which were issued under the employee stock option scheme ESOP 2009 to certain eligible employees of the Company and its wholly owned subsidiaries. Each option confers a right to apply for one Equity Share of the Company, in accordance with the terms and conditions of the ESOP 2009. The vesting of these options 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 date of vesting of the options, in accordance with the ESOP 2009. As on March 31, 2011 none options have vested.

3. Market Price Data

The market price data and the volume of the Company's share traded on BSE and NSE during the year ended March 31, 2011 is as follows:

Bombay Stock Exchange Limited

Month	Oberoi Realty Limited on BSE			Sensex	
	High (Rs.)	Low (Rs.)	Average Volume (Nos)	High	Low
Mar-11	254.90	210.00	7,284	19,575.16	17,792.17
Feb-11	267.05	212.05	10,150	18,690.97	17,295.62
Jan-11	263.00	240.15	7,377	20,664.80	18,038.48
Dec-10	278.50	240.00	14,102	20,552.03	19,074.57
Nov-10	294.50	240.00	93,894	21,108.64	18,954.82
Oct-10*	306.60	269.80	4,277,334	20,452.30	19,768.96

*the share price for the month of October is taken from October 20, 2010 (date of listing).

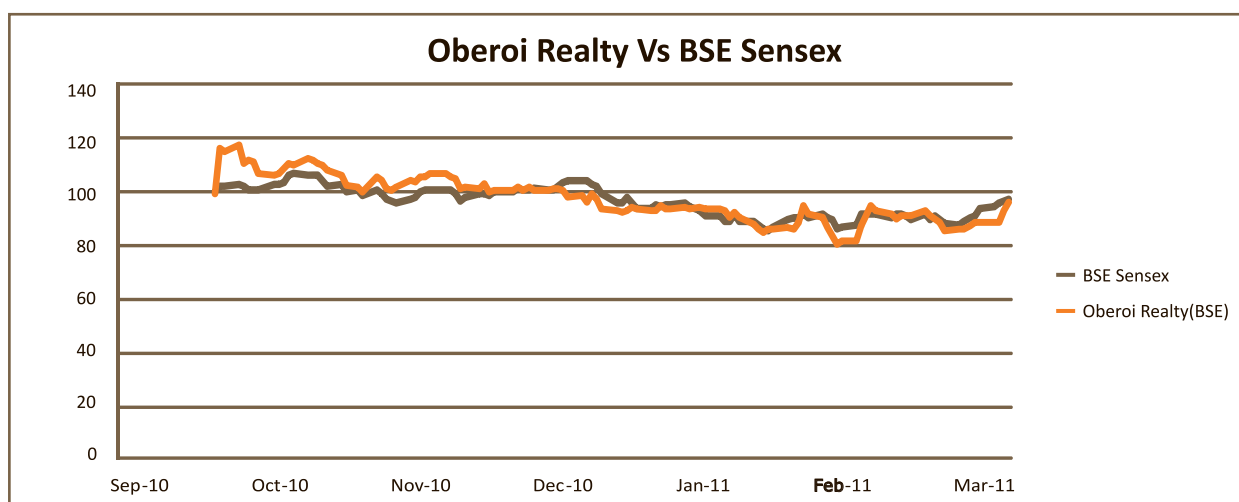
National Stock Exchange of India Limited

Month	Oberoi Realty Limited on NSE			Nifty	
	High (Rs.)	Low (Rs.)	Average Volume (Nos)	High	Low
Mar-11	269.90	215.35	53,103	5,872.00	5,348.20
Feb-11	268.50	211.40	80,491	5,599.25	5,177.70
Jan-11	264.00	234.00	50,826	6,181.05	5,416.65
Dec-10	280.00	219.90	159,846	6,147.30	5,721.15
Nov-10	294.40	216.00	292,023	6,338.50	5,690.35
Oct-10*	306.35	271.10	7,118,881	6,151.30	5,937.10

*the share price for the month of October is taken from October 20, 2010 (date of listing).

4. Performance of Oberoi Realty Limited in comparison to broad - based indices, viz. Sensex and Nifty

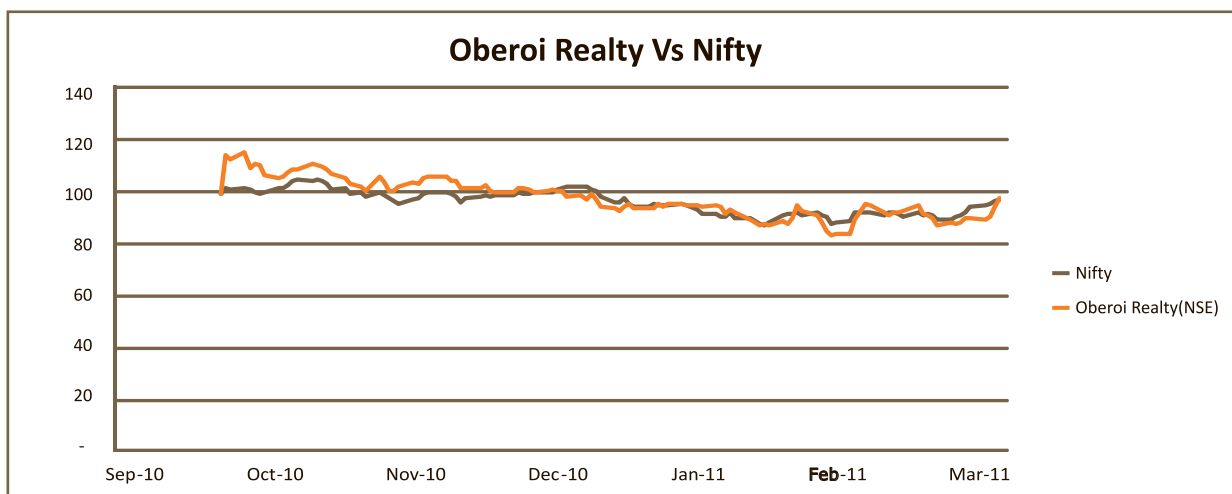
i) Movement of Oberoi Realty Limited Vs Sensex



Note: Closing value for BSE Sensex as of October 20, 2010 has been indexed to 100.

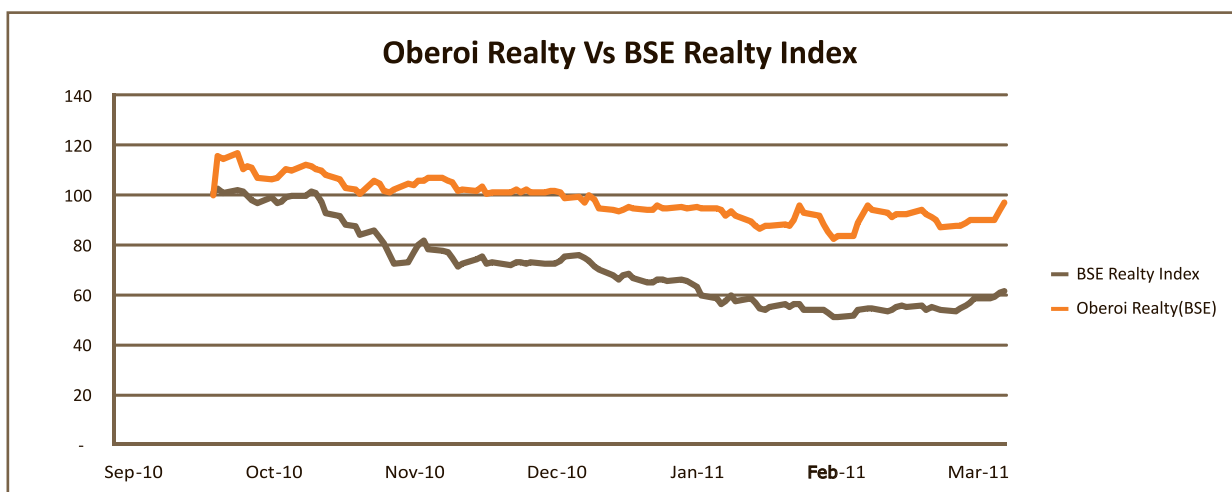
IPO price of Rs. 260 for Oberoi Realty is indexed to 100

ii) Movement of Oberoi Realty Limited Vs Nifty



Note: Closing value for NSE Nifty as of October 20, 2010 has been indexed to 100.
IPO price of Rs. 260 for Oberoi Realty is indexed to 100

5. Movement of Oberoi Realty Limited Vs BSE Realty Index



Note: Closing value for BSE Realty as of October 20, 2010 has been indexed to 100.
IPO price of Rs. 260 for Oberoi Realty is indexed to 100

6. Distribution of Shareholding as of March 31, 2011

Number of shares held (range)	Number of shareholders	Percentage (%)	Number of shares held	Percentage (%)
1 – 500	14,558	97.34	1,773,415	0.54
501 – 1000	147	0.98	119,248	0.04
1001 – 2000	75	0.50	111,142	0.03
2001- 3000	28	0.19	73,917	0.02
3001- 4000	8	0.05	28,593	0.01
4001 – 5000	19	0.13	90,976	0.03
5001 – 10000	23	0.15	165,209	0.05
10001 and above	99	0.66	325,870,762	99.28
Total	14,957	100.00	328,233,262	100.00

7. Shareholding pattern as of March 31, 2011

Category	Category of shareholder	Number of shareholders	Total number of shares	Total shareholding as a percentage of total number of shares
PROMOTER & PROMOTER GROUP				
<i>Indian</i>	Promoter	1	224,313,573	68.34
	Promoter Group	5	33,302,442	10.15
	Total	6	257,616,015	78.49
PUBLIC				
<i>Institutions</i>	Mutual Funds / UTI	15	3,101,811	0.94
	Financial Institutions / Banks	3	54,903	0.02
	Foreign Institutional Investors	69	31,360,176	9.55
	Total for Institutions	87	34,516,890	10.51
<i>Non-institutions</i>	Bodies Corporate	232	1,499,829	0.46
	Individuals	14,208	3,394,247	1.03
	Clearing Member	124	65,464	0.02
	NRIs	222	57,969	0.02
	NRN	75	25,703	0.01
	Foreign Companies	1	31,055,247	9.46
	Trusts	2	1,898	0.00
	Total for Non-Institutions	14,864	36,100,357	11.00
	Total	14,951	70,617,247	21.51
	Grand Total	14,957	328,233,262	100.00

8. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and 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 total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in physical mode.

9. Status of dematerialization of shares:

As on March 31, 2011, 90.54% of the issued Equity Shares of the Company were held in dematerialized form and the balance 9.46% in physical form.

10. Address for correspondence:

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

Investor Relations Department:

Obero 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

In accordance with clause 49(V) of the listing agreement with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, we certify that:

1. We have reviewed financial statements and the cash flow statement of Oberoi Realty Limited for the year ended March 31, 2011 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. In our opinion there are adequate internal controls over financial reporting.
4. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - 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, 2011

Vikas Oberoi
Chairman and Managing Director

Saumil Daru
Chief Financial Officer

Auditors' Certificate on Corporate Governance

To the Members of Oberoi Realty Limited

We have examined the compliance of conditions of Corporate Governance procedure implemented by Oberoi Realty Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us and the representations made by the Directors and the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending against the Company as at March 31, 2011, as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P. RAJ & CO.
Chartered Accountants

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

To the Board of Directors of Oberoi Realty Limited

1. We have audited the attached Consolidated Balance Sheet of Oberoi Realty Limited (the "Company"), its Subsidiaries and Joint Ventures (collectively, the "Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of its Joint Venture namely, Sangam City Township Private Limited, whose financial statements reflect the Group's share of Total Assets of Rs. 4,305.65 Lakh as at March 31, 2011 and Total Revenues of Rs. 4.44 Lakh for the year then ended. These financial statements have been audited by other auditor whose reports have been furnished to us, and our opinion is based solely on the report of other auditor.
4. The financial statements of its other Joint Venture namely, Siddhivinayak Realities Private Limited are on the basis of unaudited management accounts and the financial statements reflect the Group's share of Total Assets of Rs. 4,390.11 Lakh as at March 31, 2011 and Total Revenues of Rs. Nil for the year then ended.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures" notified by the Companies (Accounting Standards) Rules, 2006, on the basis of separate audited financial statements of the Company, its Subsidiaries and Joint Ventures Companies included in the Consolidated Financial Statements.
6. In our opinion and to the best of our information and according to the explanations given to us and on the basis of consideration of separate audit reports on individual audited financial statements, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - ii. in the case of Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For P. RAJ & CO.
Chartered Accountants

P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

BALANCE SHEET

Particulars	Schedule	(Rs. in Lakh)			
		As of March 31,			
		2011	2010		
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	36,413.33		32,457.13	
Reserves and Surplus	2	298,344.00	334,757.33	153,928.05	186,385.18
Total			334,757.33		186,385.18
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	3	79,964.68		32,577.13	
Less: Depreciation / Amortisation		4,154.09		1,880.83	
Net Block		75,810.59		30,696.30	
Capital Work-in-progress (Including Capital Advances)		21,098.71	96,909.30	51,007.84	81,704.14
Investments	4		6,500.90		7,898.20
Deferred Tax Assets (Net)	5		87.08		41.03
Current Assets, Loans and Advances					
Inventories		77,419.50		61,944.64	
Sundry Debtors		4,675.12		4,037.74	
Cash and Bank Balances		139,930.85		36,069.21	
Other Current Assets		1,726.75		520.69	
Loans and Advances		71,627.67		62,588.72	
(A)		295,379.89		165,161.00	
Current Liabilities and Provisions					
Current Liabilities	7	60,023.33		67,453.67	
Provisions		4,096.51		965.54	
(B)		64,119.84		68,419.21	
Net Current Assets (A-B)			231,260.05		96,741.79
Miscellaneous expenditure (to the extent not written off)			-		0.02
Total			334,757.33		186,385.18

Notes forming part of the Accounts 14

The Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

For and on behalf of the Board

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

Tilokchand P. Ostwal
Director

Anil Harish
Director

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

PROFIT AND LOSS ACCOUNT

Particulars	Schedule	(Rs. in Lakh)	
		For the year ended March 31, 2011	2010
INCOME			
Operating Income	8	98,432.80	77,719.67
Other Operating Income		1,171.34	1,268.18
Other Income	9	6,273.42	1,561.67
Total		105,877.56	80,549.52
EXPENDITURE			
Operating Costs	10	37,663.07	30,431.63
Manpower Costs	11	2,703.98	700.66
Other Costs	12	1,533.49	510.98
Finance Costs	13	15.62	2.61
Depreciation / Amortisation		2,368.30	905.76
Total		44,284.46	32,551.64
Profit Before Tax and Prior Period Items		61,593.10	47,997.88
(Add) / Less : Prior Period Items		46.22	(82.57)
Profit Before Tax		61,546.88	48,080.45
Current Tax		14,028.59	8,694.39
Deferred Tax		1,152.15	138.95
Short provision of tax in earlier years (Net)		0.53	-
MAT Credit Entitlement		(5,352.62)	(6,571.30)
Profit After Tax		51,718.23	45,818.41
Less - Minority Interest		-	-
Profit After Minority Interest		51,718.23	45,818.41
Balance brought forward from previous year		99,138.23	59,047.96
Profit Available for Appropriation		150,856.46	104,866.37
Appropriations			
Transferred to General Reserve		3,939.00	4,345.00
Dividend			
Equity Shares (Proposed)		3,282.33	577.34
Preference Shares (Proposed)		0.00	115.08
Preference Shares (Paid)		0.00	489.80
Reversal of Excess Provision of PY		(83.11)	-
Tax on Dividend			
Current Year (Proposed)		532.48	117.68
Current Year (Paid)		-	83.24
Reversal of Excess Provision of PY		(14.12)	-
Balance carried to the Balance Sheet		143,199.88	99,138.23
Basic Earnings per Equity Share (Rs.)		16.88	15.63
Diluted Earnings per Equity Share (Rs.)		16.88	15.63
Notes forming part of the Accounts	14		

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board

For P. RAJ & CO.
Chartered Accountants

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Anil Harish
Director

Bindu Oberoi
Director

Saumil Daru
Chief Financial Officer

Tilokchand P. Ostwal
Director

Bhaskar Kshirsagar
Company Secretary

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

CASH FLOW STATEMENT

Particulars	(Rs. in Lakh)	
	For the Year ended March 31,	
	2011	2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax and Prior Period Items	61,593.10	47,997.88
Add / (Less) : Adjustments for		
Depreciation and Amortisation	2,368.30	905.76
Depreciation and Amortisation - Prior Period / Allocated to Projects	6.76	-
Interest Income	(4,885.85)	(1,334.37)
Interest Expenses	1.93	17.00
Preliminary expenses written off	0.02	0.04
Dividend Income	(1,365.61)	(213.40)
Loss / (Gain) on sale of Mutual Fund Units (Net)	(0.24)	(0.03)
Loss / (Gain) from Foreign Exchange Fluctuation (Net)	5.63	(5.98)
Loss / (Gain) on sale / discarding of Fixed Assets	18.64	3.91
Sundry balances written off / (back)	1.01	30.27
Prior Period (Expense) / Income	(46.22)	82.57
Operating Profit Before Working Capital changes	57,697.47	47,483.65
Add / (Less) : Adjustments for		
Increase / (Decrease) in Trade and other payables	(7,310.73)	27,860.92
(Increase) / Decrease in Trade and other receivables	(884.13)	(23,662.64)
(Increase) / Decrease in Inventory	(15,474.86)	8,964.78
Cash generated from Operations	34,027.75	60,646.71
Add / (Less) : Direct taxes paid	(13,993.52)	(8,364.83)
Net Cash Inflow / (Outflow) from Operating activities (A)	20,034.23	52,281.88
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets / Capital WIP	(17,628.61)	(16,724.09)
Sale proceeds of Fixed Assets / Insurance claim received	29.74	3.59
Interest Received	3,297.92	1,201.26
Dividend Received	1,365.61	213.40
Decrease / (Increase) Loans and Advances to Joint Ventures (Net)	(3,093.30)	(6,765.36)
Sale / (Acquisition) of Investments (Net)	1,397.55	(6,402.49)
Capital Reserve on acquisition / (sale) of Subsidiary	-	(2.00)
Net Cash Inflow / (Outflow) from Investing activities (B)	(14,631.09)	(28,475.69)

Particulars	(Rs. in Lakh)	
	For the Year ended March 31,	
	2011	2010
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Equity Share Capital (including share premium)	102,861.20	-
Increase / (Decrease) in Preference Share Capital	-	(2,120.00)
Share issue expenses	(3,687.91)	(372.62)
Net Increase / (Decrease) in Secured Loans	-	(0.58)
Net Increase / (Decrease) in Unsecured Loans	-	(1,070.12)
Interest Paid	(1.93)	(17.00)
Dividend paid (Including Tax on Dividend)	(712.86)	(848.03)
Net Cash Inflow / (Outflow) from Financing activities (C)	98,458.50	(4,428.35)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	103,861.64	19,377.84
Add: Cash and Cash Equivalents at the beginning of the year	36,069.21	16,691.37
Cash and Cash Equivalents at the end of the year	139,930.85	36,069.21

Components of Cash and Cash Equivalents at the end of the year

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
Cash on Hand	38.04	32.30
Balance with Scheduled Banks:		
In Current Accounts	2,100.90	6,199.65
In Fixed Deposits	134,141.54	26,014.62
In Fixed Deposits (Lien Marked)	3,650.37	3,822.64
Cash and Cash Equivalents (closing)	139,930.85	36,069.21

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

For and on behalf of the Board

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Anil Harish
Director

Bindu Oberoi
Director

Saumil Daru
Chief Financial Officer

Tilokchand P. Ostwal
Director

Bhaskar Kshirsagar
Company Secretary

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
SCHEDULE - 1 - SHARE CAPITAL		
Authorised		
378,500,000 (378,500,000) Equity Shares of Rs. 10 (Rupees Ten only) each	37,850.00	37,850.00
465 (465) Redeemable Non-Convertible Cumulative Preference Shares of Rs.1,000,000 (Rupees Ten Lakh only) each	4,650.00	4,650.00
	42,500.00	42,500.00
Issued, Subscribed and Paid up		
328,233,262 (288,671,262) Equity Shares of Rs. 10 (Rupees Ten only) each fully paid (of above, 286,070,620 shares were allotted as fully paid-up by way of bonus shares)	32,823.33	28,867.13
359 (359) Redeemable Non-Convertible Cumulative Preference Shares of Rs.1,000,000 (Rupees Ten Lakh only) each fully paid (Refer note no. 8 of Schedule 14)	3,590.00	3,590.00
Total	36,413.33	32,457.13
SCHEDULE - 2 - RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last Balance Sheet	2,120.00	2,120.00
Add: Transferred during the year	-	2,120.00
	2,120.00	4,240.00
Less: Utilised for issue of bonus shares	-	2,120.00
(A)	2,120.00	2,120.00
Securities Premium Account		
As per last Balance Sheet	38,717.31	65,450.34
Add: Receipt during the year	98,905.00	-
	137,622.31	65,450.34
Less: Utilised for issue of bonus shares	-	26,487.06
	137,622.31	38,963.28
Less: Share issue expenses [Net of Tax Benefit of Rs.1,198.21 Lakh (PY Rs.126.65 Lakh)]	2,489.70	245.97
(B)	135,132.61	38,717.31
Capital Reserve on Consolidation		
As per last Balance Sheet	7,585.19	7,587.18
Add / (Less): Transferred during the year	-	(1.99)
(C)	7,585.19	7,585.19
General Reserve		
As per last Balance Sheet	6,367.32	4,142.32
Add: Transferred during the year	3,939.00	4,345.00
	10,306.32	8,487.32
Less: Transferred to Capital Redemption Reserve	-	2,120.00
(D)	10,306.32	6,367.32
Surplus		
Balance in Profit and Loss Account	(E)	99,138.23
Total	(A+B+C+D+E)	153,928.05
	298,344.00	153,928.05

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lakh)

SCHEDULE - 3 - FIXED ASSETS										
Particulars	As of April 1, 2010	Gross Block Additions	Gross Block Deductions	As of March 31, 2011	As of April 1, 2010	For the year	Depreciation Deductions	As of March 31, 2011	Net Block As of March 31, 2011	As of March 31, 2010
Tangible Assets										
Land	4,247.26	9,913.56	-	14,160.82	-	-	-	-	14,160.82	4,247.26
Residential Building®	72.10	-	-	72.10	3.65	1.17	-	4.82	67.28	68.45
Buildings	18,241.30	23,614.10	85.26	41,770.14	585.76	615.10	63.98	1,136.88	40,633.26	17,655.54
Electrical Installations	909.84	2,129.51	-	3,039.35	76.05	133.55	-	209.60	2,829.75	833.79
Furnitures and Fixtures*	1,062.32	3,711.58	33.80	4,740.10	172.51	391.43	27.04	536.90	4,203.20	889.81
Office Equipments*	180.59	590.51	4.88	766.22	36.16	48.29	2.05	82.40	683.82	144.43
Plant and Machineries	6,000.72	6,814.31	6.46	12,808.57	457.36	771.98	0.91	1,228.43	11,580.14	5,543.36
Computers*	268.85	297.32	0.23	565.94	156.06	133.12	0.23	288.95	276.99	112.79
Vehicles*	590.42	112.27	19.55	683.14	216.64	137.70	7.59	346.75	336.39	373.78
Aircraft*	831.85	-	-	831.85	100.80	46.59	-	147.39	684.46	731.05
Intangible Assets										
Goodwill	0.48	-	-	0.48	0.48	-	-	0.48	-	-
Softwares	171.40	354.57	-	525.97	75.36	96.13	-	171.49	354.48	96.04
Total	32,577.13	47,537.73	150.18	79,964.68	1,880.83	2,375.06	101.80	4,154.09	75,810.59	30,696.30
Less - Capitalised / Prior Period Items	-	-	-	-	26.46	6.76	-	-	-	-
Grand Total	32,577.13	47,537.73	150.18	79,964.68	1,854.37	2,368.30	101.80	4,154.09	75,810.59	30,696.30
Previous Year	28,366.30	4,222.41	11.58	32,577.13	959.42	925.49#	4.08	1,880.83	30,696.30	27,406.88

Notes

* The above includes Gross Block of Rs. 837.41 Lakh (PY Rs. 837.41 Lakh) held in the name of AOP on co-ownership basis

® Residential Building includes 5 Shares of Rs. 10 each of a housing society, which is pending for transfer

Includes Rs. 19.73 Lakh capitalised during previous year

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
SCHEDULE - 4 - INVESTMENTS		
Long Term Investments		
Trade (Unquoted) (At cost)		
Investments in Government Securities		
National Savings Certificates (held in the name of an employee)	0.90	0.81
Current Investments		
Units of Mutual Funds		
Non-Trade (Unquoted) (Lower of Cost or Market Value)		
Nil (43,317,500) units of Rs. 10 each HDFC Cash Management Fund Treasury Advantage Plan Wholesale	-	4,345.40
Nil (12,030,638) units of Rs. 10 each Reliance Medium Term Fund	-	2,056.70
Nil (298,941) units of Rs. 100 each ICICI Prudential Floating Rate Plan D	-	299.00
Nil (11,951,551) units of Rs. 10 each Birla Sun Life Ultra Short Term Fund - Institutional	-	1,195.81
Nil (478) units of Rs. 100 each ICICI Prudential Floating Rate Plan C	-	0.48
Non-Trade (Quoted) (Lower of cost or market value)		
25,000,000 (Nil) units of Rs.10 each of Birla Sun Life Short Term FMP Series 7	2,500.00	-
25,000,000 (Nil) units of Rs.10 each of DSP BlackRock FMP 3M Series 29	2,500.00	-
5,000,000 (Nil) units of Rs.10 each of SBI Debt Fund Series 90 days 40	500.00	-
10,000,000 (Nil) units of Rs.10 each of Birla Sun Life Short Term FMP Series 8	1,000.00	-
Total	6,500.90	7,898.20
Aggregate Value of Unquoted Investments	0.90	7,898.20
Aggregate Value of Quoted Investments	6,500.00	-
Aggregate Market Value of Quoted Investments	6,539.22	-
SCHEDULE - 5 - DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
on Share issue expenses	1,029.77	101.32
on Other expenses	169.11	197.53
Deferred Tax Liability		
on Depreciation	(1,057.06)	(257.82)
on Others	(54.74)	-
Total	87.08	41.03

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
SCHEDULE - 6 - CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
(as taken, valued and certified by Management)		
Plots of Land	864.74	864.74
Work-in-progress	74,573.49	59,707.21
Finished Goods	1,875.59	1,237.19
Food, Beverages etc.	105.68	135.50
Total	(A) 77,419.50	61,944.64
SUNDRY DEBTORS		
Unsecured and Considered Good:		
Outstanding for more than 6 months	475.49	392.28
Outstanding for less than 6 months	4,199.63	3,645.46
Total	(B) 4,675.12	4,037.74
CASH AND BANK BALANCES		
Cash on Hand	38.04	32.30
<i>Balance with Scheduled Banks:</i>		
In Current Accounts	2,100.90	6,199.65
In Fixed Deposits	134,141.54	26,014.62
In Fixed Deposits (Lien Marked)	3,650.37	3,822.64
Total	(C) 139,930.85	36,069.21
OTHER CURRENT ASSETS		
Others	1,726.75	520.69
Total	(D) 1,726.75	520.69
LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated:		
Advances Recoverable in cash or kind	1,415.58	4,414.15
Advances to Vendors	2,751.21	6,999.34
Other Loans and Advances	10,055.25	10,055.25
Loans and Advances to Joint Ventures	4,101.51	1,008.21
Income Tax (Net of Provisions)	19,227.77	13,910.74
Other Deposits	34,076.35	26,201.03
Total	(E) 71,627.67	62,588.72
Total	(A+B+C+D+E) 295,379.89	165,161.00

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
SCHEDULE - 7 - CURRENT LIABILITIES AND PROVISIONS		
A: CURRENT LIABILITIES		
Sundry Creditors		
For Capital Goods		
Outstanding due to Micro, Small and Medium Enterprises	-	40.42
Outstanding due to other than Micro, Small and Medium Enterprises	486.35	1,115.33
For Others		
Outstanding due to Micro, Small and Medium Enterprises	6.26	17.17
Outstanding due to other than Micro, Small and Medium Enterprises	2,915.34	1,273.76
Other Liabilities	4,971.72	3,993.96
Book overdraft	32.33	-
Advance received from customers / Revenue in excess of billings	39,189.71	49,307.40
Deposits	12,421.62	11,705.63
Total	(A)	
		60,023.33
		67,453.67
B: PROVISIONS		
Provision for Gratuity	186.73	57.24
Provision for Leave Encashment	94.97	98.20
Proposed Dividend	3,282.33	692.42
Tax on Proposed Dividend	532.48	117.68
Total	(B)	
		4,096.51
Total	(A+B)	
		64,119.84
		68,419.21

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	(Rs. in Lakh)	
	For the Year ended March 31,	
	2011	2010
SCHEDULE - 8 - OPERATING INCOME		
Revenue from Projects	78,680.37	67,810.98
Rooms, Restaurants, Banquet and Other Services	6,714.08	-
Rentals and Related Income	11,207.53	8,335.25
Property and Project Management Income	1,830.82	1,573.44
Total	98,432.80	77,719.67
SCHEDULE - 9 - OTHER INCOME		
Interest Income [Tax Deducted at Source Rs. 527.29 Lakh (PY Rs. 171.11 Lakh)]	4,885.85	1,334.37
Dividend Income	1,365.61	213.39
Gain on sale of Mutual Fund units (Net)	0.24	0.03
Other miscellaneous income	21.72	13.88
Total	6,273.42	1,561.67
SCHEDULE - 10 - OPERATING COSTS		
Opening Balance		
Work-in-progress	59,706.50	69,834.50
Finished Goods	1,237.19	273.62
Add: Transferred from current assets		
Food, Beverages etc.	135.51	-
Transferable Development Rights	120.40	243.38
(A)	61,199.60	70,351.50
Add: Incurred during the year		
Land / Development Rights	14,321.36	-
Materials and Structural Cost	7,397.28	5,981.32
Contract and Labour Expenses	19,525.53	10,345.61
Other Project Cost	1,609.21	781.33
Rates and Taxes	5,584.48	2,531.53
Professional Charges	1,805.32	660.45
Depreciation	0.52	-
Food, Beverages and Hotel expenses	2,888.93	-
Allocated Costs		
Manpower Costs	2,630.26	1,574.74
Other Costs	1,169.34	696.08
Finance Costs	3.86	14.39
(B)	56,936.09	22,585.45
(C = A+B)	118,135.69	92,936.95
Less:		
Closing Balance		
Work-in-progress	74,573.49	59,706.50
Finished Goods	1,875.59	1,237.19
Food, Beverages etc.	105.68	-
Capitalised to Fixed Assets	3,917.86	1,561.63
(D)	80,472.62	62,505.32
Total	(E = C-D) 37,663.07	30,431.63

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	(Rs. in Lakh)	
	For the Year ended March 31,	
	2011	2010
SCHEDULE - 11 - MANPOWER COSTS		
Employee Costs	4,761.14	2,080.56
Contribution to Provident and Other Funds	372.46	139.21
Staff Welfare	200.63	55.63
	5,334.23	2,275.40
Less: Allocated to Projects / Capitalised	2,630.25	1,574.74
Total	2,703.98	700.66
SCHEDULE - 12 - OTHER COSTS		
Administrative Service Charges	30.97	24.72
Books and Periodicals expenses	7.63	1.74
Communication expenses	85.61	46.93
Conveyance and Traveling expenses	155.92	29.15
Donations	17.70	10.25
Electricity charges	63.30	77.40
Hire charges	6.52	4.26
Information Technology expenses	28.93	68.15
Insurance charges	74.51	68.10
Legal and Professional charges	333.87	122.39
Advertising and Marketing expenses	1,030.28	214.50
Membership and Subscription expenses	12.79	29.37
Directors Sitting Fees and Commission	32.20	1.40
Printing and Stationery expenses	113.69	64.27
Rates and Taxes	146.01	64.72
Rent	27.41	38.12
Repairs and Maintenance		
Building	94.85	69.77
Plant and Machinery	104.11	15.36
Others	120.67	123.51
Security service charges	47.39	9.92
Site expenses	0.58	-
Transportation charges	1.65	5.35
Vehicle expenses	100.98	64.19
Sundry balances written off (Net)	1.01	30.27
Loss on sale / discarding of fixed asset	18.64	3.91
Miscellaneous expenses	45.61	19.31
	2,702.83	1,207.06
Less: Allocated to Projects / Capitalised	1,169.34	696.08
Total	1,533.49	510.98
SCHEDULE - 13 - FINANCE COSTS		
Interest	1.93	17.00
Other Bank charges	17.56	-
	19.49	17.00
Less: Allocated to Projects / Capitalised	3.87	14.39
Total	15.62	2.61

SCHEDULE 14 : NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2011**1. Nature of operations:**

Oberoi Realty Limited (the 'Company' or 'ORL'), a public limited company, together with its subsidiaries and joint ventures (collectively referred to as the 'Group') is engaged primarily in the business of Real Estate Development and Hospitality.

2. Significant Accounting Policies:**A. Basis of Accounting:**

The Consolidated Financial Statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis.

B. Principles of Consolidation:

The Consolidated Financial Statements include the financial statements of the Company, its subsidiaries and joint ventures. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards AS-21 'Consolidated Financial Statements' and AS-27 'Financial Reporting of Interests in Joint Ventures', other applicable accounting standards, as applicable, notified by the Companies Accounting Standards Rules, 2006 (as amended).

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events, in similar circumstances, to the extent possible on the following basis:

i) Subsidiaries

- (a) The Consolidated Financial Statements have been prepared on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances / transactions and resulting elimination of unrealised profits and losses, if any.
- (b) Minority interest, if any, in the Net Assets of consolidated subsidiaries consist of:
 - The amount of equity attributable to minority shareholders as at the date of its investment or the date immediately preceding the date of investments in the subsidiary; and
 - The minority shareholders' share of movements in equity since the date the holding subsidiary relationship came into existence.

ii) Joint Ventures:

The Consolidated Financial Statements have been prepared using the proportionate consolidation method and accordingly, Company's share of the assets, liabilities, income and expenses of jointly controlled operations / entities / assets is consolidated as per AS - 27 "Financial Reporting of Interests in Joint Ventures".

The excess of cost, if any, to the Company of its investments in the subsidiary / joint venture over the Company's portion of equity of the subsidiary / joint venture, as at the date of its investment or the date immediately preceding the date of investments is recognised in the Consolidated Financial Statements as Goodwill, which is amortised over the period of expected revenue stream from the project, however such period would not exceed ten years.

The excess, if any of Company's portion of equity of the subsidiary / joint venture over the cost to the Company of its investments in the subsidiary / joint venture as at the date of its investment or the date immediately preceding the date of investments is treated as Capital Reserve.

C. Use of Estimates:

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the Consolidated Financial Statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events, plans and actions, actual results could differ from these estimates. Any revision to accounting estimates and assumptions are recognised prospectively.

D. Fixed Assets / Capital work-in-Progress:

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition / construction of Fixed 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. The cost also includes direct cost and other related incidental expenses. Revenues earned, if any, during trial run of assets is adjusted against cost of the assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Capital work-in-progress represents expenditure incurred in respect of capital projects under developments and is valued at cost. Cost includes cost of land / development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other related incidental expenses. Capital Work-in-progress also includes advances, if any, to contractors / vendors.

E. Depreciation / Amortisation:

i) Tangible Assets

- (a) Depreciation is provided from the date the assets are ready to be put to use on Straight Line method as per the useful lives of the assets estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. The higher depreciation rates used are as under:

Portable Cabins	25% p.a
Mobile Handsets and Computers	33% p.a
Vehicles	20% p.a
Lessee specific equipment's and improvements	Over lease period

- (b) Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase except under special circumstances.

ii) Intangible Assets

Intangible assets are amortised using Straight Line method over the estimated useful life, not exceeding 5 years.

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

F. Impairment of Fixed Assets:

The carrying amount of Fixed Assets is reviewed periodically for any indication of 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.

G. Investments:

Investments are classified into long-term and current investments. Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at the lower of cost or market value. Long term investments are stated at cost less permanent diminution in value, if any.

H. Valuation of Inventories:

i) 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.
ii) 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.
iii) Finished stock of completed projects (ready units)	Finished stock of completed projects (ready units) is valued at lower of cost or market value.
iv) 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.
v) Hospitality related operating supplies	Hospitality related operating supplies such as guest amenities and maintenance supplies are expensed as and when purchased.

I. Segment Reporting:

The Group's reporting segments are identified based on activities, risk and reward structure, organisation structure and internal reporting systems. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

J. Revenue Recognition:**i) Revenue from Projects**

The Group follows the Percentage of Project Completion Method for its projects. Under this method, the Group recognises revenue in proportion to the actual cost incurred as against the total estimated cost of the project under execution subject to completion of construction work to a certain level depending on the type of the project.

Cost of Land and / or Development Rights is not included in computing the percentage of project completion.

Revenue is recognised 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.

Revenue is recognised net of indirect taxes.

ii) Revenue from Hospitality:

Room revenue is recognized based on occupancy. Revenue from sale of food and beverages and other allied services is recognized as and when the services are rendered.

Revenue is recognised net of trade discounts and indirect taxes.

iii) Revenue from lease rentals and related income:

Lease income is recognised in the Profit and Loss Account 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.

iv) Other income:

Dividend income is recognised when the right to receive dividend is established.

Other Incomes is accounted on accrual basis, except interest on delayed payment by debtors which is accounted on acceptance of the Group's claim.

K. Foreign Currency Transactions:

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

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the Profit and Loss Account. Non- monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

L. Leases:**i) Where a Group entity is the lessee:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Operating lease payments are recognised as an expense in the Profit and Loss Account 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.

ii) Where a Group entity is the lessor:

Assets representing Lease arrangements given under operating leases are included in Fixed Assets. Lease income is recognized in the Profit and Loss Account 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 are recognised immediately in the Profit and Loss Account.

M. Taxation:

i) Provision for Income-tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income-tax Act, 1961.

ii) Deferred tax resulting from timing difference between book and tax profits is accounted for using the tax rates and laws that have been enacted as of the Balance Sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- iii) Deferred tax assets arising on the temporary timing differences are recognised only if there is reasonable certainty of realisation.
- iv) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal Income-tax during the specified period.

N. Employee Stock Option Scheme:

The employee share based payments are accounted on the basis of 'intrinsic value of option' representing the excess of the market price on the date of grant over the exercise price of the shares granted under the 'Employee Stock Option Scheme' of the Company and is amortised as deferred employees compensation on a Straight Line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

O. Contingent Liabilities:

- i) A provision is recognised when:
 - (a) The Group has a present obligation as a result of a past event;
 - (b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - (c) 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.
- 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.

P. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition / construction of qualifying Fixed 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.

Other borrowing costs are recognised as an expense, in the period in which they are incurred.

Q. Employee Benefits:

i) Defined contribution plans:

Retirement benefits in the form of contribution to provident fund and pension fund are charged to Profit and Loss Account.

ii) 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 Balance Sheet date and is charged to the Profit and Loss Account. The actuarial valuation is performed using the Projected Unit Credit method.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

iii) Other employee benefits:

Leave encashment is recognised as an expense in the 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 immediately in the Profit and Loss Account.

R. 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 number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

S. The details of entities included in these Consolidated Financial Statement are as under:

Name of Entity	Ownership interest as at March 31		Ownership interest held by
	2011	2010	
Subsidiaries:			
Oberoi Constructions Private Limited ('OCPL')	100%	100%	ORL
Oberoi Mall Private Limited ('OMPL')	100%	100%	ORL
Kingston Property Services Private Limited ('KPSPL')	100%	100%	ORL
Kingston Hospitality and Developers Private Limited ('KHDPL')	100%	100%	ORL
Triumph Realty Private Limited ('TRPL')	100%	100%	ORL
Expressions Realty Private Limited ('ERPL')	100%	100%	ORL
Perspective Realty Private Limited ('PRPL') (Note a)	100%	100%	OCPL
Joint Ventures - Companies:			
Siddhivinayak Realities Private Limited ('SRPL')	50%	50%	OCPL
Sangam City Township Private Limited ('SCTPL')	31.67%	31.67%	ORL
Splendor Developers Private Limited ('SDPL') (Note b)	Nil	Nil	KHDPL
Shashbindu Constructions Private Limited ('SCPL') (Note c)	Nil	Nil	ORL
Joint Ventures - Others:			
Oasis Realty (AoP)	Note (e)	Note (e)	OCPL
Zaco Aviation (AoP)	25%	25%	OCPL

Notes:

- With effect from June 20, 2009 PRPL has ceased to be subsidiary of the Company and has become a wholly owned subsidiary of OCPL, another wholly owned subsidiary of the Company.
- On September 30, 2009, KHDPL has sold its entire holding in its joint venture SDPL.
- On September 25, 2009, the Company has sold its entire holding in its joint venture SCPL.
- The Company, its Subsidiaries and its Joint Ventures – Companies are all incorporated in India.
- OCPL, a subsidiary of the Company, has entered into an unincorporated joint venture "Oasis Realty" for development of a plot of land. The development comprises of two components – the rehabilitation component and the free-sale component. OCPL is entitled to a share ranging between 25% - 40% of the net sale proceeds from the free-sale component. OCPL's share in the Joint Venture is consolidated using the Proportionate Consolidation method.

3. Contingent liabilities not provided for in respect of:

(Rs. in Lakh)

No.	Particulars	March 31, 2011	March 31, 2010
A.	Letters of Credit (net of margin)	-	18.04
B.	Bank Guarantees (gross)	3,332.23	2,578.38
C.	Capital Contracts (net of advances)	27,649.18	34,691.77
D.	Group's share of commitment in Joint Venture	2,400.00	4,000.00
E.	Indemnity Bonds given in favour of the Government under Export Promotion Capital Goods Scheme (net of Bank Guarantees)	3,721.18	3,627.73
F.	Legal cases against the Group not acknowledged as debts	1,560.00	5.00
G.	Claims against the Group not acknowledged as debts	2,860.19	669.23
H.	Certain other additional matters which are under dispute (including some matters which are pending in court) but which are not acknowledged as debts by the Group	Amounts not ascertainable	Amounts not ascertainable

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – CONSOLIDATED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakh)

No.	Particulars	March 31, 2011	March 31, 2010
I.	Service tax matters in dispute	215.91	215.91
J.	Customs duty matters in dispute	3.30	-
K.	Income-tax matters in dispute	1,051.97	1,410.24
L.	<p>SRPL, a joint venture of a subsidiary, had entered into a Master Asset Purchase Agreement ('Agreement') to purchase immovable and movable properties of hotel located at Juhu, Mumbai, for a consideration of Rs.34,906.00 Lakh with the Vendor Company. SRPL has paid an advance of Rs. 7,500.00 Lakh towards the same.</p> <p>Due to various disputes with the vendors, the said transaction has not been completed. Consequent to Arbitration applications being filed, the Hon'ble Bombay High Court has passed an order directing the parties to maintain the status quo. In the arbitration proceedings, the vendors have lodged various claims against the SRPL. The maximum liability claimed under various alternatives is Rs. 23,200.00 Lakh and interest thereon. Matter being subjudice, in view of the terms and conditions of the Agreement and one of the relief claimed by the vendors to terminate the Agreement and refund the advance paid by the SRPL, the SRPL is confident that it will succeed in its case against the vendors and others and no amounts would be payable towards the claims filed. Accordingly, no provision has been made in the books of accounts.</p> <p>Two writ petitions have been filed in the Hon'ble Bombay High Court by Tulip Star Hotel and others against the orders dated September 21, 2005 and January 13, 2006 passed by the Industrial Court in a complaint filed by the Union of Centaur-Tulip Employees. Both the writ petitions have by orders dated July 7, 2010 been disposed of by the Hon'ble Bombay High Court. The orders of July 7, 2010 have been challenged by Tulip Star Hotel vide two appeals filed in the Hon'ble Bombay High Court and the same are currently pending.</p>		

4. The Government of Maharashtra had amended the provisions of Maharashtra Value Added Tax Act, 2002 ('MVAT Act'), and to provide that Value Added Tax ('VAT') is leviable under the provisions of MVAT Act on sale of premises under construction by the enterprise engaged in the business of construction. Maharashtra Chambers of Housing Industry ('MCHI') had filed a writ petition challenging the constitutional validity of the amendment. By the Interim Order dated December 7, 2007, the Hon'ble Bombay High Court, has directed the members of the MCHI not to register as Dealer under the provisions of MVAT Act and no order of assessment be passed, subject to compliance of certain formalities. This stay of the Hon'ble Bombay High Court is still pending clearance.

Further, the Government of Maharashtra has introduced a scheme of composition for registered dealers under sub section (3A) of section 42 of the MVAT Act, vide Notification No. VAT 1510 / CR-65 dated July 09, 2010. Under this scheme, a registered dealer who undertakes construction of flats or buildings and transfers them in pursuance of an agreement along with land, an amount of 1% of the aggregate amount specified in the agreement or the stamp duty value, whichever is higher, shall be payable.

By virtue of the Premises Ownership Agreement / Letter of Allotment entered into by the Group with the purchasers of the premises, the purchaser is liable to pay, and Group is entitled to recover, any VAT that may be leviable on the said transaction and hence Group does not have any liability in connection with the same.

5. The Group has raised invoices on various tenants / licensees for rent / licence fee and service tax thereon, in accordance with the terms of the agreements with the tenants / licensees, which provide that the tenants / licensees are liable to pay the service tax on the rent / licence fees. The matter of levy of service tax on rent has been the subject matter of litigation in various courts and various courts have passed orders in connection with the same.

In cases where the Group has received the service tax amount on the rent / licence fees from the tenants / licensees, the same has been deposited with the Government Treasury, in accordance with the provisions of Finance Act, 1994. However, in the cases where the tenants / licensees have protested levy of service tax and contended that they are covered by the judgements of various courts, the Group has not received service tax on the rent / licence fee from the tenants / licensees and accordingly, same has not been deposited with Government Treasury.

As at March 31, 2011, the amount of such service tax (excluding interest and penalty) not received from the tenants is Rs. 677.84 Lakh (PY Rs. 448.25 Lakh). The amount of sundry debtors is net of the said service tax amount.

6. Work-in-progress as at March 31, 2011, includes an amount of Rs. 29,734.13 Lakh (PY Rs. 29,383.53 Lakh) in respect of the Company's property at Mulund, Mumbai ('Mulund Property'). The Government of Maharashtra had purportedly declared the Mulund Property to be covered by the provisions of the Maharashtra Private Forest (Acquisition) Act, 1975 along with various other properties in Mumbai. The Company had filed a writ against the State of Maharashtra challenging the same in the Hon'ble Bombay High Court and subsequent to the judgment of the Hon'ble Bombay High Court, the Company had filed Special Leave Petition ('SLP') in the Hon'ble Supreme Court.

By an order dated September 30, 2009, the Hon'ble Supreme Court had held that the petitioners, who are prepared to pay the net present value, would be at liberty to pay the same to the Forest Department. Accordingly, the Company had paid an amount of Rs.1,091.00 Lakh, being the net present value payable, as determined by the Conservator of Forest.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

By an order dated January 25, 2010, the Hon'ble Supreme Court has vacated its stay and the Company is at liberty to make use of the land or to go on with the construction on the said land and create third party interest, subject to the decision of the MOEF. The matter is pending for final disposal.

7. The Company and its subsidiaries recognise revenue on Percentage of Project Completion Method in respect of projects. One of the subsidiaries has claimed 100% deduction of Profit for computing the tax liability in respect of certain Residential Projects. Provision for Income-tax has been made, keeping in view, the following:
- A. The Profits computed on Percentage of Project Completion Method are derived from construction and development project and are eligible for 100% deduction under section 80IB (10) of the Income-tax Act, 1961 subject to compliance of the conditions enumerated therein.
- B. Clarification issued by Central Board of Direct Taxes that the deduction of Profits under section 80IB of the Income-tax Act, 1961, can be claimed on a year to year basis where profits are shown on partial completion of the Project every year.

In the event, the subsidiary is unable to satisfy the conditions enumerated in section 80IB (10) of the Income-tax Act, 1961, more particularly of completing the Project within the specified time period, the deduction shall stand withdrawn for the respective year(s), and the subsidiary would be called upon to pay Income-tax along with interest / penalty thereon.

8. 359 Preference shares of Rs. 10 Lakh each aggregating to Rs. 3,590 Lakh were due for redemption on January 1, 2011 either at par or for an aggregate amount of Re. 1, based on certain terms. Subsequently, in the Board meeting held on May 4, 2011, the Board has approved the redemption of the said Preference Shares for an aggregate amount of Re. 1. Also, the excess provision of dividend of Rs. 83.11 Lakh made during the year ended March 31, 2010 has also been reversed.
9. **Earnings Per Share (EPS):**

Particulars	March 31, 2011	March 31, 2010
Profit after tax (Rs. in Lakh)	51,718.23	45,818.41
(Less): Dividend on Preference Shares (including tax thereon) (Rs. in Lakh)	(0.00)	(707.68)
Add: Reversal of excess provision of Dividend on Preference Shares in earlier year (including tax thereon) (Rs. in Lakh)	97.23	-
Net profit after tax available to Equity share holders (Rs. in Lakh)	51,815.46	45,110.73
Weighted average number of equity shares for Basic EPS	306,880,621	288,671,262
Add: Weighted average potential equity shares on grant of options under ESOP	.*	-
Weighted average number of equity shares for Diluted EPS	306,880,621	288,671,262
Basic Earnings Per Share (Rs.)	16.88	15.63
Diluted Earnings Per Share (Rs.)	16.88	15.63
Face value of Equity Share (Rs.)	10	10

*Anti-Dilutive

10. **Segment Reporting**

(Rs. in Lakh)

Particulars	March 31, 2011			March 31, 2010		
	Real Estate	Hospitality	Total	Real Estate	Hospitality	Total
Segment Revenue	92,817.86	6,808.00	99,625.86	78,842.25	-	78,842.25
Segment Result	56,010.83	(278.46)	55,732.37	47,423.39	-	47,423.39
Unallocated Income Net of Unallocated Expenses			990.50			(913.14)
Operating Profit			56,722.87			46,510.25
(Less) : Interest Expenses			(15.62)			(2.61)
Add : Interest Income			4,885.85			1,490.24
Profit Before Tax and Prior Period Items			61,593.10			47,997.88

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakh)

Particulars	March 31, 2011			March 31, 2010		
	Real Estate	Hospitality	Total	Real Estate	Hospitality	Total
(Add) / Less : Prior Period Items			46.22			(82.57)
Provision for Tax			9,828.65			2,262.04
Profit After Tax			51,718.23			45,818.41
Other Information						
Segment Assets	188,907.66	43,653.41	232,561.07	153,982.10	36,611.76	190,593.86
Unallocated Corporate Assets			166,316.10			64,210.51
Total Assets			398,877.17			254,804.37
Segment Liabilities	54,063.28	6,241.75	60,305.03	63,450.24	3,777.01	67,227.25
Unallocated Corporate Liabilities			3,814.81			1,198.86
Total Liabilities			64,119.84			68,419.21
Capital Expenditure for the year	10,040.28	1,713.03	11,753.30	5,817.50	13,453.77	19,271.27
Unallocated Capital Expenditure for the year			871.67			640.86
Depreciation for the year	786.72	1,242.57 (Note-a)	2,029.29	645.82	(Note- a)	645.82
Unallocated Depreciation for the year			339.01			259.94

Notes:

- Depreciation Rs. 1.87 Lakh (PY Rs. 19.73 Lakh) pertaining to Hospitality operations has been debited to Pre-operative expenditure.
- The Company's hotel at Goregaon has commenced commercial operations during the year. Expenditure such as Purchases (net of closing stock of Food and Beverages), Employee Cost, Administration, Power and Fuel, etc. incurred during the pre-opening period of the hotel (after netting of the receipts during the pre-opening period) has been debited to Pre-operative expenditure.

11. Auditors' remuneration (excluding Service Tax):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Statutory Audit Fees	51.99	33.06
Tax Audit Fees	11.65	4.75
Income-tax matters	11.38	4.50
Certification and IPO related Fees	50.00	-
Other services	2.30	0.65
Out of pocket expenses	0.34	-

12. Directors' Remuneration (excluding sitting fees):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Salaries	234.00	154.00
Gratuity	4.56	-
Leave Salary	5.28	-
Commission to Non-Executive Directors#	29.00	-
Total	272.84	154.00

Subject to Shareholders approval

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

13. Disclosure pursuant to Accounting Standard – 15 (revised) Employee Benefits :

A. Defined Contribution Plans

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Employer's Contribution to Provident Fund*	185.04	126.36
Employer's Contribution to Pension Fund*	24.48	35.65
Employer's Contribution to ESIC*	11.06	0.56
Labour welfare fund contribution for workmen	0.13	0.14

*Employer's Contribution to Provident Fund amounting to Rs. 6.05 Lakh (PY Rs. 53.43 Lakh) Employer's Contribution to Pension Fund amounting to Rs. NIL (PY Rs. 15.47 Lakh) and Employer's Contribution to ESIC amounting to Rs. 0.07 Lakh (PY Rs. 0.31 Lakh) pertaining to Hospitality operations has been debited to Pre-operative expenditure.

B. Defined Benefit Plans

Amount of Rs. 150.97 Lakh (PY Rs. 50.58 Lakh) and Rs. 8.83 Lakh (PY Rs. 63.72 Lakh) is recognised as expense / (income) on account of Gratuity and Leave Encashment respectively and included in 'Manpower Costs'. Amount of Rs. 1.29 Lakh (PY Rs. 2.77 Lakh) on account of Gratuity and Rs. 6.17 Lakh (PY Rs. 20.15 Lakh) on account of Leave Encashment pertaining to Hospitality operations has been debited to Pre-operative expenditure.

(Rs. in Lakh)

No.	Particulars	Gratuity		Leave Encashment	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
i)	Change in Defined Benefit Obligation ('DBO')				
	• Opening Present Value Obligation as of 1st April	101.93	45.10	98.20	16.14
	• Interest cost for the year on opening DBO	8.04	3.57	7.13	1.03
	• Service cost for the Year	105.08	38.31	184.70	216.31
	• Past Services Cost - (non vested benefits)	-	-	-	-
	• Past Services Cost - (vested benefits)	-	-	-	-
	• Benefit Paid	(2.90)	-	(18.24)	(5.04)
	• Actuarial losses / (gains)	44.90	14.94	(176.83)	(130.24)
	• Closing defined benefit obligation	257.04	101.93	94.97	98.20
ii)	Fair Value of Plan Assets				
	• Opening fair value of Plan Assets as of 1st April	44.68	28.12	-	-
	• Expected return on Plan Assets	4.96	3.12	-	-
	• Actuarial gains / (losses)	0.79	0.35	-	-
	• Contribution	22.78	13.09	18.24	5.04
	• Benefit Paid	(2.90)	-	(18.24)	(5.04)
	• Closing balance of fair value of Plan Assets	70.30	44.68	-	-
iii)	Actual Return on Plan Assets				
	• Expected return on Plan Assets	4.96	3.12	-	-
	• Actuarial gains / (losses)	0.79	0.35	-	-
	• Actual Return on Plan Assets	5.74	3.47	-	-
iv)	Amount Recognised in Balance Sheet				
	• Present Value Obligation at the end of the year	257.04	101.93	94.97	98.20
	• Fair Value of Plan Assets at the end of the year	70.30	44.68	-	-
	• Difference	(186.73)	(57.24)	(94.97)	(98.20)
	• Unrecognised Past Service Cost - (vested benefits)	-	-	-	-
	• Unrecognised Past Service Cost - (non vested benefits)	0.00	-	-	-
	• Amount Recognised in Balance Sheet	(186.73)	(57.24)	(94.97)	(98.20)

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakh)

No.	Particulars	Gratuity		Leave Encashment	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
v)	Amount Recognised in Income Statement				
	• Current Service Cost	105.08	38.31	184.70	216.31
	• Interest on Obligation	8.04	3.57	7.13	1.03
	• Past Services Cost - (non vested benefits)	-	-	-	-
	• Past Services Cost - (vested benefits)	-	-	-	-
	• Expected return on Plan Assets	(4.96)	(3.12)	-	-
	• Unrecognised Past Service Cost (non vested benefits)	(0.00)	-	-	-
	• Net actuarial losses / (gains) recognised	44.11	14.59	(176.83)	(130.24)
	• Expenses Recognised in Profit and Loss Account	152.27	53.35	15.00	87.10
vi)	Balance Sheet Reconciliation				
	• Opening Net Liability	57.24	16.98	98.20	16.14
	• Expenses as Above	152.27	53.35	15.00	87.10
	• Contribution	(22.78)	(13.09)	(18.24)	(5.04)
	• Amount Recognised in Balance Sheet	186.73	57.24	94.97	98.20
vii)	Actuarial Assumptions for the Year				
	• Discount Rate	8.00%	8.00%	8.00%	8.00%
	• Expected Return on Plan Assets	9.15%	9.00%	-	-
	• Annual Increase in Salary Cost	15.00%	20.00%	15.00%	20.00%

C. General Description of significant defined plans

i) Gratuity Plan

Gratuity is payable to all eligible employees of the Group on death or on resignation, or on retirement after completion of five years of service.

ii) Leave Plan

Eligible employees can carry forward leave 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

Particulars	March 31, 2011	March 31, 2010
Government of India Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Equity Shares of Listed Companies	NIL	NIL
Property	NIL	NIL
Policy of Insurance	100 %	100 %
Total	100 %	100 %

14. Employee Stock Option Scheme:

The Company instituted an Employees Stock Option Scheme 2009 ("ESOP 2009") pursuant to the Board and Shareholders' resolution both dated December 4, 2009. As per ESOP 2009, the Company is authorised to grant 1,443,356 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Under ESOP 2009, 1,349,553 options have been granted and same will be vested at the end of each year from the date of grant as under:

Year I	Year II	Year III	Year IV
20% of options granted	20% of options granted	30% of options granted	30% of options granted

The following information relates to the Employee Stock Options as of March 31, 2011:

Particulars	Number of options	Exercise price (Rupees)	Weighted average exercise price (Rupees)	Weighted average remaining contractual life of options (years)
Outstanding at the beginning of the year	-	-	-	-
Add: Granted during the year	1,349,553	260	260	4.2
(Less): Exercised during the year	-	-	-	-
(Less): Lapsed / forfeited during the year	(129,166)	-	-	-
Outstanding at the end of the year	1,220,387	260	260	4.2
Exercisable at the end of the year	-	-	-	-

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. Hence no compensation expense has been recognised.

15. **Related Party Disclosure:****A. Related Parties****i) Key Management Personnel and their Relatives:**

- (a) Vikas Oberoi
- (b) Ranvir Oberoi
- (c) Santosh Oberoi
- (d) Bindu Oberoi
- (e) Gayatri Oberoi

ii) Entities where Key Management Personnel have significant influence:

- (a) R. S. Estate Developers Private Limited
- (b) Oberoi Foundation
- (c) Splendor Developers Private Limited (from Oct. 1, 2009)
- (d) Neelkamal Realtors & Builders Private Limited
- (e) Sky Lark Buildcon Private Limited
- (f) I - Ven Realty Limited

iii) Association of Persons

- (a) Zaco Aviation
- (b) Oasis Realty (Excess Share on Consolidation)

iv) Joint Ventures

- (a) Siddhivinayak Realities Private Limited (Excess Share on Consolidation)
- (b) Sangam City Township Private Limited (Excess Share on Consolidation)

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED - CONSOLIDATED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

B. Transactions during the year and closing balance with Related Parties mentioned above

(Rs. in Lakh)

Relationship	Particulars	Total
Key Management Personnel and their relatives	Dividend paid	448.63
	PY	40.42
	Loan repaid	-
	PY	1,070.12
	Recovery of expenses	9.82
	PY	84.99
	Remuneration	243.84
PY	154.00	
Associates / Entities where Key Management Personnel have Significant Influence	Rent paid	8.40
	PY	2.40
	Amount paid on behalf of	3.45
	PY	-
	Recovery of expenses	3.57
	PY	3.08
	Dividend paid	66.60
PY	6.00	
Associates / Entities where Key Management Personnel have Significant Influence	Reimbursement of expenses	51.29
	PY	44.74
	Share application money received	78.00
	PY	79.25
	Advance rent received	54.69
	PY	-
	Amount received on behalf of	0.02
	PY	-
	Rent income	314.67
	PY	4.68
	Deposit paid	0.13
	PY	7.89
	Purchase of fixed assets	-
	PY	0.42
Amount Paid on behalf of	-	
PY	0.24	
Security deposit paid	7,600.00	
PY	26,000.00	
Loan repaid	-	
PY	3,003.25	

(Rs. in Lakh)

Relationship	Particulars	Total
Closing Balance		
Associates / Entities where Key Management Personnel have Significant Influence	Reimbursement of expenses	13.39
	PY	-
	Amount paid on behalf of	-
	PY	0.24
	Share application money received	967.79
	PY	889.79
Associates / Entities where Key Management Personnel have Significant Influence	Security deposit paid	33,600.00
	PY	26,000.00
	Loan given	10,055.25
PY	10,055.25	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

16. Details of utilization of proceeds raised through Initial Public Offering ('IPO'):

The Equity Shares of the Company were listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on October, 20, 2010. The Details of utilisation of funds received from IPO as of March 31, 2011 are as under:

(Rs. in Lakh)

Particulars of fund utilisation		
Amount received from IPO		102,861.20
Deployment of fund received from IPO	As Per Prospectus	Actual incurred
Construction of projects	74,100.00	18,992.95
Acquisition of land and land development rights	22,500.00	3,260.00
General corporate purposes	1,605.20	202.73
Share issue expenses	4,656.00	4,060.53
Total	102,861.20	26,516.21
Balance amount to be utilised		76,344.99

(Rs. in Lakh)

Interim utilisation of balance IPO proceeds		
Investments in mutual funds		6,500.00
Fixed deposits		69,578.50
Balance with banks		266.49
Total		76,344.99

17. Lease:

i) Assets taken on operating lease:

Future minimum lease payments under non-cancellable operating lease are as under:

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Not later than one year	48.03	55.34
Later than one year and not later than five years	65.59	54.06
Later than five years	-	-
Lease payment recognised during the year in Profit and Loss Account	70.76	68.94

ii) Assets given on operating lease:

(Rs. in Lakh)

Class of Assets		March 31, 2011	March 31, 2010
Commercial Premises	Gross Block	32,067.91	24,473.07
	Accumulated Depreciation	1,898.85	1,139.46
	Depreciation for the year	766.16	643.15

Future minimum lease payments receivables under non cancellable operating lease are as under:

(Rs. in Lakhs)

Particulars	March 31, 2011	March 31, 2010
Not later than one year	9,565.04	9,093.88
Later than one year and not later than five years	12,928.46	19,583.43
Later than five years	1,567.08	2,293.89
Lease income recognised during the year in Profit and Loss Account	9,967.48	7,751.71

18. Loans and advances includes sum of Rs. 16,302.16 Lakh towards MAT credit which is eligible for set off against future Income-tax liability of the Group and is available up to a specific period. In the event of inadequacy of future profits, the same would be written off on expiry of specific period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

19. 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 Fixed Assets 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 'Work-in-progress' or 'Plots of land' as a part of 'Current Assets'.
20. In our opinion, all Current Assets appearing in the Balance Sheet as at March 31, 2011 have a value on realisation in the ordinary course of the Group's business at least equal to the amount at which they are stated in the Balance Sheet.
21. Balance of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation from respective parties and reconciliation, if any.
22. Figures have been rounded off to the nearest Rupee and previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

For and on behalf of the Board

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

Tilokchand P. Ostwal
Director

Anil Harish
Director

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

To the Members of Oberoi Realty Limited

- 1) We have audited the attached Balance Sheet of Oberoi Realty Limited as at March 31, 2011, the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors of the Company, as at March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2011 from being appointed as a director in terms of the provisions of section 274(1) (g) of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) In the case of Profit and Loss Account, of the profit for the year ended on that date;
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For P. RAJ & CO.
Chartered Accountants

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Annexure referred to in the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

- 1) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

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 with in the books of accounts.

In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.

- 2) The management has conducted physical verification of inventory at reasonable intervals.

In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

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 with in the books of account.

- 3) According to the information and explanations given to us, the Company has granted interest free unsecured loans to five of its wholly owned subsidiaries amounting to Rs. 16,948.99 Lakh and one of its joint ventures amounting to Rs. 4,465.00 Lakh as at March 31, 2011. The maximum amount outstanding of such loans during the year is Rs. 19,873.80 Lakh and Rs. 4,465.00 Lakh respectively.

Other terms and conditions of such loans are prima facie not prejudicial to the interests of the Company.

In our opinion and according to the information and explanations given to us, the receipt of principal is regular.

According to the information and explanations given to us, the Company has not taken any interest free unsecured loan from any of the parties covered in the register maintained under section 301 of the Companies Act, 1956.

- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of property. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

Such transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- 7) The Company has an internal audit system commensurate with its size and nature of its business.
- 8) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- 9) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues of provident fund, income tax, service tax, wealth tax, custom duty, cess and other material statutory dues during the year with the appropriate authorities. As on March 31, 2011, there are no undisputed dues payable for a period of more than six months from the date they became payable.

As at March 31, 2011, according to the records of the Company the dues outstanding of provident fund, income tax, service tax, wealth tax, custom duty, cess and other material statutory dues on account of any dispute are as follows:

Nature of the Dues	Rs. in Lakh	Period to which the amount relates	Forum where dispute is pending
Municipal Taxes	7.18	Financial Year 2005-06	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Municipal Taxes	13.20	Financial Year 2006-07	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Municipal Taxes	7.21	Financial Year 2007-08	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Municipal Taxes	1.29	Financial Year 2008-09	The Assistant Assessor and Collector, Assessment Department, M.C.G.M

- 10) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year
- 11) Based on our audit procedures and on the basis of information and explanations given by the management the Company has not defaulted in repayment of dues to banks.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- 14) In our opinion and according to the information and explanations given to us, the Company has maintained proper records and contracts with respect to its investments wherein timely entries of transactions are made. Also, the securities have been held by the company in its own name.
- 15) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loan taken by others from banks and financial institutions.
- 16) According to the information and explanations given to us, the Company has not borrowed any term loans from banks and financial institutions.
- 17) According to the information and explanations provided to us and on an overall examination of the records and cash flow statement of the Company, there are no short-term loans raised during the year
- 18) During the year, the Company has not made any preferential allotment of shares to any party and companies covered in the Register maintained under Section 301 of the Companies act, 1956.
- 19) According to the information and explanations given to us and the records examined by us, during the year the Company has not issued any debentures.
- 20) The Company has raised money through a public issue during the year. The Management has disclosed the end use of money raised by public issue at Note 15 of Schedule 14. We have verified the same to the extent of utilization by the Company.
- 21) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For P. RAJ & CO.
Chartered Accountants

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

BALANCE SHEET

Particulars	Schedule	(Rs. in Lakh)	
		As of March 31, 2011	2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	36,413.33	32,457.13
Reserves and Surplus	2	169,696.62	59,942.33
Total		206,109.95	92,399.46
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	58,920.90	16,707.28
Less: Depreciation / Amortisation		2,653.11	896.44
Net Block		56,267.79	15,810.84
Capital Work-in-progress (Including Capital Advances)		15,104.47	45,381.56
		71,372.26	61,192.40
Investments	4	9,789.99	3,260.38
Deferred Tax Assets (Net)	5	159.44	72.19
Current Assets, Loans and Advances			
Inventories		27,157.07	20,806.86
Sundry Debtors		1,882.34	1,705.44
Cash and Bank Balances		114,066.85	9,389.95
Other Current Assets		1,448.31	276.14
Loans and Advances		26,850.06	26,926.03
	(A)	171,404.63	59,104.42
Less: Current Liabilities and Provisions	7		
Current Liabilities		42,548.00	30,371.97
Provisions		4,068.37	857.96
	(B)	46,616.37	31,229.93
Net Current Assets	(A-B)	124,788.26	27,874.49
Total		206,109.95	92,399.46
Notes forming part of the Accounts	14		

The Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

For and on behalf of the Board

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

Tilokchand P. Ostwal
Director

Anil Harish
Director

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

PROFIT AND LOSS ACCOUNT

Particulars	Schedule	(Rs. in Lakh)	
		For the year ended March 31, 2011	2010
INCOME			
Operating Income	8	38,549.51	3,904.93
Other Operating Income		432.97	117.58
Other Income	9	4,969.65	508.44
Total		43,952.13	4,530.95
EXPENDITURE			
Operating Costs	10	13,911.99	548.81
Manpower Costs	11	2,467.14	503.73
Other Costs	12	1,255.97	203.39
Finance Costs	13	15.57	2.58
Depreciation / Amortisation		1,844.64	450.63
Total		19,495.31	1,709.14
Profit Before Tax and Prior Period Items		24,456.82	2,821.81
(Add) / Less : Prior Period Items		(49.39)	(78.48)
Profit Before Tax		24,506.21	2,900.29
Current Tax		6,306.00	489.33
Short provision of tax in earlier years		32.68	-
Deferred Tax		1,110.97	54.63
MAT Credit Entitlement		-	(71.40)
Profit After Tax		17,056.56	2,427.73
Balance brought forward from previous year		17,781.70	16,650.26
Profit Available for Appropriation		34,838.26	19,077.99
Appropriations			
Transferred to General Reserve		427.00	-
Dividend			
Equity Shares (Proposed)		3,282.33	577.34
Preference Shares (Proposed)		0.00	115.08
Preference Shares (Paid)		0.00	489.80
Reversal of Excess Provision of PY		(83.11)	-
Tax on Dividend			
Current Year (Proposed)		532.48	30.83
Current Year (Paid)		-	83.24
Reversal of Excess Provision of PY		(14.12)	-
Balance carried to the Balance Sheet		30,693.68	17,781.70
Basic Earnings per Equity Share (Rs.)		5.59	0.60
Diluted Earnings per Equity Share (Rs.)		5.59	0.60
Notes forming part of the Accounts	14		

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board

For P. RAJ & CO.
Chartered Accountants

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Anil Harish
Director

Bindu Oberoi
Director

Saumil Daru
Chief Financial Officer

Tilokchand P. Ostwal
Director

Bhaskar Kshirsagar
Company Secretary

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

CASH FLOW STATEMENT

(Rs. in Lakh)

Particulars	For the Year ended March 31,	
	2011	2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax and Prior Period Items	24,456.82	2,821.81
Add / (Less) : Adjustments for		-
Depreciation and Amortisation	1,844.64	450.63
Depreciation and Amortisation - Prior Period / Allocated to Projects	6.24	-
Interest Income	(3,492.85)	(399.27)
Interest Expenses	1.71	10.28
Dividend Income	(1,455.00)	(109.02)
Loss / (Gain) on sale of Mutual Fund units (Net)	(0.16)	(0.00)
Loss / (Gain) from Foreign Exchange Fluctuation (Net)	5.18	0.67
Loss / (Gain) on sale / discarding of Fixed Assets	16.93	0.01
Sundry balances written off / (back)	-	29.97
Prior Period (Expense) / Income	49.39	78.48
Operating Profit Before Working Capital changes	21,432.90	2,883.56
Add / (Less) : Adjustments for		
Increase / (Decrease) Trade and other payables	12,289.70	22,749.72
(Increase) / Decrease in Trade and other receivables	3,338.25	(7,465.68)
(Increase) / Decrease in Inventory	(6,350.20)	(4,319.79)
Cash generated from Operations	30,710.65	13,847.81
Add / (Less) : Direct Taxes paid	(5,667.89)	(936.29)
Net Cash Inflow / (Outflow) from Operating activities (A)	25,042.76	12,911.52
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets / Capital WIP	(12,067.17)	(14,578.41)
Sale proceeds of Fixed Assets / Insurance claim received	19.49	0.50
Interest Received	2,096.83	386.38
Dividend Income	1,455.00	109.02
Decrease / (Increase) Loans and Advances to Subsidiaries / Joint Ventures (Net)	(3,886.13)	7,113.84
Sale / (Acquisition) of Investments (Net)	(6,529.45)	0.21
Net Cash Inflow / (Outflow) from Investing activities (B)	(18,911.43)	(6,968.46)

Particulars	(Rs. in Lakh)	
	For the Year ended March 31,	
	2011	2010
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Equity Share Capital (including share premium)	102,861.20	-
Increase / (Decrease) in Preference Share Capital	-	(2,120.00)
Share issue expenses	(3,687.91)	(372.62)
Net Increase / (Decrease) in Unsecured Loans	-	(1,070.12)
Interest Paid	(1.71)	(10.28)
Dividend paid (Including Tax on Dividend)	(626.02)	(839.37)
Net Cash Inflow / (Outflow) from Financing activities (C)	98,545.57	(4,412.39)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	104,676.90	1,530.67
Add: Cash and Cash Equivalents at the beginning of the year	9,389.95	7,859.28
Cash and Cash Equivalents at the end of the year	114,066.85	9,389.95

Components of Cash and Cash Equivalents at the end of the year

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
Cash on hand	23.43	20.69
Balance with Scheduled Banks:		
in Current Accounts	1,122.92	2,900.49
in Fixed Deposits	109,347.29	2,731.00
in Fixed Deposits (Lien Marked)	3,573.21	3,737.77
Cash and Cash Equivalents (closing)	114,066.85	9,389.95

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

For and on behalf of the Board

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Anil Harish
Director

Bindu Oberoi
Director

Saumil Daru
Chief Financial Officer

Tilokchand P. Ostwal
Director

Bhaskar Kshirsagar
Company Secretary

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
SCHEDULE - 1 - SHARE CAPITAL		
Authorised		
378,500,000 (378,500,000) Equity Shares of Rs. 10 (Rupees Ten only) each	37,850.00	37,850.00
465 (465) Redeemable Non-Convertible Cumulative Preference Shares of Rs. 1,000,000 (Rupees Ten Lakh only) each	4,650.00	4,650.00
Total	42,500.00	42,500.00
Issued, Subscribed and Paid up		
328,233,262 (288,671,262) Equity Shares of Rs. 10 (Rupees Ten only) each fully paid (of above, 286,070,620 shares were allotted as fully paid-up by way of bonus shares)	32,823.33	28,867.13
359 (359) Redeemable Non-Convertible Cumulative Preference Shares of Rs. 1,000,000 (Rupees Ten Lakh only) each fully paid (Refer note no.5 of Schedule 14)	3,590.00	3,590.00
Total	36,413.33	32,457.13
SCHEDULE - 2 - RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last Balance Sheet	2,120.00	2,120.00
Add: Transferred during the year	-	2,120.00
	2,120.00	4,240.00
Less: Utilised for issue of bonus shares	-	2,120.00
(A)	2,120.00	2,120.00
Securities Premium Account		
As per last Balance Sheet	38,717.31	65,450.34
Add: Receipt during the year	98,905.00	-
Less: Utilised for issue of bonus shares	-	26,487.06
	137,622.31	38,963.28
Less: Share issue expenses [Net of Tax Benefit of Rs. 1,198.21 Lakh (PY Rs. 126.65 Lakh)]	2,489.69	245.97
(B)	135,132.62	38,717.31
General Reserve		
As per last Balance Sheet	1,323.32	3,443.32
Add: Transferred during the year	427.00	-
	1,750.32	3,443.32
Less: Transferred to Capital Redemption Reserve	-	2,120.00
(C)	1,750.32	1,323.32
Surplus		
Balance in Profit and Loss Account	(D) 30,693.68	17,781.70
Total	(A+B+C+D) 169,696.62	59,942.33

SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET

(Rs. in Lakh)

SCHEDULE - 3 - FIXED ASSETS										
Particulars	As of April 1, 2010		Gross Block		As of March 31, 2011		Depreciation		Net Block	
	As of April 1, 2010	Additions	Deductions	As of March 31, 2011	As of April 1, 2010	For the Year	As of March 31, 2011	As of March 31, 2011	As of March 31, 2011	As of March 31, 2010
Tangible Assets										
Land	2,680.54	4,833.27	-	7,513.81	-	-	-	-	7,513.81	2,680.54
Buildings	9,022.00	23,561.85	85.26	32,498.59	282.95	444.91	63.97	663.89	31,834.70	8,739.05
Electrical Installations	327.64	2,113.20	-	2,440.84	23.06	102.46	-	125.52	2,315.32	304.58
Furnitures and Fixtures	947.11	3,665.31	33.80	4,578.62	138.81	376.76	27.04	488.53	4,090.09	808.30
Office Equipments	88.18	587.84	4.88	671.14	25.38	43.47	2.05	66.80	604.34	62.80
Plant and Machineries	3,114.56	6,781.77	6.46	9,889.87	209.27	632.44	0.91	840.80	9,049.07	2,905.29
Computers	173.18	294.15	0.24	467.09	90.57	115.75	0.24	206.08	261.01	82.61
Vehicles	323.53	112.21	-	435.74	119.21	62.20	-	181.41	254.33	204.32
Intangible Assets										
Softwares	30.54	394.66	-	425.20	7.19	72.89	-	80.08	345.12	23.35
Total	16,707.28	42,344.26	130.64	58,920.90	896.44	1,850.88	94.21	2,653.11	56,267.79	15,810.84
Less : Capitalised / Prior Period Items					26.45	6.24				
Grand Total	16,707.28	42,344.26	130.64	58,920.90	869.99	1,844.64	94.21	2,653.11	56,267.79	15,810.84
Previous Year	12,961.54	3,746.71	0.97	16,707.28	426.54	470.36*	0.46	896.44	15,810.84	12,535.00

*Includes Rs. 19.73 Lakh capitalised during previous year

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31, 2011	2010
SCHEDULE - 4 - INVESTMENTS		
Long Term Investments		
Trade (Unquoted) (At Cost)		
In Wholly Owned Subsidiary Companies		
10,000 (10,000) Equity Shares of Rs.10 each of Oberoi Mall Private Limited	1.00	1.00
5,100,000 (5,100,000) Equity Shares of Rs.10 each of Oberoi Constructions Private Limited	3,253.14	3,253.14
310,000 (10,000) Equity Shares of Rs.10 each of Kingston Hospitality and Developers Private Limited	31.00	1.00
10,000 (10,000) Equity Shares of Rs.10 each of Expression Realty Private Limited	1.00	1.00
10,000 (10,000) Equity Shares of Rs.10 each of Kingston Property Services Private Limited	1.00	1.00
10,000 (10,000) Equity Shares of Rs.10 each of Triumph Realty Private Limited	1.00	1.00
(Equity Shares of all above subsidiaries are held by company through itself and its nominee)		
Investment in Joint Venture		
9,500 (9,500) Equity Shares of Rs.10 each of Sangam City Township Private Limited	0.95	0.95
Investments In Government Securities		
National Savings Certificates (held in the name of an employee)	0.90	0.81
Current Investments		
Units of Mutual Funds		
Non-Trade (Unquoted) (Lower of Cost or Market Value)		
Nil (478) units of Rs.100 each of ICICI Prudential Floating Rate Plan C	-	0.48
Non-Trade (Quoted) (Lower of Cost or Market Value)		
25,000,000 (Nil) units of Rs.10 each of Birla Sun Life Short Term FMP Series 7	2,500.00	-
25,000,000 (Nil) units of Rs.10 each of DSP BlackRock FMP 3M Series 29	2,500.00	-
5,000,000 (Nil) units of Rs.10 each of SBI Debt Fund Series 90 days 40	500.00	-
10,000,000 (Nil) units of Rs.10 each of Birla Sun Life Short Term FMP Series 8	1,000.00	-
Total	9,789.99	3,260.38
Aggregate Value of Unquoted Investments	3,289.99	3,260.38
Aggregate Value of Quoted Investments	6,500.00	-
Aggregate Market Value of Quoted Investments	6,539.22	-

SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31,	
	2011	2010
SCHEDULE - 5 - DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
on Share issue expenses	1,029.77	101.32
on Other expenses	63.73	38.57
Deferred Tax Liability		
on Depreciation	(879.82)	(67.70)
on Others	(54.24)	-
Total	159.44	72.19
SCHEDULE - 6 - CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
(as taken, valued and certified by Management)		
Plots of Land	378.49	378.49
Work-in-progress	25,051.97	20,201.66
Finished Goods	1,620.93	91.21
Food, Beverages etc.	105.68	135.50
Total	(A) 27,157.07	20,806.86
SUNDRY DEBTORS		
Unsecured and Considered Good:		
Outstanding for more than 6 months	45.00	152.71
Outstanding for less than 6 months	1,837.34	1,552.73
Total	(B) 1,882.34	1,705.44
CASH AND BANK BALANCES		
Cash on Hand	23.43	20.69
<i>Balance with Scheduled Banks:</i>		
In Current Accounts	1,122.92	2,900.49
In Fixed Deposits	109,347.29	2,731.00
In Fixed Deposits (Lien Marked)	3,573.21	3,737.77
Total	(C) 114,066.85	9,389.95
OTHER CURRENT ASSETS		
Others	1,448.31	276.14
Total	(D) 1,448.31	276.14
LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated:		
Advance recoverable in cash or kind	1,034.29	277.86
Advances to Vendors	2,017.60	6,395.91
Loans and Advances to Wholly Owned Subsidiaries	16,948.99	13,302.86
Loans and Advances to Joint Ventures	4,465.00	4,225.00
Income Tax (Net of Provisions)	1,925.78	2,596.58
Other Deposits	458.40	127.82
Total	(E) 26,850.06	26,926.03
Total	(A+B+C+D+E) 171,404.63	59,104.42

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET

Particulars	(Rs. in Lakh)	
	As of March 31, 2011	2010
SCHEDULE - 7 - CURRENT LIABILITIES AND PROVISIONS		
A: CURRENT LIABILITIES		
Sundry Creditors		
For Capital Goods		
Outstanding due to Micro, Small and Medium Enterprises	-	39.95
Outstanding due to other than Micro, Small and Medium Enterprises	435.06	1,040.95
For Others		
Outstanding due to Micro, Small and Medium Enterprises	0.08	17.17
Outstanding due to other than Micro, Small and Medium Enterprises	1,544.01	253.04
Other Liabilities	2,022.14	1,057.10
Advance received from customers / Revenue in excess of billings	31,456.81	21,050.74
Deposits	7,089.90	6,913.02
Total	(A)	42,548.00
B: PROVISIONS		
Provision for Gratuity	163.95	46.16
Provision for Leave Encashment	89.61	88.55
Proposed Dividend	3,282.33	692.42
Tax on Proposed Dividend	532.48	30.83
Total	(B)	4,068.37
Total	(A+B)	46,616.37

SCHEDULES FORMING PART OF THE STANDALONE PROFIT AND LOSS ACCOUNT

Particulars	(Rs. in Lakh)	
	For the year ended March 31,	
	2011	2010
SCHEDULE - 8 - OPERATING INCOME		
Revenue from Projects	26,973.22	1,143.37
Rooms, Restaurants, Banquet and Other Services	6,714.08	-
Rentals and Related Income	4,862.21	2,754.43
Property and Project Management Income	-	7.13
Total	38,549.51	3,904.93
SCHEDULE - 9 - OTHER INCOME		
Interest Income (Tax Deducted at Source Rs. 387.53 Lakh (PY Rs. 48.43 Lakh))	3,492.85	399.27
Dividend Income	1,455.00	109.02
Gain on sale of Mutual Fund units (Net)	0.16	0.00
Other miscellaneous income	21.64	0.15
Total	4,969.65	508.44
SCHEDULE - 10 - OPERATING COSTS		
Opening Balance		
Work-in-progress	20,201.66	15,591.59
Finished Goods	91.21	273.62
Add: Transferred from Current Assets		
Food, Beverages etc.	135.50	-
Transferable Development Rights	-	243.38
(A)	20,428.37	16,108.59
Add: Incurred during the year		
Land / Development Rights	5,245.56	-
Materials and Structural Cost	153.60	290.98
Contract and Labour Expenses	7,011.51	2,573.94
Other Project Cost	690.24	112.71
Rates and Taxes	4,548.51	1,168.92
Professional Charges	638.67	391.76
Food, Beverages and Hotel expenses	2,888.93	-
Allocated Costs		
Manpower Costs	2,531.03	1,511.87
Other Costs	768.31	353.17
Finance Costs	3.69	10.97
(B)	24,480.05	6,414.32
(C = A+B)	44,908.42	22,522.91
Less:		
Closing Balance		
Work-in-progress	25,051.97	20,201.66
Finished Goods	1,620.93	91.21
Food, Beverages etc.	105.68	-
Capitalised to Fixed Assets	3,917.85	1,441.23
Recovery of overheads	300.00	240.00
(D)	30,996.43	21,974.10
Total	(E = C-D) 13,911.99	548.81

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

SCHEDULES FORMING PART OF THE STANDALONE PROFIT AND LOSS ACCOUNT

Particulars	(Rs. in Lakh)	
	For the year ended March 31,	
	2011	2010
SCHEDULE - 11 - MANPOWER COSTS		
Employee Costs	4,471.38	1,843.43
Contribution to Provident and Other Funds	347.30	124.85
Staff Welfare	179.49	47.32
	4,998.17	2,015.60
Less: Allocated to Projects / Capitalised	2,531.03	1,511.87
Total	2,467.14	503.73
SCHEDULE - 12 - OTHER COSTS		
Books and Periodicals expenses	6.67	1.25
Communication expenses	74.58	36.53
Conveyance and Traveling expenses	106.95	19.93
Donations	12.45	1.12
Electricity charges	63.78	77.92
Hire Charges	5.19	4.07
Information Technology expenses	22.69	60.62
Insurance charges	56.02	42.34
Legal and Professional charges	74.67	31.16
Advertising and Marketing expenses	845.01	67.91
Membership and Subscription expenses	4.82	17.70
Directors Sitting Fees and Commission	26.60	1.40
Printing and Stationery expenses	105.01	49.57
Rent	26.12	24.88
Repairs and Maintenance		
Building	94.41	6.40
Plant and Machinery	102.72	12.79
Others	204.79	4.86
Security service charges	46.39	9.92
Transportation charges	0.77	0.09
Vehicle expenses	89.35	54.97
Sundry balances written off (Net)	-	29.97
Loss on sale / discarding of fixed asset	16.93	0.01
Miscellaneous expenses	38.36	1.15
	2,024.28	556.56
Less: Allocated to Projects / Capitalised	768.31	353.17
Total	1,255.97	203.39
SCHEDULE - 13 - FINANCE COSTS		
Interest	1.71	10.28
Other Bank charges	17.55	3.27
	19.26	13.55
Less: Allocated to Projects / Capitalised	3.69	10.97
Total	15.57	2.58

SCHEDULE 14 : NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF MARCH 31, 2011

1. Nature of operations:

Oberoi Realty Limited (the 'Company' or 'ORL'), a public limited company, is engaged primarily in the business of Real Estate Development and Hospitality.

2. Significant Accounting Policies:**A. Basis of Accounting:**

The Financial Statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared under the historical cost convention on an accrual basis.

B. Use of Estimates:

The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the Financial Statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events, plans and actions, actual results could differ from these estimates. Any revision to accounting estimates and assumptions are recognised prospectively.

C. Fixed Assets / Capital Work-in-progress:

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition / construction of Fixed 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. The cost also includes direct cost and other related incidental expenses. Revenues earned, if any, during trial run of assets is adjusted against cost of the assets.

Capital Work-in-progress represents expenditure incurred in respect of capital projects under developments and is valued at cost. Cost includes cost of land / development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other related incidental expenses. Capital Work-in-progress also includes advances, if any, to contractors / vendors.

D. Depreciation / Amortisation:**i) Tangible Assets**

- (a) Depreciation is provided from the date the assets are ready to be put to use on Straight Line method as per the useful lives of the assets estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. The higher depreciation rates used are as under:

Portable Cabins	25% p.a
Mobile Handsets and Computers	33% p.a
Vehicles	20% p.a
Lessee specific equipment's and improvements	Over lease period

- (b) Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase except under special circumstances.

ii) Intangible Assets

Intangible assets are amortised using Straight Line method over the estimated useful life, not exceeding 5 years.

iii) Leasehold land and improvements are amortised on the basis of duration and other terms of lease.**E. Impairment of Fixed Assets**

The carrying amount of Fixed Assets is reviewed periodically for any indication of 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.

F. Investments:

Investments are classified into long-term and current investments. Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at the lower of cost or market value. Long term investments are stated at cost less permanent diminution in value, if any.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

G. Valuation of Inventories:

i) 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.
ii) 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.
iii) Finished stock of completed projects (ready units)	Finished stock of completed projects (ready units) is valued at lower of cost or market value.
iv) 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.
v) Hospitality related operating supplies	Hospitality related operating supplies such as guest amenities and maintenance supplies are expensed as and when purchased.

H. Segment Reporting:

The Company's reporting segments are identified based on activities, risk and reward structure, organisation structure and internal reporting systems. 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.

I. Revenue Recognition:

i) Revenue from Projects:

The Company follows the Percentage of Project Completion Method for its projects. Under this method, the Company recognises revenue in proportion to the actual cost incurred as against the total estimated cost of the project under execution subject to completion of construction work to a certain level depending on the type of the project.

Cost of Land and / or Development Rights is not included in computing the percentage of project completion.

Revenue is recognised 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.

Revenue is recognised net of indirect taxes.

ii) 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 is recognised net of trade discounts and indirect taxes.

iii) Revenue from lease rentals and related income:

Lease income is recognised in the Profit and Loss Account 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 rental 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.

iv) Other income:

Dividend income is recognised when the right to receive dividend is established.

Other Incomes is accounted on accrual basis, except interest on delayed payment by debtors which is accounted on acceptance of the Company's claim.

J. Foreign Currency Transactions:

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

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

The exchange differences arising on such conversion and on settlement of the transactions are recognised in the Profit and Loss Account. Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

K. Leases:**i) 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 Profit and Loss Account 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.

ii) Where the Company is the lessor:

Assets representing Lease arrangements given under operating leases, are included in Fixed Assets. Lease income is recognised in the Profit and Loss Account 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 are recognised immediately in the Profit and Loss Account.

L. Taxation:

- i) Provision for Income-tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income-tax Act, 1961.
- ii) Deferred tax resulting from timing difference between book and tax profits is accounted for using the tax rates and laws that have been enacted as of the Balance Sheet date.
- iii) Deferred tax assets arising on the temporary timing differences are recognised only if there is reasonable certainty of realisation.
- iv) 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.

M. Employee Stock Option Scheme:

The employee share based payments are accounted on the basis of 'intrinsic value of option' representing the excess of the market price on the date of grant over the exercise price of the shares granted under the 'Employee Stock Option Scheme' of the Company and is amortised as deferred employees compensation on a Straight Line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

N. Contingent Liabilities:

- i) A provision is recognised when:
 - (a) The Company has a present obligation as a result of a past event;
 - (b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - (c) 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.
- 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.

O. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition / construction of qualifying Fixed 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.

Other borrowing costs are recognised as an expense, in the period in which they are incurred.

P. Employee Benefits:**i) Defined contribution plans:**

Retirement benefits in the form of contribution to provident fund and pension fund are charged to Profit and Loss Account.

ii) 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 Balance Sheet date and is charged to the Profit and Loss Account. The actuarial valuation is performed using the Projected Unit Credit method.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

iii) Other employee benefits:

Leave encashment is recognised as an expense in the 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 immediately in the Profit and Loss Account.

Q. 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 number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

3. Contingent liabilities not provided for in respect of:

(Rs. in Lakh)

No.	Particulars	March 31,2011	March 31,2010
A.	Letters of Credit (net of margin)	-	6.64
B.	Bank Guarantees (gross)	3,282.23	2,530.37
C.	Capital Contracts (net of advances)	11,145.50	14,406.80
D.	Indemnity Bonds given in favour of the Government under Export Promotion Capital Goods Scheme (net of Bank Guarantees)	3,721.18	3,627.73
E.	Legal cases against the Company not acknowledged as debts	1,540.00	5.00
F.	Claims against the Company not acknowledged as debts	698.11	647.23
G.	Certain other additional matters which are under dispute (including some matters which are pending in court) but which are not acknowledged as debts by the Company	Amounts not ascertainable	Amounts not ascertainable
H.	Service tax matters in dispute	85.88	85.88
I.	Income-tax matters in dispute	232.85	783.18

4. The Government of Maharashtra had amended the provisions of Maharashtra Value Added Tax Act, 2002 ('MVAT Act'), and to provide that Value Added Tax ('VAT') is leviable under the provisions of MVAT Act on sale of premise under construction by the enterprise engaged in the business of construction. Maharashtra Chambers of Housing Industry ('MCHI') had filed a writ petition challenging the constitutional validity of the amendment. By the Interim Order dated December 7, 2007, the Hon'ble Bombay High Court, has directed the members of the MCHI not to register as Dealer under the provisions of MVAT Act and no order of assessment be passed, subject to compliance of certain formalities. This stay of the Hon'ble Bombay High Court is still pending clearance.

Further, the Government of Maharashtra has introduced a scheme of composition for registered dealers under sub section (3A) of section 42 of the MVAT Act, 2002 vide Notification No. VAT 1510 / CR-65 dated July 09, 2010. Under this scheme, a registered dealer who undertakes construction of flats or buildings and transfers them in pursuance of an agreement along with land, an amount of 1% of the aggregate amount specified in the agreement or the stamp duty value whichever is higher shall be payable.

By virtue of the Premises Ownership Agreement / Letter of Allotment entered into by the company with the purchasers of the premises, the purchaser is liable to pay and company is entitled to recover any VAT that may be leviable on said transaction and hence the company does not have any liability in connection with the same.

5. 359 Preference shares of Rs. 10 Lakh each aggregating to Rs. 3,590 Lakh were due for redemption on January 1, 2011 either at par or for an aggregate amount of Re. 1, based on certain terms. Subsequently, in the Board meeting held on May 4, 2011, the Board has approved the redemption of the said Preference Shares for an aggregate amount of Re. 1. Also, the excess provision of dividend of Rs. 83.11 Lakh made during the year ended March 31, 2010 has also been reversed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

6. Earnings Per Share (EPS):

Particulars	March 31, 2011	March 31, 2010
Profit After Tax (Rs. in Lakh)	17,056.56	2,427.73
(Less): Dividend on Preference Shares (including tax thereon) (Rs. in Lakh)	(0.00)	(707.68)
Add: Reversal of excess provision of Dividend on Preference Shares in earlier year (including tax thereon) (Rs. in Lakh)	97.23	-
Net Profit After Tax available to Equity Shareholders (Rs. in Lakh)	17,153.79	1,720.05
Weighted average number of Equity Shares for Basic EPS	306,880,621	288,671,262
Add: Weighted average potential Equity Shares on grant of options under ESOP	.*	-
Weighted average number of Equity Shares for Diluted EPS	306,880,621	288,671,262
Basic Earnings Per Share (Rs.)	5.59	0.60
Diluted Earnings Per Share (Rs.)	5.59	0.60
Face value of Equity Share (Rs.)	10	10

* Anti-dilutive

7. Segment Reporting:

(Rs. in Lakh)

Particulars	March 31, 2011			March 31, 2010		
	Real Estate	Hospitality	Total	Real Estate	Hospitality	Total
Segment Revenue	32,196.12	6,808.00	39,004.12	3,982.17		3,982.17
Segment Result	20,019.23	(277.97)	19,741.26	3,147.63		3,147.63
Unallocated Income Net of Unallocated Expenses			1,238.28			(763.00)
Operating Profit			20,979.54			2,384.63
(Less) : Interest Expenses			(15.57)			(2.58)
Add : Interest Income			3,492.85			439.76
Profit Before Tax and Prior Period Items			24,456.82			2,821.81
(Add) / Less : Prior Period Items			(49.39)			(78.48)
Provision for Tax			7,449.65			472.56
Profit After Tax			17,056.56			2,427.73
Other Information						
Segment Assets	94,527.55	32,616.32	127,143.87	79,716.53	31,043.87	110,760.40
Unallocated Corporate Assets			125,582.45			12,868.99
Total Assets			252,726.32			123,629.39
Segment Liabilities	39,436.72	3,364.84	42,801.56	27,498.96	3,007.72	30,506.68
Unallocated Corporate Liabilities			3,814.81			723.25
Total Liabilities			46,616.37			31,229.93
Capital Expenditure for the year	9,886.49	1,334.83	11,221.32	5,308.16	11,838.83	17,146.99
Unallocated Capital Expenditure for the year			845.85			619.46
Depreciation for the year	414.58	1,242.57 (Note-a)	1,657.15	319.59	(Note-a)	319.59
Unallocated Depreciation for the year			187.49			131.04

Notes

- Depreciation Rs. 1.87 Lakh (PY Rs. 19.73 Lakh) pertaining to Hospitality operations has been debited to Pre-operative expenditure.
- The Company's hotel at Goregaon has commenced commercial operations during the year. Expenditure such as Purchases (net of closing stock of Food and Beverages), Employee Cost, Administration, Power and Fuel, etc. incurred during the pre-opening period of the hotel (after netting of the receipts during the pre-opening period) has been debited to Pre-operative expenditure.

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

8. Auditors' remuneration (excluding Service Tax):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Statutory Audit Fees	27.50	17.00
Tax Audit Fees	5.00	2.00
Income-tax matters	5.00	2.00
Certification and IPO related Fees	50.00	-
Other services	2.27	0.59
Out of pocket expenses	0.34	-

9. Directors' remuneration (excluding sitting fees):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Salaries	192.00	131.00
Gratuity	3.05	-
Leave Salary	4.42	-
Commission to Non-Executive Directors#	24.00	-
Total	223.47	131.00

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:

(Rs. in Lakh)

	March 31, 2011	March 31, 2010
Profit Before Tax as per Profit and Loss Account	24,506.21	2,900.29
Add :		
Director's remuneration	223.47	131.00
Director's sitting fees	2.60	1.40
Depreciation as per Profit and Loss Account	1,844.64	450.63
Loss on sale of assets	16.93	0.01
Less:		
Depreciation under Section 350 of the Companies Act, 1956	1,844.64	450.63
Gain on sale of Mutual Fund Units (Net)	0.16	0.00
Net Profit in accordance with section 349 of the Companies Act, 1956	24,749.05	3,032.70

Maximum remuneration payable to Managing Director as per Section 198 and 309 of the Companies Act, 1956		
5% on above net profits	1,237.45	151.64
Remuneration paid	199.47	131.00

Maximum remuneration payable to Non-Executive Director as per Section 309 of the Companies Act, 1956		
1% on above Net Profit	247.49	-
Commission payable #	24.00	-

Subject to Shareholders approval

10. Disclosure pursuant to Accounting Standard - 15 (revised) Employee Benefits:

A. Defined Contribution Plans

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Employer's Contribution to Provident Fund*	176.95	120.18
Employer's Contribution to Pension Fund*	20.56	32.56
Employer's Contribution to ESIC*	11.06	0.56
Labour welfare fund contribution for workmen	0.11	0.12

*Employer's Contribution to Provident Fund amounting to Rs. 6.05 Lakh (PY Rs. 53.43 Lakh) Employer's Contribution to Pension Fund amounting to Rs. NIL (PY Rs. 15.47 Lakh) and Employer's Contribution to ESIC amounting to Rs. 0.07 Lakh (PY Rs. 0.31 Lakh) pertaining to Hospitality operations has been debited to Pre-operative expenditure.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

B. Defined Benefit Plans

Amount of Rs. 138.21 Lakh (PY Rs. 39.45 Lakh) and Rs. 12.03 Lakh (PY Rs. 58.35 Lakh) is recognised as expense / (income) on account of Gratuity and Leave Encashment respectively and included in 'Manpower Costs'. Amount of Rs. 1.29 Lakh (PY Rs. 2.77 Lakh) on account of Gratuity and Rs. 6.17 Lakh (PY Rs. 20.15 Lakh) on account of Leave Encashment pertaining to Hospitality operations has been debited to Pre-operative expenditure.

(Rs. in Lakh)

No.	Particulars	Gratuity		Leave Encashment	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
i)	Change in Defined Benefit Obligation ('DBO')				
	• Opening present value obligation as of 1st April	86.20	40.89	88.55	14.86
	• Interest cost for the year on opening DBO	6.80	3.27	6.40	0.95
	• Service cost for the Year	92.97	31.28	170.25	193.09
	• Benefit paid	(2.40)	-	(17.14)	(4.81)
	• Past service cost- (non vested benefits)	-	-	-	-
	• Past service cost- (vested benefits)	-	-	-	-
	• Actuarial losses / (gains)	45.01	10.76	(158.44)	(115.54)
	• Closing defined benefit Obligation	228.57	86.20	89.61	88.55
ii)	Fair Value of Plan Asset				
	• Opening fair value of plan assets as of 1st April	40.04	23.90	-	-
	• Expected return on Plan Assets	4.51	2.74	-	-
	• Actuarial gains / (losses)	0.76	0.35	-	-
	• Contribution	21.71	13.05	17.14	4.81
	• Benefit Paid	(2.40)	-	(17.14)	(4.81)
	• Closing balance of fair value of plan assets	64.62	40.04	-	-
iii)	Actual Return on Plan Asset				
	• Expected return on Plan Assets	4.51	2.74	-	-
	• Actuarial gains / (losses) of plan Assets	0.76	0.35	-	-
	• Actual Return on Plan Asset	5.27	3.09	-	-
iv)	Amount Recognised in Balance Sheet				
	• PVO at the end of year	228.57	86.20	89.61	88.55
	• Fair Value of Plan Assets at the end of the year	64.62	40.04	-	-
	• Difference	(163.95)	(46.16)	(89.61)	(88.55)
	• Unrecognised Past Service Cost - (vested benefits)	-	-	-	-
	• Unrecognised Past Service Cost- non vested benefits	0.00	-	-	-
	• Amount Recognised in Balance Sheet	(163.95)	(46.16)	(89.61)	(88.55)
v)	Amount Recognised in Income Statement				
	• Current Service Cost	92.97	31.28	170.25	193.09
	• Interest on Obligation	6.80	3.27	6.40	0.95
	• Past Service Cost- (non vested benefits)	-	-	-	-
	• Past Service Cost- (vested benefits)	-	-	-	-
	• Expected return on Plan Assets	(4.51)	(2.74)	-	-
	• Unrecognised Past Service Cost - non vested benefits	(0.00)	-	-	-
	• Net actuarial losses / (gains) recognized	44.25	10.41	(158.44)	(115.54)
	• Expenses Recognised in Profit and Loss	139.50	42.22	18.21	78.50
vi)	Balance Sheet Reconciliation				
	• Opening Net Liability	46.16	16.99	88.55	14.86
	• Expenses as Above	139.50	42.22	18.21	78.50
	• Contribution	(21.71)	(13.05)	(17.14)	(4.81)
	• Amount Recognised in Balance Sheet	163.95	46.16	89.61	88.55

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

No.	Particulars	Gratuity		Leave Encashment	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
vii)	Actuarial Assumptions for the year				
	• Discount Rate	8%	8%	8%	8%
	• Expected Return on plan Assets	9.15%	9%	-	-
	• Annual Increase in Salary Cost	15%	20%	15%	20%

C. General Description of significant defined plans:
i) 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.

ii) Leave Plan

Eligible employees can carry forward leave 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

Particular	March 31, 2011	March 31, 2010
Government of India Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Equity Shares of Listed Companies	NIL	NIL
Property	NIL	NIL
Policy of Insurance	100 %	100 %
Total	100 %	100 %

11. Employee Stock Option Scheme:

The Company instituted an Employees Stock Options Scheme 2009 ('ESOP 2009') pursuant to the Board and Shareholders' resolution both dated December 4, 2009. As per the ESOP 2009, the Company is authorised to grant 1,443,356 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, 1,349,553 options have been granted and same will be vested at the end of each year from the date of grant as under:

Year I	Year II	Year III	Year IV
20% of options granted	20% of options granted	30% of options granted	30% of options granted

The following information relates to the Employees Stock Options as of March 31, 2011:

Particulars	Number of options	Exercise price (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life of options (years)
Outstanding at the beginning of the year	-	-	-	-
Add: Granted during the year	1,349,553	260	260	4.2
(Less): Exercise during the year	-	-	-	-
(Less): Lapsed / forfeited during the year	(129,166)	-	-	-
Outstanding at the end of the year	1,220,387	260	260	4.2
Exercisable at the end of the year	-	-	-	-

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. Hence no compensation expense has been recognised.

12. Related Party Disclosure
A. Related Parties
i) Key Management Personnel (KMP) and their Relatives:

- (a) Vikas Oberoi
- (b) Ranvir Oberoi
- (c) Santosh Oberoi

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

- (d) Bindu Oberoi
(e) Gayatri Oberoi

ii) Subsidiary Companies

- (a) Oberoi Constructions Private Limited
(b) Oberoi Mall Private Limited
(c) Kingston Property Services Private Limited
(d) Kingston Hospitality and Developers Private Limited
(e) Triumph Realty Private Limited
(f) Expressions Realty Private Limited

iii) Associates Entities where Key Management Personnel have significant influence:

- (a) R. S. Estate Developers Private Limited
(b) Oberoi Foundation
(c) Oasis Realty

iv) Joint Ventures

- (a) Sangam City Township Private Limited
(b) Shashbindu Constructions Private Limited (Till September 25, 2009)

B. Transactions during the year and closing balance with Related Parties mentioned above

(Rs. in Lakh)

Relationship	Particulars	Total
Key Management Personnel and their Relatives	Dividend paid	448.63
	PY	40.42
	Loan repaid	-
	PY	1,070.12
	Recovery Of expenses	9.82
	PY	84.99
Subsidiary Companies	Remuneration	199.47
	PY	131.00
	Rent paid	8.40
	PY	2.40
	Loan given	13,866.33
	PY	4,193.24
Subsidiary Companies	Rent received	13.24
	PY	13.24
	Reimbursement of expenses	154.95
	PY	41.88
	Dividend received	511.00
	PY	51.00
	Loan repayment received	10,220.20
	PY	9,781.55
	Recovery of expenses	3.47
	PY	0.46
Subsidiary Companies	Transfer of common area maintenance	22.58
	PY	-
	Sale of share	-
	PY	1.00
	Profit sharing	18.93
	PY	-
	Purchase of assets	74.86
	PY	-
	Investment in shares	30.00
	PY	-
Subsidiary Companies	Administrative service charges	330.90
	PY	264.72
	Amount received on behalf of	0.37
PY	-	

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakh)		
Relationship	Particulars	Total
Associate Company	Dividend paid	66.60
	PY	6.00
	Recovery of expenses	3.33
	PY	3.08
	Reimbursement of expenses	1.47
	PY	-
	Rent income	314.67
	PY	4.68
Joint Venture	Amount received on behalf of	0.02
	PY	-
	Advance rent received	54.69
	PY	-
	Advance given	240.00
	PY	575.00
Closing Balance		
Subsidiary Companies	Loan given	16,948.99
	PY	13,302.86
	Recovery of expenses	36.49
	PY	-
Joint Venture	Advance given	4,465.00
	PY	4,225.00

13. Details of loans and advances to Subsidiaries and Joint Ventures:

(Rs. in Lakh)					
Name of Entity	Status	March 31, 2011		March 31, 2010	
		Closing Balance	Maximum amount due	Closing Balance	Maximum amount due
Oberoi Constructions Private Limited	Subsidiary	2,654.94	2,654.94	-	471.16
Oberoi Mall Private Limited	Subsidiary	200.00	2,458.81	2,458.81	5,520.22
Kingston Hospitality and Developers Private Limited	Subsidiary	10,046.55	10,076.55	10,076.55	13,059.80
Kingston Property Services Private Limited	Subsidiary	-	-	-	405.63
Triumph Realty Private Limited	Subsidiary	4,047.50	4,677.50	767.50	1,535.00
Expressions Realty Private Limited	Subsidiary	-	6.00	-	-
Sangam City Township Private Limited	Joint Venture	4,465.00	4,465.00	4,225.00	4,225.00

14. Interest in Joint Ventures:

The company's share of the asset, liabilities, income and expenses in respect of joint venture entities based on audited Financial Statements are as under:

A. Sangam City Township Private Limited

Name of the Entity	Country of Incorporation	Principal Activity	Ownership interest	
			2011	2010
Sangam City Township Private Limited	India	Real Estate	31.67%	31.67%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Assets		
Current Assets	4,305.65	4,043.07
Miscellaneous Expenditure	-	0.02
Total	4,305.65	4,043.09
Liabilities		
Share Capital	0.95	0.95
Reserves and Surplus	26.77	23.98
Unsecured Loan	4,245.36	4,017.36
Current Liabilities	32.56	0.80
Total	4,305.65	4,043.09

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Income	4.44	2.06
Expenditure		
Administration and Other Expenses	0.30	0.32
Miscellaneous expenses, written off		-
Total	0.30	0.32
Profit Before Tax	4.13	1.73
Less: Provision for tax	1.34	0.53
Add: Excess Provision for Income-tax	-	0.07
Profit After Tax	2.80	1.27

B. Shashbindu Constructions Private Limited (till September 25, 2009)

Name of the Entity	Country of Incorporation	Principal Activity	Ownership interest	
			2011	2010
Shashbindu Constructions Private Limited	India	Real Estate	-	49.9%

(Rs. in Lakh)

Particulars	April 1, 2009 to September 25, 2009
Income	2.12
Expenditure	
Administration and Other Expenses	0.74
Total	0.74
Profit Before Tax	1.38
Less: Provision for tax	0.50
Profit After Tax	0.87

15. Details of utilization of proceeds raised through Initial Public Offering ('IPO') :

The Equity Shares of the Company were listed on Bombay Stock Exchange Limited and National Stock Exchange of India

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Limited on October, 20, 2010. The details of utilisation of funds received from IPO as of March 31, 2011 are as under:

(Rs. in Lakh)

Particulars of fund utilisation		
Amount received from IPO		102,861.20
Deployment of fund received from IPO	As Per Prospectus	Actual incurred
Construction of projects	74,100.00	18,992.95
Acquisition of land or land development rights	22,500.00	3,260.00
General corporate purposes	1,605.20	202.73
Share issue expenses	4,656.00	4,060.53
Total	102,861.20	26,516.21
Balance amount to be utilised		76,344.99
(Rs. in Lakh)		
Interim utilisation of balance IPO proceeds		
Investments in mutual funds		6,500.00
Fixed deposits		69,578.50
Balance with banks		266.49
Total		76,344.99

16. Details of dues to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006:

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	0.08	57.12
- Interest amount	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Disclosure of Sundry Creditors 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.

17. Details of investments purchased and sold during the year:

(Rs. in Lakh)

Name of the Scheme	Number of Units	Purchase and Dividend Reinvested Value	Sale Value
HDFC Cash Management Fund Savings Plan	152,932,735	16,266.54	16,266.54
HDFC Cash Management Fund Treasury Advantage	177,193,064	17,775.12	17,775.12
ICICI Floating Rate Fund Plan C	16,729,676	16,733.42	16,733.52
ICICI Prudential Liquid Super Institutional Plan	18,356,689	18,360.84	18,360.84

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakh)

Name of the Scheme	Number of Units	Purchase and Dividend Reinvested Value	Sale Value
ICICI Prudential Floating Rate Plan	10,564,022	10,566.39	10,566.42
Reliance Liquidity Fund	194,729,516	19,482.86	19,482.88
Reliance Medium Term Fund	101,602,806	17,369.91	17,369.91
Birla Sun Life Ultra Short Term Fund - Institutional	231,726,522	23,185.40	23,185.40
Birla Sun Life Cash Plus Institutional	7,313,951	790.07	790.07
Birla Sun Life Cash Plus - Institutional -Premium	150,908,300	15,120.26	15,120.26
Tata Floater Fund	82,034,247	8,232.63	8,232.63
IDFC Money Manager Fund - TP - Super Institutional Plan C	17,740,474	1,774.31	1,774.31

18. Lease:

i) Assets taken on Operating Lease

Future minimum lease payments under non-cancellable operating lease are as under:

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Not later than one year	48.03	55.34
Later than one year and not later than five years	65.59	54.06
Later than five year	-	-
Lease Payments recognised during the year in Profit and Loss Account	70.76	68.94

ii) Assets given on Operating Lease

(Rs. in Lakh)

Class of Assets		March 31, 2011	March 31, 2010
Commercial Premises	Gross Block	19,070.75	11,618.39
	Accumulated Depreciation	904.39	502.61
	Depreciation for the year	408.55	317.23

Future minimum lease payments receivables under non-cancellable operating lease are as under:

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Not later than one year	4,113.10	4,231.84
Later than one year and not later than five years	5,063.01	9,439.74
Later than five years	30.95	42.46
Lease income recognised during the year in Profit and Loss Account	4,785.65	2,728.50

19. Value of imports during the year (C. I. F. basis):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Materials	-	0.78
Capital goods	95.81	2,962.62

20. Expenditure in foreign currency during the year (on payment basis):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Foreign Travel	85.66	12.10
Professional Fees	649.00	184.85
Others	73.33	15.21

FINANCIAL STATEMENTS OF OBEROI REALTY LIMITED – STANDALONE

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

21. Remittances in foreign currency on account of dividends:

(Rs. in Lakh)

No. of Shareholders	No. of shares	Year to which dividend relates	Year of Payment	
			March 31, 2011	March 31, 2010
Equity Shares				
1	31,055,247	2009-2010	62.11	-
1	279,777	2008-2009	-	5.60
Preference Shares				
1	359	2010-2011	0.00	-
1	359	2009-2010	31.97	-
1	465	2009-2010	-	304.73
1	571	2009-2010	-	368.10

22. Earnings in foreign currency (on receipts basis):

(Rs. in Lakh)

Particulars	March 31, 2011	March 31, 2010
Sale of residential units	587.69	558.29
Rooms, Restaurant, Banquet and Other Services	3,196.81	1,443.72

23. Unhedged Foreign Currency Exposure:

The details of unhedged foreign currency exposure are as under:

Nature of Transaction	Currency	March 31, 2011	March 31, 2010
Payable	EURO	-	20,246
Payable	US\$	-	30,692

24. Foreign Exchange Fluctuation:

Gain / (Loss) on account of foreign exchange fluctuation amounting to Rs. (5.08) Lakh [PY Rs. 170.76 Lakh] has been credited / debited to the Profit and Loss Account.

Gain / (Loss) on account of Foreign Exchange Fluctuation of Rs. 0.10 Lakh (PY Rs. 171.43 Lakh) pertaining to Capital Work-in-progress has been debited to Pre-operative expenditure.

25. The Company is 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 Fixed Assets 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 'Work-in-progress' or 'Plots of land' as part of 'Current Assets'
26. In our opinion, all current assets appearing in the Balance Sheet as at March 31, 2011 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.
27. Balance of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation from respective parties and reconciliation, if any.
28. Figures have been rounded off to the nearest Rupee and previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

For and on behalf of the Board

P. S. Shah
Proprietor
Membership No.44611
Firm Registration No. 108310W
Mumbai, May 4, 2011

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

Tilokchand P. Ostwal
Director

Anil Harish
Director

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Rs. in Lakh except per share data)

1. Registration Details

Registration No.	114818	State Code	11
Balance Sheet Date	31-Mar-11		

2. Capital raised during the year

Public Issue	102,861.20	Right Issue	-
Bonus Issue	-	Private Placement	-

3. Position of Mobilisation and Deployment of Funds

Total Liabilities	206,109.95	Total Assets	206,109.95
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Source of Funds

Paid up Capital	36,413.33	Reserve and Surplus	169,696.62
Secured Loans	-	Unsecured Loans	-

Application of Funds

Net Fixed Assets	56,267.79	Investments	9,789.99
Capital Work-in-Progress	15,104.47	Deferred Tax Assets	159.44
Net Current Assets	124,788.26	Misc. Expenditure	-

4. Performance of Company

Turnover	43,952.13	Total Expenditure	19,495.31
Profit before Tax and Prior Period Item	24,456.82	Profit before Tax	24,506.21
Profit after Tax	17,056.56	Earning per Share (Rs.)	5.59
Dividend Rate (%)	10		

5. Generic Names of Three Principal Product / Services of Company

(as per Monetary terms)

Product Description	Item Code
Not Applicable	Not Applicable

For and on behalf of the Board

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

Tilokchand P. Ostwal
Director

Mumbai, May 4, 2011

Anil Harish
Director

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

Financial details of subsidiary companies as required by the approval granted under Section 212(8) of the Companies Act, 1956 as of March 31, 2011

No.	Name of Subsidiary	Paid-up Capital	Reserves and Surplus	Total Assets (Fixed Assets+ Investments+ Deferred Tax Assets+ Current Assets)	Total Liabilities (Current Liabilities+ Deferred Tax Liabilities)	Investments (Excluding Investments in Subsidiaries)	Revenues	Profit / (Loss) before Tax	Provision for Tax	Profit / (Loss) after Tax	Proposed Dividend (excluding Corporate Dividend Tax)
1	Oberoi Constructions Private Limited	510.00	119,113.24	131,260.45	11,637.20	0.50	53,903.04	31,608.74	818.78	30,789.96	510.00
2	Oberoi Mall Private Limited	1.00	8,397.22	17,665.23	9,267.02	-	6,674.94	5,875.21	1,546.20	4,329.02	2,772.50
3	Kingston Property Services Private Limited	1.00	63.00	568.22	504.22	-	2,124.13	65.61	12.69	52.92	Nil
4	Kingston Hospitality and Developers Private Limited	31.00	(22.29)	10,055.38	10,046.67	-	-	(1.24)	-	(1.24)	Nil
5	Triumph Realty Private Limited	1.00	(0.61)	6,921.73	6,921.33	-	-	(0.18)	-	(0.18)	Nil
6	Expressions Realty Private Limited	1.00	(0.76)	0.32	0.08	-	-	(0.18)	-	(0.18)	Nil
7	Perspective Realty Private Limited	1.00	(0.75)	15.31	15.06	-	-	(0.23)	-	(0.23)	Nil

For and on behalf of the Board

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

Tilokchand P. Ostwal
Director

Anil Harish
Director

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

Mumbai, May 4, 2011

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies as of March 31, 2011

(Rs. in Lakh)

No.	Name of Subsidiary	Financial year end of the subsidiary Company	Interest of the Holding Company in the subsidiary companies at the end of their respective financial year		Net aggregate amount of Profit / (Loss) of the subsidiary company so far as they concern the members of the Holding Company			
			Shareholding (No. of Shares)	Extent of Holding (%)	Dealt with in the accounts of the Holding Company		Not dealt with in the accounts of the Holding Company	
					for financial year ended on March 31,2011	till previous financial years since it became subsidiary	for financial year ended on March 31,2011	till previous financial years since it became subsidiary
1	Oberoi Constructions Private Limited	31-Mar-11	5,100,000	100%	-	-	30,789.96	73,944.69
2	Oberoi Mall Private Limited	31-Mar-11	10,000	100%	-	-	4,329.02	6,889.47
3	Kingston Property Services Private Limited	31-Mar-11	10,000	100%	-	-	52.92	10.09
4	Kingston Hospitality and Development Private Limited	31-Mar-11	310,000	100%	-	-	(1.24)	(21.04)
5	Triumph Realty Private Limited	31-Mar-11	10,000	100%	-	-	(0.18)	(0.43)
6	Expressions Realty Private Limited	31-Mar-11	10,000	100%	-	-	(0.18)	(0.58)
7	Perspective Realty Private Limited	31-Mar-11	10,000	100%	-	-	(0.23)	(0.07)

Notes :

- Oberoi Construction Private Limited, a wholly owned subsidiary holds 100% of the total subscribed and paid up share capital of Perspective Realty Private Limited
- As the financial year of the subsidiary companies coincide with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.

For and on behalf of the Board

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

Tilokchand P. Ostwal
Director

Anil Harish
Director

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

Mumbai, May 4, 2011

► OBEROI REALTY LIMITED

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