

GOING FOR GREAT



11 12 ANNUAL REPORT
OBEROI REALTY LIMITED

FORWARD LOOKING STATEMENTS

This Annual Report may contain forward looking statements, including those relating to general business statements, plans and strategy of ORL, its future financial condition and growth prospects, future developments in its industry and its competitive and regulatory environment, and statements which contain words or phrases such as 'propose', 'transform', 'will', 'expected to', 'horizons of growth', 'strong growth prospects', etc., or similar expressions or variations of such expressions. These forward-looking statements are based on expectations and projections, and may involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by such statements. These risks and uncertainties include, but are not limited to risks with respect to its real estate business, economic environment in India and overseas, changes in development regulations, changes in tax laws, changes in other applicable laws, litigation and labour relations.

We cannot guarantee that these forward-looking statements will be realised. The achievements of results are subject to risks, uncertainties, and even assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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AN INSPIRED CREATION

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FOR OVER THREE DECADES...

...Oberoi Realty has transformed aspirations and landscapes through a focus on diversified realty projects in Mumbai. Creating an identity and recall for superlative value.

VALUE CREATION WORKS IN DIFFERENT WAYS FOR US.

It builds an edifice of trust for well-informed customers, who deservedly seek quality and transparency...

Reassures investors, who focus on consistent business performance and stable returns...

Elevates capabilities of employees to transform land parcels into aesthetic habitats...

THE RESULT IS A BRAND THAT CREATES SPACES THAT ENHANCE THE QUALITY OF LIFE.

While on one hand, we have developed an expertise in project delivery, our well-balanced business model enables financial prudence and diversified cash flows, giving us an opportunity for further scalability.

We are putting our heart into creating level-next realty solutions and a forward-looking business model, because **BEING GOOD IS NOT GOOD ENOUGH FOR US.**



EVERY INCH, AN INSPIRED CREATION

AT OBEROI REALTY, WE HAVE ALWAYS BEEN INSPIRED BY GLOBALLY BENCHMARKED STANDARDS IN PREMIUM REAL-ESTATE DEVELOPMENTS.

deliver exquisite and unique customer offerings.

Our objective is to think ahead of the contemporary and create indelible imprints of excellence in real estate. The result is a suite of creations which offer unlimited opportunity to live, work, enjoy life and grow. Global trends are changing at a rapid pace, and so are the aspirations of customers.

The challenge is to deliver, conform to global quality benchmarks and enhance customer delight.

SPACE IS FINITE. ASPIRATIONS ARE NOT. HOW DO WE BALANCE BOTH?

The answer is intelligent utilisation, which extends beyond the comfort quotient and determines the contours of a meaningful and fulfilling life.

MARKING A STRONG FOOTPRINT IN THE MUMBAI REAL ESTATE SPACE



Our contemporary architecture and quality construction across Mumbai's skyline has positioned us as an exclusive developer for those who want nothing but the best.

The strong product mix of development and investment properties across the key segments of the real estate market – residential, office space, retail, hospitality and social infrastructure – has ensured sustainable revenues by means of sale and lease.

Our collaboration with globally reputed consultants in architecture, design and construction enables us to

8 PILLARS FOR SUSTAINABLE GROWTH

1 QUALITY

Quality focus is not a business imperative at Oberoi Realty; it is a way of life.

2 INNOVATION

A culture of questioning the status quo is a culture that we embrace to endear ourselves to customers and exceed their expectations.

3 KNOWLEDGE

Investing in knowledge accretion to enhance the quality of our offerings. Bringing global best-practises and adapting them locally demonstrates our futuristic approach to business.

4 CUSTOMER

Every initiative, every innovation is aimed at delighting the customer. Our products and services focus on the present and future aspirations of customers.

5 PEOPLE

A diverse, diligent and qualified workforce represents our abiding strength to co-create the future.

6 EXCELLENCE

To be the best in everything we do, thereby delivering higher value to our stakeholders

7 TRANSPARENCY

Transparency breeds trust and trust strengthens business sustainability, honesty and fairness in operations. Encourage the highest standards of ethics and disclosures in our business.

8 PASSION

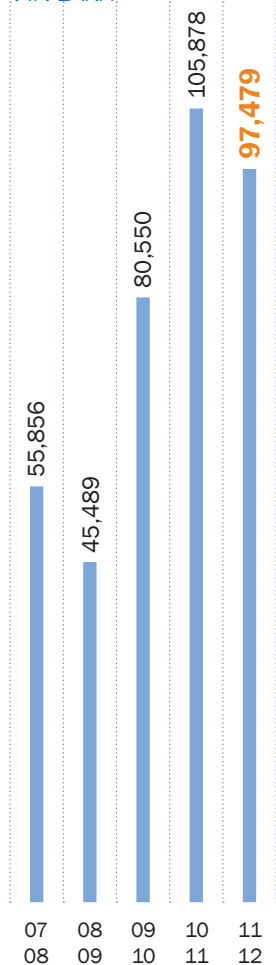
Passion for what we do and innovation drives our organization, facilitates execution brilliance and delivers stakeholder value.

Every inch, an inspired creation
 More than brick and mortar
 Chairman's letter
 A profile of foresight and fortitude
 An occasion for celebration

MORE THAN BRICK AND MORTAR (CONSOLIDATED)

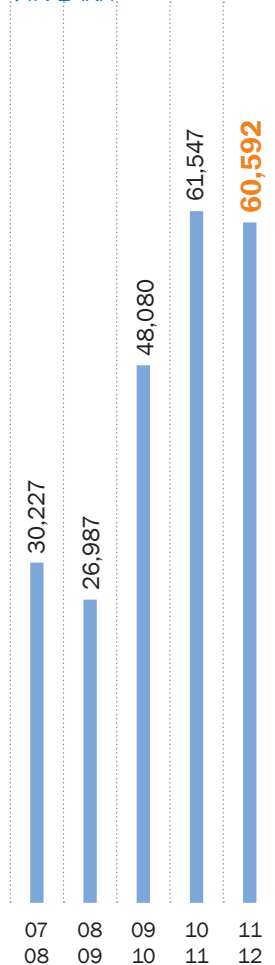
GROSS INCOME

₹ IN LAKH



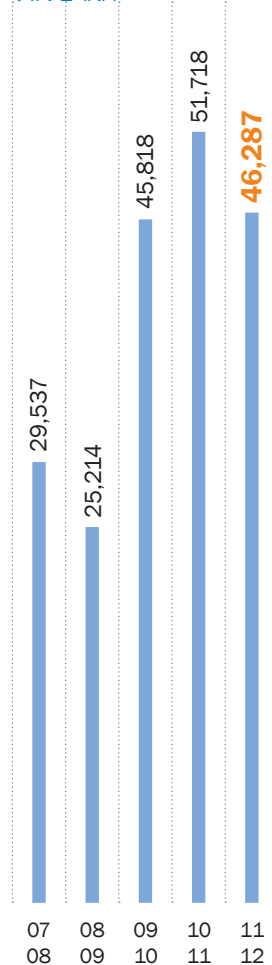
PROFIT BEFORE TAX

₹ IN LAKH



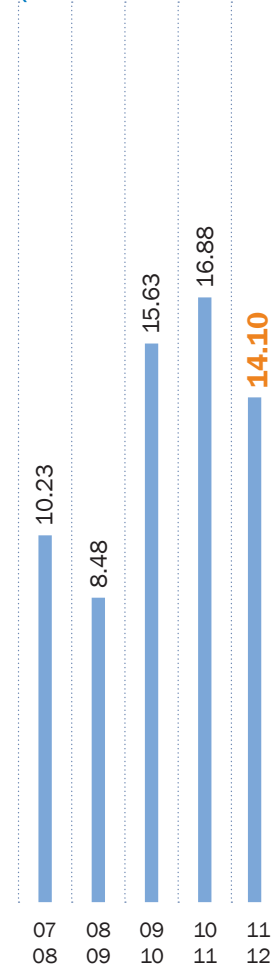
PROFIT AFTER TAX

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BASIC AND DILUTED EPS

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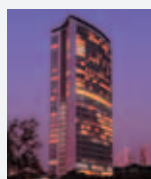
BUSINESS HIGHLIGHTS

REVENUES FROM INVESTMENT PROPERTIES

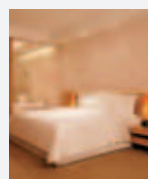
OBEROI MALL



COMMERZ



THE WESTIN MUMBAI GARDEN CITY



OASIS REALTY

Awarded the construction contract to Samsung C&T, the world's no 1 construction company that has been in the business for over 34 years and have constructed landmark projects like Burj Khalifa in Dubai and Petronas Twin Towers in Malaysia.

VIKAS OBEROI
CHAIRMAN & MANAGING DIRECTOR



CHAIRMAN'S LETTER

DEAR SHAREHOLDERS,

“THE BEST WAY TO PREDICT THE
FUTURE IS TO CREATE IT.”

WE CANNOT PREDICT THE FUTURE,
BUT CAN CO-CREATE IT. THAT'S THE
DEFINING MESSAGE FROM PETER
DRUCKER, ONE OF THE WORLD'S
GREATEST MANAGEMENT THINKERS.
I BELIEVE THE CORNERSTONE OF
FUTURISTIC ENTREPRENEURSHIP
IS TO TRY TO DECIPHER EMERGING
MEGATRENDS AND CREATE
CAPABILITIES TO DERIVE ENDURING
VALUE. IN SHORT, FUTURE READINESS.
I HAVE ALWAYS TRIED TO IMPLANT THIS
SPIRIT OF FUTURE READINESS IN THE
WAY WE WORK TODAY AND HELP SHAPE
ASPIRATIONS FOR TOMORROW.

Every inch, an inspired creation
 More than brick and mortar
Chairman's letter
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 An occasion for celebration

The global economic crisis that sent shockwaves across the world in 2008 is not yet a distant memory. Global markets have not yet stabilised since then and volatilities are palpable. However, there is an upside to these volatilities: it offers interesting business opportunities.

In fiscal 2011-12, we had to counter the challenges of a moderating market demand, balance rising costs of an inflationary economy with higher realisations and manage changes in the regulatory landscape. Yet deliver on evolving customer expectations unflinching. Despite transitory adversities, our business model continues to ensure steady cash flows for future growth and creates a platform for sustainable business operations.

Despite the general perception of a slowdown in the real-estate segment, I believe there is still a considerable pent-up demand in the market, which can be catered to. Even today, around 80% of an average Indian's savings are meant for purchasing a space he/she can call his/her own. Besides, rising levels of income and aspirations have created a demand for architectural innovation in line with global standards.

Global trends are constantly transforming the 'mindscape' of discerning customers. Therefore, a clear insight of emerging trends is a

business imperative at Oberoi Realty. We are attracting and acquiring the best global talent for key positions to leverage international best practices and knowledge. We combine local expertise with global insight to create innovative realty solutions.

Our products represent a significant emotional value for a customer, sometimes even passed down across generations and cherished with pride. At Oberoi Realty, we respect this human emotion and focus on creating every single unit with meticulous planning and execution. We don't just sell realty solutions we offer a vision of an evolved quality of life. We strive to make evolving customer aspirations immediate business priorities.

At Oberoi Realty, our business model delivers scalability and stability on the foundation of robust financials and prudent monetisation of assets. In consonance with our financial acumen, we took a cautious approach towards new project launches, owing to non-clarity on some regulations. We have been proactive, and will continue to be proactive, in calibrating the pace of construction, launches and on-going sales of our projects in line with market realities.

We believe stakeholder trust breeds long-term success. The way we operate is determined by a sense of respect, appreciation and responsibility towards this trust. This element of trust is

the ultimate value creator in our business. As we leverage new business opportunities and widen our scope of operations, we will continue to focus on stakeholder trust.

What is considered 'path-breaking' today can become hopelessly 'pedestrian' tomorrow. This is true for every aspect of life and business. The answer to such a dilemma is continuous innovation to better the best. This is our corporate credo at Oberoi Realty.

I look forward to the support and guidance of all our stakeholders in strengthening our endeavour.

Best Wishes,
VIKAS OBEROI
 CHAIRMAN & MANAGING DIRECTOR

A PROFILE OF FORESIGHT AND FORTITUDE

VIKAS OBEROI
CHAIRMAN &
MANAGING DIRECTOR
Age: 42 years

- An alumnus of Harvard Business School
- On the Board since incorporation of the Company
- Businessman with over 20 years of experience in the real estate sector
- Involved in the formulation of corporate strategy and planning and oversees overall execution and management
- Member of the India Advisory Board of Harvard Business School

ANIL HARISH
INDEPENDENT,
NON-EXECUTIVE DIRECTOR
Age: 58 years

- Holds a Bachelor's Degree in Arts (Honours) and Bachelor's Degree in Law from the University of Mumbai and a Master's Degree in Law from the University of Miami, USA
- On the Board since September 2009
- Partner at D.M. Harish & Co., Advocates, Mumbai.
- Specializes in practice areas pertaining to real estate, taxation and collaboration
- Member of the managing committee of the Indian Merchants' Chamber and also acting as Executive Vice-President of the Society of Indian Law Firms

BINDU OBEROI
NON-INDEPENDENT,
NON-EXECUTIVE DIRECTOR
Age: 43 years

- Holds a Bachelor's Degree in Commerce from the University of Mumbai
- On the Board since December 2006
- Involved in the areas of interior designs and landscaping



Every inch, an inspired creation
More than brick and mortar
Chairman's letter

A profile of foresight and fortitude

An occasion for celebration



JIMMY BILIMORIA
INDEPENDENT,
NON-EXECUTIVE DIRECTOR
Age: 65 years

- 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
- On the Board since December 2007
- Had been the Managing Director and Country Head for Ciba group in India and had been associated with this group since 1997 in various capacities including Managing Director, Vice Chairman, Country Head And Non-Executive Chairman of Ciba India Limited
- Has been on the management committees of the Bombay Chamber of Commerce & Industry and the Indo-Swiss Business Forum



TILOKCHAND P. OSTWAL
INDEPENDENT,
NON-EXECUTIVE DIRECTOR
Age: 57 years

- Holds a Bachelor's Degree in Commerce and is a fellow member of the Institute of Chartered Accountants of India
- On the Board since December 2007
- Experience of more than 30 years as Chartered Accountant in practice
- Recently appointed as a member of the advisory group set up by the Government of India for international taxation and transfer pricing and is a member of a Group, constituted by the United Nations for developing transfer pricing manual and documentation for developing countries
- Former Vice-Chairman of the Executive Board of International Fiscal Association, Netherlands; a member of the taxation committees of the Bombay Chartered Accountant Society, Bombay Chamber of Commerce and Industries and Indian Merchants Chamber; visiting professor at Vienna University, Austria



VENKATESH MYSORE
INDEPENDENT,
NON-EXECUTIVE DIRECTOR
Age: 53 years

- Holds a Bachelor's Degree in Arts and a Master's Degree in Business Management from University of Madras
- On the Board since July 2011
- Chief Executive Officer & Managing Director of Knight Riders Sports Private Limited (Kolkata Knight Riders) since Oct 2010 and having a long and successful 25-year career in financial services
- Spent over 21 years with Metlife and also occupied the position of Chief Executive Officer and Managing Director of MetLife India; took over as the India Country Head of Sun Life Financial's India operations in Jan 2007
- Served on several boards and chambers of commerce such as Federation of Indian Chambers of Commerce and Industry, Confederation of Indian Industry, Indian Merchants' Chamber, American Chamber of Commerce and the Indo Canadian Chamber, as well as on several committees established by Insurance Regulatory and Development Authority

AN OCCASION FOR CELEBRATION

Bestowed India's Top 10 Builders by Construction World Architect and Builder Awards 2011 held in August 2011

Won 'Outstanding Entrepreneurship Award' for our CMD at the Asia Pacific Entrepreneurship Awards 2011

Won the following awards in 2011 Asia Pacific Real Estate Association (APREA) Best Practices Awards

- Emerging Markets – Accounting and Financial Reporting Category
- Country Award – Best Submission from India

OBEROI MALL

- 'Best Retail Mall' by Society Interiors Building Design Awards 2011
- 'Best Design' by Bentel Associates International
- 'Best Marketing Campaign' award by Asia Retail Congress Awards
- 'Highly Commended Retail Development India' award by International Property Awards, Asia Pacific

THE WESTIN MUMBAI GARDEN CITY :

- The HICSA (Hotel Investment Conference South Asia) 2011 'Best New Hotel of The Year' in recognition of an outstanding development in the luxury/upscale segment
- PeoriaasiaSpa India Awards 2010 'Best New Spa (Hotel)'
- Adjudged the first runner-up in the category of 'Best Business Hotel for Women Travellers', Travel & Leisure India's Best Awards 2011, organized by Travel & Leisure India & South Asia
- 'Best Hospitality Building Design Award' to HOK Design & Planning Services Pvt. Ltd by Society Interiors Building Design Awards 2011
- Runner-up for the 'Best Hospitality Design Award' by Society Interiors Building Design Awards 2011

COMMERZ

- 'Highly Commended Commercial High Rise Development India' by International Property Awards , Asia Pacific
- Runner's up award as the best commercial property by Construction Week India Awards 2011, held in August 2011
- 'Luxury Commercial Project of the year' award by Property World Awards 2011



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DIRECTORS' REPORT

Dear Members,
Your Directors have pleasure in presenting the Fourteenth Annual Report together with the audited accounts for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS		₹ in Lakh		
Particulars	Consolidated		Standalone	
	2011-12	2010-11	2011-12	2010-11
Revenue from operations	82,468.67	99,602.40	39,138.75	38,982.48
Other Income	15,009.88	6,275.16	15,886.56	4,969.64
Total Revenue	97,478.55	1,05,877.56	55,025.31	43,952.12
Expenses	34,119.72	41,896.72	18,436.77	17,631.64
Profit before interest, depreciation, amortisation and taxes (EBITDA)	63,358.83	63,980.84	36,588.54	26,320.48
Depreciation and amortisation	2,694.04	2,368.31	2,234.87	1,844.64
Interest and finance charges	30.53	19.44	26.33	19.02
Profit before prior period items, extra-ordinary items and taxes	60,634.26	61,593.09	34,327.34	24,456.82
Prior period income / (expenses)	(42.73)	(46.22)	(42.73)	49.39
Profit Before Tax	60,591.53	61,546.87	34,284.61	24,506.21
Less: Tax expenses	14,304.27	9,828.64	8,791.16	7,449.64
Profit After Tax	46,287.26	51,718.23	25,493.45	17,056.57

FINANCIAL PERFORMANCE

Consolidated Financials

During the year under review, your Company's consolidated Total Revenue stood at ₹ 97,478.55 Lakh as compared to ₹ 1,05,877.56 Lakh for the previous year, representing a decline of 7.93%. Profit Before Tax stood at ₹ 60,591.53 Lakh for the year under review as compared to ₹ 61,546.87 Lakh for the previous year, representing a marginal decline of 1.55%. Profit After Tax stood at ₹ 46,287.26 Lakh as compared to ₹ 51,718.23 Lakh for the previous year, representing a decline of 10.50%.

Standalone Financials

During the year under review, the Total Revenue stood at ₹ 55,025.31 Lakh as compared to ₹ 43,952.12 Lakh for the previous year, representing an increase of 25.19%. Profit Before Tax stood at

₹ 34,284.61 Lakh for the year under review as compared to ₹ 24,506.21 Lakh for the previous year, representing an increase of 39.90%. Profit After Tax stood at ₹ 25,493.45 Lakh as compared to ₹ 17,056.57 Lakh for the previous year, representing an increase of 49.46%.

UTILISATION OF IPO PROCEEDS

During FY2011, your Company had come up with an Initial Public Offering of 3,95,62,000 equity shares of face value of ₹ 10 each at an issue price of ₹ 260 per equity share (including securities premium of ₹ 250 per equity share) aggregating to ₹ 1,02,861.20 Lakh.

The status of utilisation of IPO proceeds as on March 31, 2012 is as under and the same has been taken on record by the Audit Committee and the Board of Directors of the Company.

DIRECTORS' REPORT

	₹ in Lakh
Particulars	
Construction of Projects	50,233.45
Acquisition of land or land development rights	36,260.00
General Corporate Purposes	4,397.73
Share Issue Expenses	4,060.53
Total	94,951.71

The interim utilisation of balance IPO proceeds of ₹ 7,909.49 Lakh is as under:

	₹ in Lakh
Particulars	
Fixed deposits with banks	7,885.31
Balance with banks in current accounts	24.18
Total	7,909.49

The Members at the Annual General Meeting held on June 30, 2011 gave authority to the Board (which includes any committee authorised to exercise its powers including the powers conferred by that resolution) to, *inter alia*, vary the utilisation of the IPO proceeds. Pursuant to the said authorisation, the IPO proceeds had been utilised in additional projects and there had been changes in allocation of the issue proceeds from that stated in Prospectus.

The use of issue proceeds are being monitored by the Monitoring Agency appointed as per the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

DIVIDEND

Despite challenging business environment, sluggish industry volume numbers and increased costs, taking into consideration the stable performance of your Company and in recognition of the trust in the management by the Members of the Company, your Directors are pleased to recommend dividend at the rate of ₹ 2 per equity share, i.e. 20% of the paid up equity share value for the year ended March 31, 2012 (Previous Year: ₹ 1 per equity share, i.e. 10% of the paid up

equity share value). The proposed dividend together with the dividend distribution tax will absorb ₹ 7,629.62 Lakh.

REDEMPTION OF PREFERENCE SHARES

During the year under review, 359 Redeemable Non-Convertible Cumulative Preference shares of ₹ 10,00,000 (Rupees Ten Lakh) each, fully paid up, aggregating to ₹ 3,590 Lakh were redeemed for ₹ 1 in accordance with the terms of the issue.

SUBSIDIARY COMPANIES / JOINT VENTURES

As on March 31, 2012, the Company has six subsidiaries, namely Oberoi Constructions Limited, Oberoi Mall Limited, Kingston Property Services Limited, Kingston Hospitality and Developers Private Limited, Expressions Realty Private Limited and Perspective Realty Private Limited.

Triumph Realty Private Limited, a subsidiary, was sold during the year.

During the year under review, your Company has acquired 50% stake in the equity shares of I-Ven Realty Limited.

Further, during the year under review, a limited liability partnership namely, 'Astir

Realty LLP' has been incorporated in which your Company holds 10% stake in the capital and profit / loss. The balance 90% stake is held by Oberoi Constructions Limited, a wholly owned subsidiary of the Company.

FINANCIALS OF SUBSIDIARY COMPANIES

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. In terms of the said circular, your Directors undertake that the annual accounts of the subsidiary companies and the related detailed information shall be made available to Members 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 Members 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 Section 212 of the Companies Act, 1956 for the

DIRECTORS' REPORT

FY2012 for the subsidiary companies, namely Oberoi Constructions Limited, Oberoi Mall Limited, Kingston Property Services Limited, Kingston Hospitality and Developers 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 accounting standards have been followed along with 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; and
- the Directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS

Mr. Anil Harish, an Independent Non-Executive Director and Ms. Bindu Oberoi, a Non-Independent Non-Executive Director shall retire by rotation in the ensuing Annual General Meeting and being eligible have offered themselves for reappointment. The resolution seeking approval of the Members for reappointment of Mr. Anil Harish and

Ms. Bindu Oberoi has been incorporated in the Notice of the Annual General Meeting.

Mr. Venkatesh Mysore was appointed as an Additional Director of the Company w.e.f. July 26, 2011 pursuant to Section 260 of the Companies Act, 1956. In accordance with the said section, Mr. Venkatesh Mysore shall hold office only up to the date of ensuing Annual General Meeting of the Company. Mr. Venkatesh Mysore has expressed his willingness to be appointed as a Director of the Company. The resolution seeking approval of the Members for appointment of Mr. Venkatesh Mysore 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. Anil Harish, Ms. Bindu Oberoi and Mr. Venkatesh Mysore, *inter alia*, in the nature of brief resume, nature of expertise, companies in which they hold directorship / membership of Board Committees, shareholding in the Company is annexed to the Notice of the Annual General Meeting.

AUDITORS

M/s P. Raj & Co., Chartered Accountants, Statutory Auditor of the Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Company has received necessary certificate from the Statutory Auditor to this effect and that their reappointment, 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 reappointment of M/s P. Raj & Co., Chartered Accountants as Statutory Auditor of the Company.

AUDITOR'S REPORT

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

CORPORATE GOVERNANCE

The Report on Corporate Governance and the certificate from the Statutory Auditors regarding compliance with the conditions of Corporate Governance have been furnished in the Annual Report and forms part of 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 year under review is annexed to and forms part of the Corporate Governance Report.

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

The certificate from the Managing Director and the Chief Financial Officer in accordance with Clause 49(V) of the Listing Agreement is annexed to 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 forms part of the Annual Report.

EMPLOYEE STOCK OPTION PLAN (ESOP)

In recognition of the role played by the employees in the growth of the organisation and the belief that the employees deserve a stake in the value created and enhanced by them, employee stock option plan 'ESOP 2009' had been instituted by your Company approving issue of upto 14,43,356 options,

DIRECTORS' REPORT

each option conferring a right upon the eligible employee to apply for one equity share of ₹ 10 each of the Company.

The vesting of first 20% tranche of options granted under ESOP 2009 occurred on May 4, 2011 and the vesting of second 20% tranche of options will occur on May 4, 2012. The Exercise Price is ₹ 260 per option.

The information in terms of Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee 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 for inspection by the Members.

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 concluded in the month of October 2010, 200 unclaimed shares are pending for credit to the demat accounts of the respective allottees.

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 no response having been received from the concerned allottees, the said 200 shares had been transferred to the unclaimed shares demat suspense account during the year under review.

The requisite disclosures under Clause 5A(I)(g) of the Listing Agreement are as under:

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

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

UNCLAIMED AND UNPAID DIVIDENDS

An amount of ₹ 30,173 is lying in the unpaid equity dividend account of the Company in respect of the dividend for the FY2011. Members who have not yet received / claimed their dividend entitlements are requested to contact the Company or the registrar and transfer agent of the Company.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in annexure forming part of this report. However, in accordance with the provisions contained in the proviso to Section 219(1) the aforesaid particulars of the employees are not being sent as a part of this Annual Report. Any Member interested in obtaining a copy of the same, may write to the Company Secretary at the registered office of the Company.

DIRECTORS' REPORT

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

As the Company is not engaged in manufacturing activities, the Board of 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 OF IMPORTS (C. I. F. BASIS)		₹ in Lakh
Particulars	2011-12	2010-11
Materials	28.67	-
Capital goods	928.76	95.81

2. EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)		₹ in Lakh
Particulars	2011-12	2010-11
On Foreign travel	73.36	85.66
Professional fees	1,192.42	649.00
Others	1,281.12	73.33

3. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS		₹ in Lakh
Particulars	2011-12	2010-11
Equity shares	310.55	62.11
Preference shares	-	31.97

4. EARNINGS IN FOREIGN CURRENCY (ON RECEIPTS BASIS)		₹ in Lakh
Particulars	2011-12	2010-11
Sale of residential units	1,152.28	587.69
Hospitality services	4,379.53	3,196.81

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Vikas Oberoi

Chairman & Managing Director

Mumbai, April 25, 2012

DIRECTORS' REPORT

STATEMENT PURSUANT TO CLAUSE 12 OF SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999 AS ON MARCH 31, 2012

Sr. No.	Particulars	ESOP 2009 (Grant 1)
1.	Total number of options granted	13,49,553
2.	Pricing formula	IPO Price ^(A) i.e. ₹ 260
3.	Options vested	2,25,913
4.	Options exercised	Nil
5.	Total number of equity shares arising as a result of exercise of options	Nil
6.	Options lapsed / cancelled / forfeited	2,23,317
7.	Variation of terms of options	None during the year
8.	Money realised by exercise of options	Nil
9.	Total number of options in force as on March 31, 2012	11,26,236 ^(B)
10.	Employee-wise detail of options granted during FY2012	
	A. Senior Managerial Employee	N.A.
	B. Any other employee receiving 5% or more of the total number of options granted during the year	N.A.
	C. Employees granted options equal to or exceeding 1% of the issued capital of the Company at the time of grant	N.A.
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)	₹ 7.77
12.	Where the company has 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 recognised if the fair value of options had been used and the impact of this difference on profits and EPS of the Company.	<p>To calculate the employee compensation cost, the Company uses the Intrinsic Value Method for valuation of the options granted.</p> <p>Had the Company used fair value method of valuing stock options, the employee compensation cost would have been higher by ₹ 368.25 Lakh, profit before tax would have been lower by ₹ 368.25 Lakh and basic and diluted EPS would have been lower by ₹ 0.11.</p>
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.	<p>Weighted average exercise price: ₹ 260.</p> <p>Weighted average fair value of options: ₹ 126.97</p>
14.	Description of method and significant assumptions used to estimate fair value of options at the time of grant	
	A. Risk Free Interest Rate	7.06%
	B. Expected Life	4.2 years
	C. Expected Volatility	51.85%
	D. Dividend Yield	-
	E. Price of the underlying share in market at the time of the option grant	₹ 260.00

Notes

- A. '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. ₹ 260 per equity share of ₹ 10 each;
- B. The options outstanding as on March 31, 2012 are under Grant 1 of ESOP 2009, and are net of the options lapsed / cancelled / forfeited during the FY2012. 'Grant 1' means grant of options to those Employees of the Group who were in employment on the date two years prior to date of the meeting of the Compensation Committee which had considered and approved grant of options.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global economy

FY2012 was a challenging year for the economies across the world. It witnessed numerous events – starting from USA's debt and unemployment issues to political instability and unrest in MENA to Eurozone crisis – impacting growth. The developing nations on the other hand showed signs of stability and emerged as a ray of hope to the rest of the world. The US also started witnessing first hint of growth after prolonged stagnation. However, recently, concerns have reignited over the unraveling of the Eurozone.

Indian economy

The Indian economy had its own sets of challenges during the year. It dealt with issues like high inflation, tightening monetary policy, weakening industrial growth and investments, lack of direction in government policies, depreciating rupee and high crude oil prices. This led to a slowdown in the overall growth of the economy. According to CSO estimates, the economy grew by 6.9% during the year. However, India is expected to gain back its growth momentum in the medium term owing to higher savings and easing inflationary pressures which would lead to capital formation and fresh investments.

INDUSTRY REVIEW

Real Estate

Real Estate is one of the three primary needs of mankind with food and clothing being the other two. The demand for Real Estate though un-questionable is driven by many factors including affordability, cyclicity, market sentiment, availability of loans etc. The supply side is influenced by regulatory policies, liquidity, availability of skilled and unskilled resources etc.

Owing to the impact of the challenging macro economic factors, FY2012 was quite challenging for the sector. It faced difficulties in terms of funding, rising costs, labour shortages and regulatory issues, hampering project execution.

Mumbai Real Estate

The Mumbai Real Estate began the year with heightened activity of policy inaction. However the later part of the year saw unprecedented amendments in local real estate regulation. The Maharashtra State Government amended the Development Control Regulation (DCR) of Greater Mumbai, 1991 with a view to bring in transparency and reduce arbitrary and discretionary decision making. The efforts of the government in creating a level-playing field for all players in the real estate industry are truly commendable. There might be hiccups in the short term but your company believes that it would help inculcate good practices in the sector and help the long term prospects of the sector.

OPPORTUNITIES AND CHALLENGES

Opportunities

The recent amendments in Mumbai's real estate regulations have given your company a huge opportunity. While many other real estate developers in the city are facing liquidity pressures or are in the process of still repairing their over-leveraged balance sheet, the cash positive status and process oriented approach of doing business has given your Company a distinctive advantage over competition.

Challenges

While the management of your Company continues to leverage the opportunities, it also foresees the following challenges:

- Availability of skilled resources and acquisition and retention of highly talented workforce which would ensure quality execution.
- Frequent amendments in regulations which makes it difficult to plan and execute.
- Lack of supporting infrastructure such as roads, highways, electricity, etc. that can hamper the growth of real estate as it thrives on availability of good infrastructure.
- Inflationary pressures which would increase raw material / labour cost.

COMPANY STRENGTHS

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

1. **Reputation:** Enjoys higher recall and influences the buying decision of the customer. Strong customer connect further results in higher realisations.
2. **Execution:** Possesses a successful track record of quality execution of projects with contemporary architecture.
3. **Strong cash flows:** Has built a business model that ensures continuous cash flows from its investment and development properties ensuring a steady cash flow even during the adverse business cycles.
4. **Significant leveraging opportunity:** Follows prudent debt practice coupled with higher cash balance which provides a significant leveraging opportunity for further expansions.
5. **Outsourcing:** Operates an outsourcing model of appointing globally renowned architects / contractors that allows scalability and emphasises contemporary design and quality construction – a key factor of success.
6. **Transparency:** Follows a strong culture of corporate governance and ensures transparency and high levels of business ethics.
7. **Highly qualified execution team:** Employs experienced, capable and highly qualified design and project management teams who oversee and execute all aspects of project development.

BUSINESS OVERVIEW

The management of your Company is satisfied with the FY2012 performance despite challenging environment. Your Company was able to sell approximately the same area in FY2012 as compared to FY2011, at higher realisations. A brief description on the developments across each project is provided below:

MANAGEMENT DISCUSSION AND ANALYSIS

1. Oberoi Garden City (Goregaon):

Oberoi Garden City is the flagship mixed-use development of your Company. It is an integrated development on approximately 83 acres of land in Goregaon (East), in the western suburbs of Mumbai, adjacent to the arterial Western Express Highway and overlooking Aarey Milk Colony. The development is approximately eight kilometres from Mumbai's domestic airport and approximately five kilometres from the international airport. Key FY2012 highlights of the projects in Oberoi Garden City are given below:

A. Oberoi Mall (Retail):

Revenues: ₹ 8,145.07 Lakh
 (₹ 6,674.94 Lakh in FY2011)

Occupancy: 94.22% (91.33% in FY2011)

Footfall: Approximately 10 million people

B. Commerz (Office Space):

Revenues: ₹ 4,370.29 Lakh
 (₹ 4,767.85 Lakh in FY2011)

Occupancy: 76.49% (76.71% in FY2011)

C. The Westin Mumbai Garden City (Hospitality):

Revenues: ₹ 9,405.67 Lakh
 (₹ 6,986.94 Lakh in FY2011)

Occupancy: 65.00% (54.00% in FY2011)

D. Oberoi Exquisite (Residential):

Cumulative units sold: 464 units.

Total sales value: ₹ 1,02,041.73 Lakh, of which ₹ 48,039.76 Lakh has been recognised as revenue

E. Oberoi Esquire (Residential):

Cumulative units sold: 295 units.

Total sales value: ₹ 85,368.61 Lakh. There is no revenue recognition from this project as it is yet to reach the requisite threshold limit

2. 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 on the arterial Jogeshwari Vikroli Link Road in the western suburbs of Mumbai. The development is conveniently located near the arterial Western Express Highway and

overlooking Aarey Milk Colony. Key FY2012 highlights of the projects in Oberoi Splendor are given below:

A. Oberoi Splendor (Residential):

Cumulative units sold: 1,246 units.

Total sales value: ₹ 1,45,335.99 Lakh, which has been fully recognised as revenue.

B. Oberoi Splendor Grande (Residential):

Cumulative units sold: 115 units.

Total sales value: ₹ 28,766.79 Lakh, of which ₹ 17,922.52 Lakh has been recognised as revenue.

3. Oasis (Worli):

This is a joint venture to develop a mixed-use project in Worli, located on the arterial Annie Besant Road. Your Company is contemplating the development of residential complex, office space, hotel and a small retail component. Samsung C&T has been appointed as a general contractor for this project during FY2012. The management is currently in discussion with the hotel operator and is confident of launching the project in FY2013.

FINANCIAL PERFORMANCE OVERVIEW

Analysis of consolidated financial statements for FY2012 is provided below.

1. Balance sheet analysis:

A comparative table showing synopsis of FY2012 vs. FY2011 Balance Sheet is provided below:

	₹ in Lakh			
CONSOLIDATED BALANCE SHEET AS AT MARCH 31,	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	32,823.33	36,413.33	(3,590.00)	(9.86)%
Reserves and surplus	3,40,591.61	2,98,344.00	42,247.61	14.16%
Net worth	3,73,414.94	3,34,757.33	38,657.61	11.55%
Non-current liabilities	7,767.45	7,664.09	103.36	1.35%
Current liabilities	97,270.67	56,632.96	40,637.71	71.76%
Total	4,78,453.06	3,99,054.38	79,398.68	19.90%
ASSETS				
Non-current assets	2,24,443.44	1,51,098.83	73,344.60	48.54%
Current assets	2,54,009.62	2,47,955.55	6,054.07	2.44%
Total	4,78,453.06	3,99,054.38	79,398.68	19.90%

11.55%
 Net Worth Growth

MANAGEMENT DISCUSSION AND ANALYSIS

A. Non-Current Liabilities:

	₹ in Lakh			
	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
Deferred tax liabilities / (assets)	782.44	(87.08)	869.52	998.48%
Trade payables	145.57	468.66	(323.09)	(68.94)%
Other long term liabilities	6,750.86	7,195.32	(444.46)	(6.18)%
Long-term provisions	88.58	87.19	1.39	1.60%
Total	7,767.45	7,664.09	103.36	1.35%

B. Current Liabilities:

	₹ in Lakh			
	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
Trade payables	3,030.14	3,234.19	(204.05)	(6.31)%
Other current liabilities	86,495.39	49,389.45	37,105.94	75.13%
Short-term provisions	7,745.14	4,009.32	3,735.82	93.18%
Total	97,270.67	56,632.96	40,637.71	71.76%

C. Non-Current Assets:

	₹ in Lakh			
	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
Fixed Assets including CWIP	98,501.02	93,087.27	5,413.75	5.82%
Goodwill on consolidation	26,537.18	-	26,537.18	NA
Non-current investments	0.96	0.90	0.06	6.72%
Long-term loans and advances	99,373.84	57,797.65	41,576.19	71.93%
Other non-current assets	30.44	213.01	(182.57)	(85.71)%
Total	2,24,443.44	1,51,098.83	73,344.61	48.54%

D. Current Assets:

	₹ in Lakh			
	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
Current investments	-	6,500.00	(6,500.00)	(100.00)%
Inventories	1,01,962.43	77,471.79	24,490.64	31.61%
Trade receivables	6,791.87	4,675.41	2,116.45	45.27%
Cash and bank balance	1,29,339.47	1,39,898.52	(10,559.05)	(7.55)%
Short-term loans and advances	14,307.50	18,031.51	(3,724.01)	(20.65)%
Other current assets	1,608.36	1,378.32	230.04	16.69%
Total	2,54,009.63	2,47,955.56	6,054.07	2.44%

34.64%
Cash and Bank
Balances as a
% of Net Worth

MANAGEMENT DISCUSSION AND ANALYSIS

2. Profit and Loss Analysis:

A comparative table showing synopsis of FY2012 vs. FY2011 of statement of Profit and Loss is provided below:

	₹ in Lakh			
	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
Revenue From Operations	82,468.67	99,602.40	(17,133.73)	(17.20)%
Other Income	15,009.88	6,275.16	8,734.73	139.20%
Total Revenue	97,478.55	1,05,877.56	(8,399.01)	(7.93)%
Total Expenses	36,887.02	44,330.69	(7,443.67)	(16.79)%
Profit Before Tax	60,591.53	61,546.87	(955.34)	(1.55)%
Profit After Tax	46,287.26	51,718.23	(5,430.97)	(10.50)%
Basic and diluted EPS (₹)	14.10	16.88	(2.78)	(16.48)%

A. Revenue from Operations:

	₹ in Lakh			
	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
Revenue from projects	57,684.38	78,680.37	(20,999.99)	(26.69)%
Revenue from hospitality	8,973.00	6,714.08	2,258.92	33.64%
Rent and other related revenue	12,891.35	11,195.53	1,695.82	15.15%
Property and project management revenue	2,288.47	1,842.82	445.65	24.18%
Other operating revenue	631.47	1,169.60	(538.13)	(46.01)%
Total	82,468.67	99,602.40	(17,133.73)	(17.20)%

B. Expenses:

	₹ in Lakh			
	2012	2011	Increase / (Decrease)	% Increase / (Decrease)
Operating costs	29,596.17	38,103.78	(8,507.62)	(22.33)%
Employee benefits expense	3,291.63	2,703.98	587.66	21.73%
Other expenses	1,231.92	1,088.96	142.96	13.13%
Depreciation and amortisation	2,694.04	2,368.31	325.73	13.75%
Interest and finance charges	30.53	19.44	11.08	57.00%
Prior period income / (expenses)	(42.73)	(46.22)	3.48	(7.54)%
Total	36,887.02	44,330.69	(7,443.67)	(16.79)%

3. Cash Flow Analysis:

A comparative table of FY2012 vs. FY2011 Cash Flows is provided below:

	₹ in Lakh	
	2012	2011
Opening Cash and Cash Equivalents	1,40,239.53	16,945.76
Net Cash Inflow from Operating activities	32,629.70	27,929.05
Net Cash Outflow for Investing activities	(58,256.64)	(3,093.62)
Net Cash Inflow / (Outflow) from Financing activities	(3,822.26)	98,458.34
Closing Cash and Cash Equivalents	1,10,790.33	1,40,239.53

65.00%
EBITDA Margin

62.16%
PBT Margin

47.48%
PAT Margin

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCES

Overview

The total manpower strength for the real estate business at the end of FY2012 is 516, up from 438 in FY2011 with an average age of 33 years and for hospitality business, total employee strength is 375 as compared to 394 in FY2011. Your company has been recruiting from best of technical and management campuses for its fresher / middle management roles and consciously focusing on hiring returning Indian talent including hiring of expats for critical senior roles. During the financial year, your company added over 193 full time employees under the real estate business at various levels of management.

Training and Career Development

As part of continuous learning and development process, your company ensures its employees are exposed to important behavioural / technical training interventions. For FY2012 your company has imparted more than 700 man days of training, including management programs at prestigious domestic and international institutes.

Based on business imperatives, a detailed training calendar with behavioural, technical and managerial programs is prepared. Employees are meticulously selected based for the training intervention based on his/her role and future potential. Employees with people responsibilities are nominated for managerial skill development programs and individual contributors are exposed to productivity enhancement training interventions.

Employee Welfare

Your company conducts regular employee welfare initiatives and provides ample opportunities for employee bonding. Some of the welfare initiatives in the year included 'Oberoi Fun Cricket League', a new initiative called 'Saturday Smilez' with one event on every last Saturday of the month to enable employees to get together and celebrate the spirit of oneness.

Your company has started a unique program called 'health-o-meter' with primary objective of managing the health scorecard of every employee. The employees will undergo series of consultations and health check-ups all through the year followed by detailed health enhancement plan with regular and measurable updates.

RISKS AND CONCERNS

Market price fluctuation

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

Sales volume

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

Execution

Execution depends on several factors which include labour availability, raw material prices, receipt of approvals and regulatory clearances, access to utilities such as electricity and water, weather conditions and the absence of contingencies such as litigation. Your Company manages the execution risk through meticulous planning and by engaging established and reputed contractors.

Rental realisations

The rental realisations on the space leased depends upon the project location, design, tenant mix (this is relevant in the case

of shopping malls), prevailing economic conditions and competition. Your Company has set up its property in prime location and maintains a fresh ambience resulting in crowd pull and attracting leading global and domestic retailers.

Land / Development Rights - cost and availability

The cost of land forms a substantial part of the project cost, particularly in Mumbai. It includes amounts paid for freehold rights, leasehold rights, registration and stamp duty. Your Company acquires land and land development rights from the government and private parties. It ensures that the consideration paid for the land is reasonable and market timed.

Financing costs

The land acquisition and development activity requires a substantial capital outflow. Inadequate funding resources and high interest costs may impact regular business and operations. Your Company has built sufficient reserves resulting out of operating cash flows to take advantage of any land acquisition opportunity.

OUTLOOK

Macro-economic factors – both global and local - are likely to be the key influencers for growth in FY2013. At the global level, concerns around Eurozone, US economy and the response of the governments worldwide to address these situations will drive the sentiments in the emerging markets. At the local level, the country is grappling with a coalition government, issues around inflation, depreciating rupee as well as overall fiscal deficit. Many industry stalwarts have through various fora spelled out the need for the government to overcome the policy paralysis in various areas of governance and business. Liberalizing the FDI regime in various sectors (including retail), industry status for real estate, appointment of a regulator for the sector and certainty in the tax regime are likely factors that will provide clarity, boost business confidence and drive fresh investments.

MANAGEMENT DISCUSSION AND ANALYSIS

However, one of the critical determinants for many of the players in the real estate sector is likely to be their own financial health and discipline. The 2008 downturn as well various earlier downturns have always extracted a heavy price from highly leveraged balance sheets and any adverse macro-economic development in FY2013 will also in all likelihood do so, especially considering that not all players have fully recovered from the 2008 meltdown.

Specifically looking at the real estate sector in Mumbai, the recent modifications to the development control regulations should result in faster approvals. However, the overall volumes and pricing in the physical markets in Mumbai will be driven by the sentiments of the economy as well as the expected demand and supply.

Your Company will continue to remain alert and adapt to the evolving market realities and will like to remain proactive in scheduling the construction and sales based on these market realities. The key strategies of your Company going forward would be:

Glocalising business

We shall continue to partner with the leading global players in the area of design, architecture and construction to bring the best international practices into the local markets and give the customers greater value through premium products. Our innovative offerings combined with an emphasis on contemporary architecture, strong execution and quality will not only transform destinations but will enhance the quality of life of our customers.

Enhancing customer centricity

We are constantly driven by the thought of coming up with superior living environments that enrich one's individual, social and recreational requirements. We recognize that real estate is one of the most emotional and cherished purchases in our customer's life and therefore, we

handhold them through the entire project lifecycle and beyond to fulfill their growing aspirations. Continuous engagement with customers and our financial prudence will enhance customer confidence in our products and services and help us become the developer of choice.

Enriching relationships with key stakeholders

In our journey towards creating an institution, we will continue to strengthen our bonds with all key stakeholders. With an aim to be the most preferred employer in the industry, we are investing in the acquisition, training and development of our global and local talent pool and provide a platform to the employees to realize their true potential. We would continue to ensure the highest levels of fairness and honesty in our every action to deliver and maximize the shareholder value through our financial prudence, outsourcing business model and transparent practices. We are aware of our responsibility to the society at large by ensuring that all our developments are based on the best environmental practices to make our society cleaner and greener.

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 accounts team continues to streamline the process and manage risk and comprises top-notch professionals such as Chartered Accountants, Cost Accountants, Company Secretaries, MBAs and Lawyers. The internal audit of the Company is conducted by KPMG, who directly reports to the Board / Audit Committee. The statutory audit of the Company is conducted by P. Raj & Co. Chartered Accountants, who submit their reports to the Board / Audit Committee.

The Company was amongst the earliest real estate companies to implement SAP R3 in 2007. Company has also implemented

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.

CAUTIONARY STATEMENT:

This management discussion and analysis contains 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, 2012

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.

The philosophy of Corporate Governance is primarily based on the principles of integrity, transparency, fairness, accountability, full disclosure and independent monitoring of the state of affairs.

BOARD OF DIRECTORS

1. Composition / Category of Directors / Attendance at Meetings / Directorships and Committee Memberships in other companies as on March 31, 2012.

The present strength of the Board of Directors is six, of which four are Independent Directors. There are five Non-Executive Directors and one Executive Director.

The Chairman of the Board is an Executive Director.

The composition of Board of Directors as on March 31, 2012 and other relevant details are as under:

NAME	CATEGORY	ATTENDANCE			DIRECTORSHIPS ^(A) / MANDATORY COMMITTEE ^(B) MEMBERSHIPS			
		No. of Board Meetings held during the year	No. of Board Meetings attended	Last AGM attendance	Directorship in public companies ^(C) (including Oberoi Realty Limited)	Directorship in Private companies	Mandatory committee Memberships	Mandatory committee Chairmanships
Mr. Vikas Oberoi (Chairman & Managing Director)	Executive, Non-Independent Director	5	5	Yes	8	10	2	-
Mr. Anil Harish	Non-Executive, Independent Director	5	5	Yes	14	9	6	4
Ms. Bindu Oberoi	Non-Executive, Non-Independent Director	5	3	Yes	8	2	-	1
Mr. Jimmy Bilimoria	Non-Executive, Independent Director	5	3	No	10	1	3	5
Mr. T. P. Ostwal	Non-Executive, Independent Director	5	3	Yes	4	3	1	2
Mr. Venkatesh Mysore (appointed w.e.f. July 26, 2011)	Non-Executive, Independent Director	4 ^(D)	4	N.A.	3	3	2	-

- A. Directorships in foreign companies and membership in governing councils, chambers and other bodies are not included.
- B. Mandatory committees are the committees prescribed under the Listing Agreement i.e. Audit Committee and Shareholders' Grievance Committee.
- C. Private company which is a subsidiary of public company is considered as a public company.
- D. Mr. Venkatesh Mysore was appointed on the Board of Directors w.e.f. July 26, 2011 and since his appointment, 4 meetings of Board of Directors were held during the year ended March 31, 2012.

Directors' Report
Management Discussion and Analysis
Report on Corporate Governance

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

During the FY2012, Mr. Kavin C. Bloomer, a Director nominated by SSIII Indian Investments Two Limited, who was liable to retire by rotation at the last Annual General Meeting held on June 30, 2011 but did not offer himself for reappointment, ceased to be a Director of the Company. Consequently his alternate Director, Mr. Naresh Naik also vacated office w.e.f. June 30, 2011 in accordance with the applicable provisions of the Companies Act, 1956.

Except for Mr. Vikas Oberoi and Ms. Bindu Oberoi, no other Directors are related to each other in terms of the definition of 'Relative' given under the Companies Act, 1956. Ms. Bindu Oberoi is the sister of Mr. Vikas Oberoi.

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

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

During the FY2012, five meetings of the Board of Directors were held on May 4, 2011, August 3, 2011, September 27, 2011, October 15, 2011 and January 21, 2012. 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, 2012 is as follows:

(₹ in Lakh)				
Name	Salary	Allowance	Sitting fee	Commission ^(B)
Executive Director				
Mr. Vikas Oberoi ^(A)	120.00	72.00	-	-
Non Executive Director				
Mr. Anil Harish	-	-	1.45	10.00
Ms. Bindu Oberoi	-	-	-	-
Mr. Jimmy Bilimoria	-	-	0.80	10.00
Mr. Kavin C. Bloomer	-	-	-	-
Mr. Naresh Naik	-	-	-	-
Mr. T. P. Ostwal	-	-	1.10	10.00
Mr. Venkatesh Mysore	-	-	1.10	10.00

A. excluding defined benefit plan.

B. to be paid after the ensuing Annual General Meeting.

During the year under review, commission pertaining to FY2011 of ₹ 8 Lakh each was paid to Mr. Anil Harish, Mr. Jimmy Bilimoria and Mr. T.P. Ostwal in accordance with and within the limits set out in Section 309 of the Companies Act, 1956.

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, 2012

Name	Number of equity shares	% of total paid up share capital
Mr. Vikas Oberoi	22,43,13,573	68.34
Ms. Bindu Oberoi	111	0.00
Total	22,43,13,684	68.34

Additionally, Mr. Vikas Oberoi holds 99.99% shares of R. S. Estate Developers Private Limited, which holds 3,33,00,000 (i.e. 10.15%) equity shares of the Company as on March 31, 2012.

5. Appointment / reappointment of Directors

At the ensuing Annual General Meeting, Mr. Anil Harish and Ms. Bindu Oberoi are liable to retire by rotation and have offered themselves for reappointment. A resolution for their reappointment as Directors is incorporated in the Notice of the ensuing Annual General Meeting.

Mr. Venkatesh Mysore who was appointed as an Additional Director w.e.f. July 26, 2011, shall vacate office at the ensuing Annual General Meeting. A resolution for his appointment as Director at the ensuing Annual General Meeting is incorporated in the Notice of the Annual General Meeting.

The brief resume and other information as required under Clause 49(IV)(G) of the Listing Agreement relating to Mr. Anil Harish, Ms. Bindu Oberoi and Mr. Venkatesh Mysore are furnished in the Annexure to the Notice of ensuing Annual General Meeting.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

DECLARATION ON CODE OF CONDUCT

This is to certify that your Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been uploaded on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY2012.

Vikas Oberoi

Chairman & Managing Director

Mumbai, April 25, 2012

AUDIT COMMITTEE

The composition of the Audit Committee as on March 31, 2012 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. Venkatesh Mysore (w.e.f. August 3, 2011)	Independent Director

Mr. Kavin C. Bloomer was a member of Audit Committee till the time he vacated the office of Director, i.e. upto June 30, 2011.

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

During the year under review, the Audit Committee met four times i.e. on May 4, 2011, August 3, 2011, October 15, 2011 and January 21, 2012. 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, 2012 is as under:

Name of Members	Number of Meetings	
	Held	Attended
Mr. T.P. Ostwal (Chairperson)	4	3
Mr. Anil Harish	4	4
Mr. Jimmy Bilimoria	4	2
Mr. Kavin C. Bloomer (Mr. Naresh Naik acting as Alternate Director)(upto June 30, 2011)	1 ^(A)	-
Mr. Venkatesh Mysore(w.e.f. August 3, 2011)	3 ^(B)	3

A. Only one Audit Committee meeting of May 4, 2011 was held during the year till he was a member of Audit Committee.

B. Number of Audit Committee meetings held since he was inducted as the 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 the adequacy of the internal audit function, recommending the appointment / reappointment of statutory auditor and internal auditor 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 auditor and the Board of Directors of the Company.

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

MANAGEMENT DEVELOPMENT, REMUNERATION AND COMPENSATION COMMITTEE

The composition of the Management Development, Remuneration and Compensation Committee as on March 31, 2012 is as under:

Name of Members	Category
Mr. Jimmy Bilimoria (Chairperson)	Independent Director
Mr. Anil Harish	Independent Director
Mr. T.P. Ostwal	Independent Director
Mr. Vikas Oberoi	Non-Independent Director

Mr. Kavin C. Bloomer was a member of Management Development, Remuneration and Compensation Committee till the time he vacated the office of Director, i.e. upto June 30, 2011.

During the year under review, the Committee held one meeting on May 4, 2011 and was attended by Mr. Anil Harish, Mr. T. P. Ostwal and Mr. Vikas Oberoi.

The remuneration to Directors is disclosed under Point No. 3 of this Report under the title 'Board of Directors - Directors Remuneration'.

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

Further, this Committee discharges the functions of the Compensation Committee as prescribed under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Service contract / notice period / severance fees

As per the contract of service entered into by the Company with the Managing Director, if the Managing Director terminates the contract, he has to give three month's notice in writing to the Company, in which case no severance fees is payable by the Company.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The composition of the Shareholders' / Investors' Grievance Committee as on March 31, 2012 is as under:

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

Mr. Kavin C. Bloomer was a member of Shareholders' / Investors' Grievance Committee till the time he vacated the office of Director, i.e. upto June 30, 2011.

During the year under review, three meetings of the Shareholders' / Investors' Grievance Committee were held on May 4, 2011, August 3, 2011 and October 15, 2011.

Attendance of members of the Shareholders' / Investors' Grievance Committee at the committee meetings during the year ended March 31, 2012 is as under:

Name of Members	Number of Meetings	
	Held	Attended
Ms. Bindu Oberoi (Chairperson)	3	3
Mr. Kavin C. Bloomer (Mr. Naresh Naik acting as Alternate Director) (upto June 30, 2011)	1 ^(A)	0
Mr. T.P. Ostwal	3	3
Mr. Vikas Oberoi	3	3

A. Only one meeting on May 4, 2011 was held during the year till he was a member of Shareholders' / Investors' Grievance Committee.

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, nonreceipt 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 of during the year under review are as under:

Pending at the beginning of the financial year	Nil
Received during the financial year	41
Disposed of during the financial year	41
Pending at the end of the financial year	Nil

Mr. Bhaskar Kshirsagar, the Company Secretary, is the Compliance Officer under the listing agreement.

OPERATIONS COMMITTEE

As on March 31, 2012, Mr. Vikas Oberoi and Ms. Bindu Oberoi are the Committee members with Mr. Vikas Oberoi being the Chairman of the Committee. During the year, thirteen meetings of the Committee were held and attended by both the members.

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

INVESTMENT COMMITTEE

This Committee comprises Mr. Jimmy Bilimoria, Mr. Anil Harish, Mr. T.P. Ostwal, Mr. Venkatesh Mysore and Mr. Vikas Oberoi as on March 31, 2012. Mr. Jimmy Bilimoria is the Chairman of the Investment Committee.

Mr. Kavin C. Bloomer was a member of

Investment Committee till the time he vacated the office of Director, i.e. upto June 30, 2011.

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 surplus funds of the Company shall be made.

SUBSIDIARY MONITORING MECHANISM

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

In compliance of the 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 Limited, which is a material non-listed Indian subsidiary of the Company.

DISCLOSURES

- There are no materially significant related party transactions, which have potential conflict with the interests of the Company at large.
- No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The Company has a Whistle Blower Policy in place. No personnel have either been denied access to the Audit Committee or approached the Audit Committee.
- Your Company has complied with all the mandatory requirements of the Clause 49 of the listing agreement of the Stock Exchange. Further, your Company

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

has adopted two non mandatory requirements of Clause 49 of the Listing Agreement, one relating to constituting of Remuneration Committee of the Board (which has been constituted to determine the remuneration packages of the Executive and Non-executive Directors and Senior Management Personnel) and the other relating to Whistle Blower Mechanism.

5. The CEO / CFO certification in terms of Clause 49(V) of the Listing Agreement forms part of this Report.

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 transcript of the analyst conference call is 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.

GENERAL SHAREHOLDERS INFORMATION

1. General Body Meeting

Financial Year ended	Date	Time	Venue
March 31, 2011	June 30, 2011	2.00 p.m.	Rama Watumall Auditorium, K.C College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020
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

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

Annual General Meeting held on June 30, 2011:

- Variation in the terms of Prospectus dated October 13, 2010, including varying and / or revising the utilisation of the proceeds from the Initial Public Offering.
- Ratification of employee stock option scheme 'ESOP 2009' for enabling making of further grants.
- Extension of benefits of 'ESOP 2009' to the employees / Directors of the subsidiary / holding company.
- Payment of commission to Non-Executive Directors of the company.
- Keeping of registers and documents under section 163(1) of the Companies Act, 1956 at the office(s) of the registrar and transfer agents of the Company.

Annual General Meeting held on May 4, 2010:

- Amendment of Employee Stock Option Scheme.

Annual General Meeting held on September 29, 2009:

- 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.

Directors' Report
Management Discussion and Analysis
Report on Corporate Governance

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

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 29, 2012, 3.30 p.m., Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
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 23, 2012 to June 29, 2012 (both inclusive)
Rate of dividend and dividend declaration date	₹ 2 per equity share i.e. 20% dividend as recommended by the Board is subject to the approval of the shareholders in the Annual General Meeting to be held on June 29, 2012.
Tentative calendar of Board Meetings for the FY2013	For the quarter ended June 30, 2012 - end of July 2012 For the quarter and half year ended September 30, 2012 - end of October 2012 For the quarter ended December 31, 2012 - end of January 2013 For the quarter and year ended March 31, 2013 - end of April 2013
Listing on stock exchanges	The equity shares of the Company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('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 FY2013 have been paid
Custodian fees	The custodian fees payable to NSDL and CDSL based on the number of folios as on March 31, 2012 has been paid
Registrar and Transfer agent	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: +91 22 2594 6970-78 Fax: +91 22 2594 6969
Share Transfer system	For shares held in physical form, all requisite documents for share transfer should be sent to the registrar and transfer agents of the Company. The share transfers will be generally approved within 25 days from the date of receipt subject to all documents being in order. For shares held in dematerialised form, kindly contact your depository participant with whom your demat account is held.
Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their Impact on Equity	As on March 31, 2012, the Company does not have any outstanding GDRs / ADRs / Warrants / Convertible Instruments. For details of options granted under the employees stock option scheme ESOP 2009 kindly refer the annexure to the Directors' Report. The vesting of options granted under ESOP 2009 is in a phased manner over a period of 4 years from the date of grant and the options may be exercised within a period of 3 years from the date of vesting of the options, in accordance with the ESOP 2009. 20% of the options granted have got vested in first phase on May 4, 2011 on completion of one year from the date of grant of options.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

3. Market Price Data

The market price data and the volume of your Company's shares traded on BSE and NSE during the year ended March 31, 2012 is as follows:

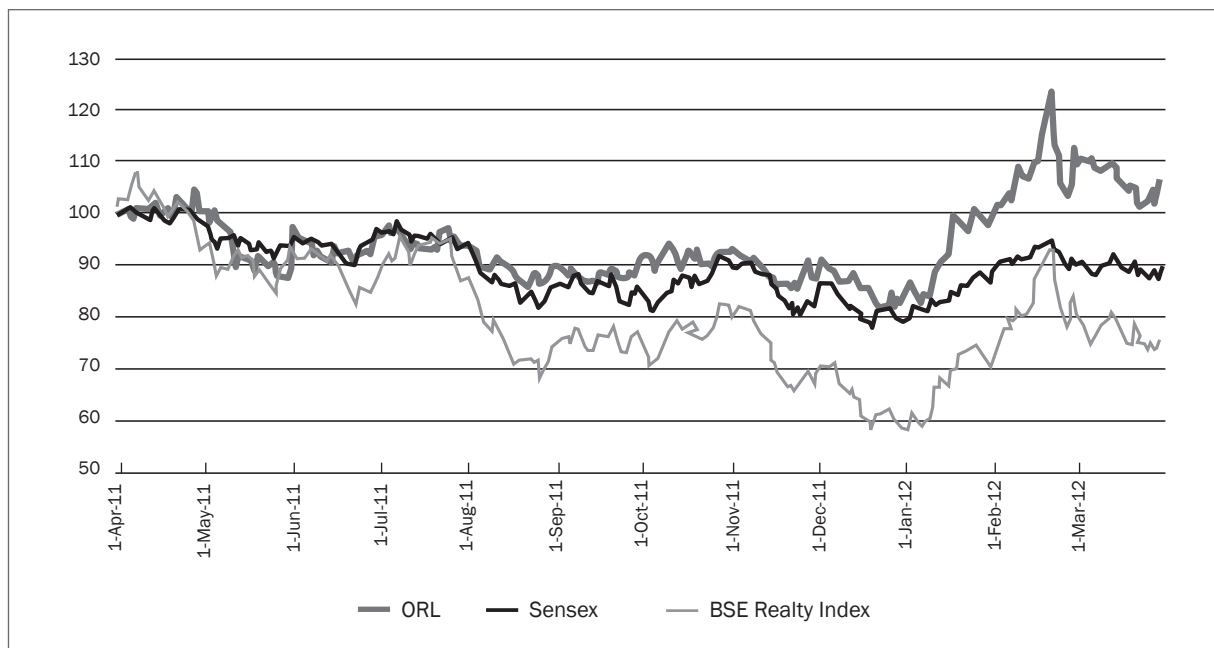
BSE LIMITED							
Month	Oberoi Realty on BSE			BSE Sensex		BSE Realty Index	
	High (₹)	Low (₹)	Average Volume (Nos)	High	Low	High	Low
Mar - 12	286.00	250.00	14,444	18,040.69	16,920.61	1,943.58	1,696.02
Feb - 12	322.90	241.00	12,171	18,523.78	17,061.55	2,212.31	1,679.91
Jan - 12	263.40	205.05	7,223	17,258.97	15,358.02	1,770.86	1,347.79
Dec - 11	234.95	205.10	1,794	17,003.71	15,135.86	1,672.48	1,359.84
Nov - 11	235.00	214.05	1,370	17,702.26	15,478.69	1,952.19	1,508.05
Oct - 11	244.85	221.00	8,178	17,908.13	15,745.43	1,936.61	1,650.06
Sep - 11	232.95	212.25	11,221	17,211.80	15,801.01	1,842.56	1,671.34
Aug - 11	242.00	210.00	2,540	18,440.07	15,765.53	2,087.55	1,602.40
July - 11	247.90	230.35	9,056	19,131.70	18,131.86	2,265.25	2,026.19
June - 11	257.25	220.00	11,114	18,873.39	17,314.38	2,187.35	1,900.75
May - 11	259.90	216.05	5,888	19,253.87	17,786.13	2,219.38	1,970.41
April - 11	273.00	246.00	10,234	19,811.14	18,976.19	2,555.02	2,159.16

NATIONAL STOCK EXCHANGE OF INDIA LIMITED					
Month	Oberoi Realty on NSE			NSE Nifty	
	High(₹)	Low (₹)	Average Volume (Nos)	High	Low
Mar - 12	286.95	240.40	1,11,252	5,499.40	5,135.95
Feb - 12	325.00	245.60	1,81,052	5,629.95	5,159.00
Jan - 12	263.85	206.20	34,721	5,217.00	4,588.05
Dec - 11	234.90	201.55	30,976	5,099.25	4,531.15
Nov - 11	239.95	204.00	29,244	5,326.45	4,639.10
Oct - 11	249.00	220.35	46,064	5,399.70	4,728.30
Sep - 11	250.00	215.05	44,563	5,169.25	4,758.85
Aug - 11	243.90	212.25	92,804	5,551.90	4,720.00
July - 11	254.00	232.00	19,893	5,740.40	5,453.95
June - 11	257.70	221.15	41,639	5,657.90	5,195.90
May - 11	259.00	215.00	35,007	5,775.25	5,328.70
April - 11	272.20	246.60	46,068	5,944.45	5,693.25

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

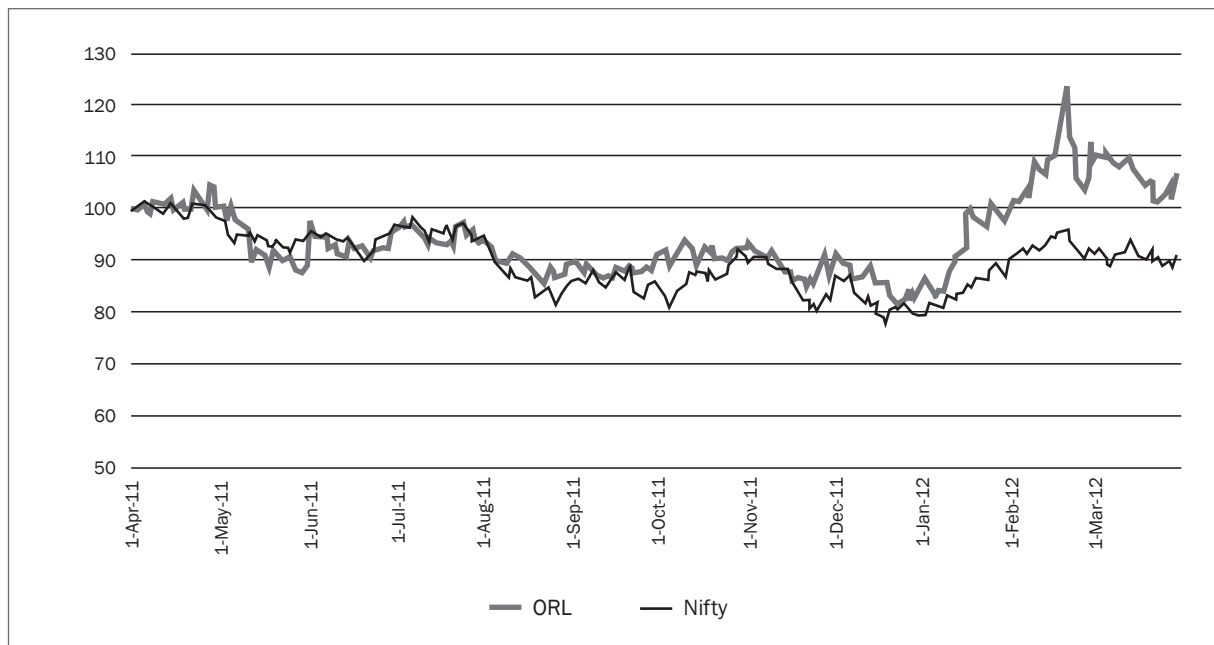
4. Performance of Oberoi Realty Limited (ORL) scrip in comparison to broad-based indices, viz. Sensex, BSE Realty Index and Nifty

I) Movement of ORL vs. Sensex vs. BSE Realty Index



Closing value of ORL scrip, Sensex and BSE Realty Index as of April 1, 2011 has been indexed to 100.

II) Movement of ORL vs. Nifty



Closing value of ORL scrip and Nifty as of April 1, 2011 has been indexed to 100.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

5. Distribution of Shareholding as on March 31, 2012

Number of shares held (range)	Number of shareholders	Percentage (%)	Number of shares held	Percentage (%)
1 - 500	12,805	96.82	14,66,752	0.45
501 - 1,000	158	1.19	1,23,598	0.04
1,001 - 2,000	76	0.57	1,13,599	0.03
2,001 - 3,000	33	0.25	84,186	0.02
3,001 - 4,000	17	0.13	63,623	0.02
4,001 - 5,000	13	0.10	60,237	0.02
5,001 - 10,000	21	0.16	1,67,817	0.05
10,001 and above	103	0.78	32,61,53,450	99.37
Total	13,226	100.00	32,82,33,262	100.00

6. Shareholding pattern as on March 31, 2012

Category	Category of shareholder	Number of shareholders	Total number of shares	Total shareholding as a % of total number of shares
PROMOTER & PROMOTER GROUP				
<i>Indian</i>	Promoter	1	22,43,13,573	68.34
	Promoter Group	5	3,33,02,442	10.15
	Total (Promoter & Promoter Group)	6	25,76,16,015	78.49
PUBLIC				
<i>Institutions</i>	Mutual Funds / UTI	16	21,78,030	0.66
	Financial Institutions / Banks	1	350	0.00
	Foreign Institutional Investors	79	3,39,11,809	10.33
	Total (Institutions)	96	3,60,90,189	11.00
<i>Non-institutions</i>	Bodies Corporate	208	14,00,313	0.43
	Individuals	12,538	18,35,136	0.56
	Clearing Members	82	1,61,753	0.05
	NRI	219	50,538	0.02
	NRN	72	20,380	0.01
	Foreign Companies	1	3,10,55,247	9.46
	Trusts	4	3,691	0.00
	Total (Non-Institutions)	13,124	3,45,27,058	10.52
Total (Public)	13,220	7,06,17,247	21.51	
GRAND TOTAL	13,226	38,82,33,262	100.00	

7. 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 capital held 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 issued share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in physical mode.

8. Status of dematerialisation of shares:

As on March 31, 2012, all except 3 equity shares of the Company are held in dematerialised form.

9. Address for correspondence:

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

Investor Relations Department:

Oberoi Realty Limited

Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai- 400 063

Email: ir@oberoiirealty.com | Phone No.: +91 22 6677 3333 | Fax No.: +91 22 6677 3334

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

In accordance with clause 49(V) of the Listing Agreement with BSE Limited and the National Stock Exchange of India Limited, we certify that:

1. We have reviewed the financial statements and the cash flow statement of Oberoi Realty Limited for the year ended March 31, 2012 and that to the best of our knowledge and belief:
 - A. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - B. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - A. the significant changes in internal control over financial reporting during the year, if any;
 - B. that significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
 - C. 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, April 25, 2012

Vikas Oberoi
 Chairman & 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, 2012, 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, 2012, 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
 Firm Registration No. 108310W

P. S. Shah
 Partner
 Membership No.44611
 Mumbai, April 25, 2012

FINANCIAL STATEMENTS CONSOLIDATED

33	AUDITOR'S REPORT
34	BALANCE SHEET
35	STATEMENT OF PROFIT AND LOSS
36	CASH FLOW STATEMENT
38	NOTES

AUDITOR'S REPORT on Consolidated Financial Statements

To the Board of Directors of Oberoi Realty Limited

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, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date and significant accounting policies and other explanatory information.

Management is responsible for the presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

We did not audit the financial statements of its Joint Ventures namely, Sangam City Township Private Limited and I-Ven Realty Limited, whose financial statements reflect the Group's share of Total Assets of ₹ 13,795.76 Lakh as at March 31, 2012 and Total Revenues of ₹ 5.33 Lakh for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.

The financial statements of its other Joint Venture namely, Oasis Realty are on the basis of unaudited management accounts and the financial statements reflect the Group's share of Total Assets of ₹ 6,519.76 Lakh as at March 31, 2012 and Total Revenues of ₹ Nil for the year then ended.

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 included in the Consolidated Financial Statements.

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 31st March 2012;
- ii. in the case of Consolidated Statement of Profit and Loss, 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
Firm Registration No. 108310W

P. S. Shah
Partner
Membership No.44611
Mumbai, April 25, 2012

CONSOLIDATED BALANCE SHEET

		(₹ in Lakh)	
AS AT MARCH 31,	Note	2012	2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	32,823.33	36,413.33
Reserves and surplus	3	3,40,591.61	2,98,344.00
		3,73,414.94	3,34,757.33
Non-current liabilities			
Deferred tax liabilities	4	782.44	(87.08)
Trade payables	5	145.57	468.66
Other long-term liabilities	6	6,750.86	7,195.32
Long-term provisions	7	88.58	87.19
		7,767.45	7,664.09
Current liabilities			
Trade payables	5	3,030.14	3,234.19
Other current liabilities	8	86,495.39	49,389.45
Short-term provisions	7	7,745.14	4,009.32
		97,270.67	56,632.96
Total		4,78,453.06	3,99,054.38
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	69,766.05	75,456.12
Intangible assets	9	324.55	354.48
Capital work in progress		28,410.42	17,276.67
Goodwill on consolidation		26,537.18	-
Non-current investments	10	0.96	0.90
Long-term loans and advances	11	99,373.84	57,797.65
Other non-current assets	12	30.44	213.01
		2,24,443.44	1,51,098.83
Current assets			
Current investments	13	-	6,500.00
Inventories	14	1,01,962.43	77,471.79
Trade receivables	15	6,791.86	4,675.41
Cash and bank balances	16	1,29,339.47	1,39,898.52
Short-term loans and advances	11	14,307.50	18,031.51
Other current assets	12	1,608.36	1,378.32
		2,54,009.62	2,47,955.55
Total		4,78,453.06	3,99,054.38
Significant accounting policies	1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For P. RAJ & CO.

Chartered Accountants

Firm Registration No. 108310W

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

T. P. Ostwal
Director

P. S. Shah

Partner

Membership No.44611

Mumbai, April 25, 2012

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

		(₹ in Lakh)	
FOR THE YEAR ENDED MARCH 31,	Note	2012	2011
INCOME			
Revenue from operations	17	82,468.67	99,602.40
Other income	18	15,009.88	6,275.16
Total revenue	(A)	97,478.55	1,05,877.56
EXPENSES			
Operating costs	19	29,596.17	38,103.78
Employee benefits expense	20	3,291.63	2,703.98
Other expenses	21	1,231.92	1,088.96
Total expenses	(B)	34,119.72	41,896.72
Profit before interest, depreciation, amortisation and taxes (EBITDA)	(A - B)	63,358.83	63,980.84
Depreciation and amortisation	22	2,694.04	2,368.31
Interest and finance charges	23	30.53	19.44
Profit before prior period items, extra-ordinary items and taxes		60,634.26	61,593.09
Prior period income / (expenses)		(42.73)	(46.22)
Profit before tax		60,591.53	61,546.87
Tax expense			
Current tax		14,260.27	14,028.59
Deferred tax		871.85	1,152.15
Excess provision of tax in earlier years		86.13	0.53
MAT credit entitlement		(913.98)	(5,352.63)
Profit after tax		46,287.26	51,718.23
Earnings per equity share (face value of ₹ 10)	24		
a) Basic (in ₹)		14.10	16.88
b) Diluted (in ₹)		14.10	16.88
Significant accounting policies	1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For P. RAJ & CO.**Chartered Accountants**

Firm Registration No. 108310W

P. S. Shah

Partner

Membership No.44611

Mumbai, April 25, 2012

Vikas Oberoi
Chairman & Managing Director

For and on behalf of the Board of Directors

Bindu Oberoi
DirectorT. P. Ostwal
DirectorSaumil Daru
Chief Financial OfficerBhaskar Kshirsagar
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

		(₹ in Lakh)	
FOR THE YEAR ENDED MARCH 31,		2012	2011
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit before prior period items, extra-ordinary items and taxes as per statement of profit and loss		60,634.26	61,593.09
Adjustments for			
Depreciation and amortisation		2,694.04	2,368.31
Depreciation and amortisation - prior period / allocated to projects		3.51	6.76
Interest income		(10,417.02)	(4,885.85)
Interest and finance charges		7.42	2.09
Dividend income		(2,396.92)	(1,365.61)
Loss / (profit) on sale of investments (net)		(2,127.92)	(0.24)
Loss / (profit) from foreign exchange fluctuation (net)		145.05	4.47
Loss / (profit) on sale / discarding of fixed assets		21.50	18.64
Prior period (expense) / income		(42.73)	(46.22)
Operating profit before working capital changes		48,521.19	57,695.44
Add / (less): Adjustments for change in working capital			
Increase / (decrease) in trade payables		(1,585.82)	1,922.69
Increase / (decrease) in other liabilities		36,661.17	(8,422.93)
Increase / (decrease) in provisions		(77.59)	126.26
(Increase) / decrease in loans and advances		(11,069.80)	6,592.73
(Increase) / decrease in trade receivables		(2,116.46)	(637.68)
(Increase) / decrease in inventories		(24,490.64)	(15,354.47)
Cash generated from operations		45,842.05	41,922.04
Direct taxes paid		(13,212.35)	(13,992.99)
Net cash inflow / (outflow) from operating activities (A)		32,629.70	27,929.05
CASH FLOW FROM INVESTING ACTIVITIES :			
(Acquisition) / sale of fixed assets / capital work in progress (net)		(9,852.90)	(18,270.46)
Interest received		10,369.55	3,642.53
Dividend received		2,396.92	1,365.61
Decrease / (increase) loans and advances to subsidiaries / joint ventures (net)		(24,371.04)	(10,693.30)
(Acquisition) / sale of investments (net)		(24,409.33)	0.16
(Increase) / decrease in other assets		(12,389.84)	20,861.84
Net cash inflow / (outflow) from investing activities (B)		(58,256.64)	(3,093.62)

CONSOLIDATED CASH FLOW STATEMENT

		(₹ in Lakh)	
FOR THE YEAR ENDED MARCH 31,		2012	2011
CASH FLOW FROM FINANCING ACTIVITIES :			
Increase in equity share capital (including share premium)		-	1,02,861.20
Increase / (decrease) in preference share capital		(0.00)	-
Share issue expenses		-	(3,687.91)
Interest paid		(7.42)	(2.09)
Dividend paid (including dividend distribution tax)		(3,814.84)	(712.86)
Net cash inflow / (outflow) from financing activities	(C)	(3,822.26)	98,458.34
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	(29,449.20)	1,23,293.77
Add: cash and cash equivalents at the beginning of the year		1,40,239.53	16,945.76
Cash and cash equivalents at the end of the year		1,10,790.33	1,40,239.53
Components of cash and cash equivalents as at March 31,			
		2012	2011
Cash on hand		29.40	38.04
Balance with banks in current accounts		3,813.13	2,125.83
Fixed deposits with banks, having original maturity of three months or less		1,06,947.80	1,31,575.66
Cash and cash equivalents (as per note 16)		1,10,790.33	1,33,739.53
Add: short term liquid investments		-	6,500.00
Cash and cash equivalents at the end of the year		1,10,790.33	1,40,239.53
Reconciliation statement of cash and bank balances as at March 31,			
		2012	2011
Cash and cash equivalents at the end of the year as per above		1,10,790.33	1,40,239.53
Add: Balance with bank in unpaid dividend accounts		0.30	-
Add: Fixed deposit with banks, having original maturity of more than three months but less than twelve months		14,154.78	2,508.62
Add: Fixed deposits with banks (lien marked)		4,394.06	3,650.37
Less: Short term liquid investments		-	(6,500.00)
Cash and bank balance as per balance sheet		1,29,339.47	1,39,898.52
Significant accounting policies (refer note 1)			
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For P. RAJ & CO.**Chartered Accountants**

Firm Registration No. 108310W

Vikas Oberoi
Chairman & Managing DirectorBindu Oberoi
DirectorT. P. Ostwal
Director**P. S. Shah**

Partner

Membership No.44611

Mumbai, April 25, 2012

Saumil Daru
Chief Financial OfficerBhaskar Kshirsagar
Company Secretary

NOTES forming part of consolidated financial statements

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.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

The consolidated financial statements have been prepared to comply in all material respects with the mandatory 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 in accordance with the accounting principles generally accepted in India. The accounting policy has consistently applied by the Company, except for the change in accounting policies discussed more fully below and is consistent with those used in the previous year.

B. Change in presentation and disclosure of financial statements and change in accounting policy

Change in presentation and disclosures of financial statements

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable, for preparation and presentation of financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in financial statements. The Group has also reclassified the previous year figures in accordance with the requirements to conform to current year's classification, wherever necessary.

Change in accounting policy

The Company has revised its accounting policy for goodwill arising on consolidation effective from April 01, 2011 from amortisation to testing for impairment. Management believes that this change in accounting policy aligns with international practices and reflects enduring benefits to be derived from goodwill arising on consolidation.

Consequent to this change in accounting policy, there is no impact on profit for the year, as there was no such goodwill as at the beginning of the year and in respect of goodwill arising on consolidation for the year, there was no amortisation, considering the expected revenue stream.

C. 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 value 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 investment is recognised in the consolidated financial statements as goodwill, which is tested for impairment, if any, at balance sheet date.

NOTES forming part of consolidated financial statements

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

Depending upon the terms of agreement between the Partners, the LLP can be a Subsidiary under AS-21, Associate under AS-23 or Jointly Controlled Entity under AS-27 and consolidation of financial statements are carried out accordingly.

D. 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.

E. Tangible assets, intangible assets and capital work in progress

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

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

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

Borrowing costs relating to acquisition / construction / development of tangible assets, intangible assets and capital work in progress 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.

F. Depreciation and 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 life 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

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

- (b) Assets individually costing less than or equal to ₹ 0.05 Lakh 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. Amortisation method, useful life and residual value are reviewed periodically.

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

G. Impairment of tangible / intangible assets

The carrying amount of tangible assets / intangible 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.

H. 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. Long term investments are stated at cost less permanent diminution in value, if any. Current investments are stated at the lower of cost or market value.

NOTES forming part of consolidated financial statements

I. 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 and stock in trade of 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.

J. 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.

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

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

iv) Other income

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

NOTES forming part of consolidated financial statements

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

L. Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency (Indian rupee) 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 statement of profit and loss. 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.

M. 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 recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

ii) Where a group entity is the lessor

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

Initial direct costs are recognised immediately in the statement of profit and loss.

N. 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 on 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 Group will pay normal income tax during the specified period.

O. 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.

P. 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.

Q. 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.

NOTES forming part of consolidated financial statements

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.

R. Employee benefits

i) Defined contribution plans

Retirement benefits in the form of contribution to provident fund and pension fund are charged to the statement of profit and loss.

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 statement of profit and loss. The actuarial valuation is performed using the projected unit credit method.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

iii) Other employee benefits

Leave encashment is recognised as an expense in the statement of profit and loss 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 statement of profit and loss.

S. 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 thereon) 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.

T. The details of entities included in these consolidated financial statement are as under :

Name of entity	Country	Ownership interest		Ownership interest held by
		2012	2011	
Subsidiaries				
Oberoi Constructions Limited ('OCL')	India	100%	100%	ORL
Oberoi Mall Limited ('OML')	India	100%	100%	ORL
Kingston Property Services Limited ('KPSL')	India	100%	100%	ORL
Kingston Hospitality and Developers Private Limited ('KHDPL')	India	100%	100%	ORL
Expressions Realty Private Limited ('ERPL')	India	100%	100%	ORL
Perspective Realty Private Limited ('PRPL')	India	100%	100%	OCL
Triumph Realty Private Limited ('TRPL')	India	-	100%	ORL
Joint venture entities				
Siddhivinayak Realties Private Limited ('SRPL')	India	50%	50%	OCL
Sangam City Township Private Limited ('SCTPL')	India	31.67%	31.67%	ORL
I-Ven Realty Limited ('I-Ven')	India	50%	-	ORL
Astir Realty LLP ('ARL')*	India	100%	-	ORL 10% (NA) OCL 90% (NA)
Oasis Realty (AoP)	India	25%-40%	25%-40%	OCL 2% (100%) Astir 98% (NA)
Zaco Aviation (AoP)	India	25%	25%	OCL

* Astir Realty LLP is treated as body corporate and accordingly consolidated.

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 2 : SHARE CAPITAL		
Authorised share capital		
37,85,00,000 (37,85,00,000) equity shares of ₹ 10 (Rupees ten only) each	37,850.00	37,850.00
465 (465) redeemable non-convertible cumulative preference shares of ₹ 10,00,000 (Rupees ten lakh only) each	4,650.00	4,650.00
	42,500.00	42,500.00
Issued, subscribed and paid up share capital		
32,82,33,262 (32,82,33,262) equity shares of ₹ 10 (Rupees ten only) each fully paid up (above equity shares includes 28,60,70,620 equity shares issued and allotted as fully paid bonus shares during immediately preceding five years from the reporting date)	32,823.33	32,823.33
Nil (359) redeemable non-convertible cumulative preference shares of ₹ 10,00,000 (Rupees ten lakh only) each fully paid up	-	3,590.00
	32,823.33	36,413.33

A. Reconciliation of shares outstanding at the beginning and at the end of the year**Equity shares**

	2012		2011	
	in No.	₹ in Lakh	in No.	₹ in Lakh
At the beginning of the year	32,82,33,262	32,823.33	28,86,71,262	28,867.13
Add: Issue of fresh shares	-	-	3,95,62,000	3,956.20
At the end of the year	32,82,33,262	32,823.33	32,82,33,262	32,823.33

Redeemable non-convertible cumulative preference shares

	2012		2011	
	in No.	₹ in Lakh	in No.	₹ in Lakh
At the beginning of the year	359	3,590.00	359	3,590.00
Less: Redemption during the year (refer note C below)	(359)	(3,590.00)	-	-
At the end of the year	-	-	359	3,590.00

B. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each equity share is entitled to one vote. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognised as proposed for distribution to equity shareholders was ₹ 2 (₹ 1), which is subject to approval of shareholders in Annual General Meeting.

C. Redemption of redeemable non-convertible cumulative preference shares

During the year, the Company has redeemed all 359 redeemable non-convertible cumulative preference shares of ₹ 10,00,000 each aggregating to ₹ 35,90,00,000 for an amount of ₹ 1 and balance ₹ 35,89,99,999 has been transferred to capital reserve.

NOTES forming part of consolidated financial statements

D. Details of shareholders holding more than 5% shares in the Company

Equity shares

	2012		2011	
	in No.	% holding	in No.	% holding
i) Vikas Oberoi	22,43,13,573	68.34%	22,43,13,573	68.34%
ii) R S Estate Developers Private Limited	3,33,00,000	10.15%	3,33,00,000	10.15%
iii) SSIII Indian Investments Two Limited	3,10,55,247	9.46%	3,10,55,247	9.46%

Redeemable non-convertible cumulative preference shares

	2012		2011	
	in No.	% holding	in No.	% holding
SSIII Indian Investments Two Limited	-	-	359	100%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

E. Shares reserved for issue under options

The Company instituted an Employees Stock Option Scheme ('ESOP 2009') pursuant to the Board and Shareholders' resolution dated December 04, 2009. As per ESOP 2009, the Company is authorised to grant 14,43,356 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The employee will have the option to exercise the right within three years from the date of vesting of options. Under ESOP 2009, 13,49,553 options have been granted.

The following information relates to the Employee Stock Options as on March 31, 2012 :

	Number of options	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average contractual life of options as on the date of grant (years)
Outstanding at the beginning of the year	12,20,387	260	260	4.20
Less: Lapsed / forfeited / cancelled during the year	94,151	-	-	-
Outstanding at the end of the year	11,26,236	260	260	4.20
Exercisable at the end of the year	2,25,913	260	260	4.20

The employee share based payments have been accounted using the intrinsic value method measured by a difference between the market price of the underlying equity shares as at the date of grant and the exercise price. Since the market price of the underlying equity shares on the grant date is same as exercise price of the option, the intrinsic value of option is determined as Nil. Hence no compensation expense has been recognised. Under the fair value method, the basic and diluted EPS would have been lower by ₹ 0.11.

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 3 : RESERVES AND SURPLUS		
General reserves		
Opening balance	10,306.32	6,367.32
Add: transferred during the year	4,996.00	3,939.00
	15,302.32	10,306.32
Capital redemption reserve		
Opening balance	2,120.00	2,120.00
Add: created during the year	3,590.00	-
	5,710.00	2,120.00
Capital reserve		
Opening balance	-	-
Add: addition during the year	3,590.00	-
	3,590.00	-
Securities premium account		
Opening balance	135,132.61	38,717.31
Add: receipt during the year	-	98,905.00
Less: share issue expenses {net of tax benefit of ₹ Nil (₹ 1,198.21 Lakh)}	-	2,489.70
	1,35,132.61	1,35,132.61
Capital reserve on consolidation		
Opening balance	7,585.19	7,585.19
Add: transferred during the year	-	-
	7,585.19	7,585.19
Surplus in statement of profit and loss		
Opening balance	1,43,199.88	99,138.22
Add: profit during the year as per statement of profit and loss	46,287.26	51,718.23
Less: Appropriations		
Transfer to capital redemption reserve	3,590.00	-
Transfer to general reserve	4,996.00	3,939.00
Proposed dividend and dividend distribution tax (refer note 25)	7,629.65	3,717.57
	1,73,271.49	1,43,199.88
	3,40,591.61	2,98,344.00

	(₹ in Lakh)	
	2012	2011
NOTE 4 : DEFERRED TAX LIABILITIES		
Deferred tax liabilities		
On depreciation	1,662.20	1,057.06
On others	0.21	54.74
Deferred tax assets		
Share issue expenses	766.28	1,029.77
On other expenses	113.69	169.11
Deferred tax liabilities (net)	782.44	(87.08)

NOTES forming part of consolidated financial statements

(₹ in Lakh)				
	Non-current portion		Current portion	
	2012	2011	2012	2011
NOTE 5 : TRADE PAYABLES				
Trade payables	145.57	468.66	3,030.14	3,234.19
	145.57	468.66	3,030.14	3,234.19

(₹ in Lakh)		
	2012	2011
NOTE 6 : OTHER LONG-TERM LIABILITIES		
Trade deposits	6,750.86	7,195.32
	6,750.86	7,195.32

(₹ in Lakh)				
	Long term (non-current)		Short term (current)	
	2012	2011	2012	2011
NOTE 7 : PROVISIONS				
Provision for employee benefits				
Provision for gratuity (refer note 26)	5.74	4.54	86.88	182.19
Provision for leave salary (refer note 26)	82.84	82.65	28.64	12.32
	88.58	87.19	115.52	194.51
Others				
Proposed equity dividend	-	-	6,564.67	3,282.33
Provision for dividend distribution tax	-	-	1,064.95	532.48
	-	-	7,629.62	3,814.81
	88.58	87.19	7,745.14	4,009.32

(₹ in Lakh)		
	2012	2011
NOTE 8 : OTHER CURRENT LIABILITIES		
Advances from customers / billing in excess of revenue	71,496.47	39,189.72
Unclaimed dividend	0.30	-
Trade deposits	6,539.09	5,226.53
Other payables	8,459.53	4,973.20
	86,495.39	49,389.45

NOTES forming part of consolidated financial statements

Particulars	Gross block				Accumulated depreciation and amortisation				Net block	
	As at 01-04-2011	Additions	Addition on acquisition of joint venture	Deductions	As at 31-03-2012	As at 01-04-2011	For the year	Deductions	As at 31-03-2012	As at 31-03-2011
NOTE 9 : FIXED ASSETS										
A. Tangible assets										
Land - freehold [^]	14,160.82	-	-	5,080.29	9,080.53	-	-	-	9,080.53	14,160.82
Residential building #	72.10	-	-	-	72.10	4.82	1.18	-	6.00	67.28
Buildings	41,770.15	427.75	-	30.58	42,167.32	1,136.89	709.53	19.44	1,826.98	40,340.34
Electrical installations	3,039.36	101.57	-	7.14	3,133.79	209.60	149.89	4.54	354.95	2,778.84
Furniture and fixtures*	4,740.10	927.49	0.32	4.76	5,663.15	536.90	486.88	3.03	1,020.75	4,642.40
Office equipments*	766.21	36.87	0.89	6.12	797.85	82.40	50.65	2.88	130.17	667.68
Plant and machinery	12,808.58	221.14	-	-	13,029.72	1,228.43	857.61	-	2,086.04	10,943.68
Computer*	565.94	107.92	-	0.25	673.61	288.95	148.32	0.25	437.02	236.59
Vehicle*	683.14	153.51	-	63.86	772.79	346.75	96.14	42.11	400.78	372.01
Aircraft*	831.85	-	-	-	831.85	147.39	46.58	-	193.97	637.88
Total tangible assets	79,438.25	1,976.25	1.21	5,193.00	76,222.71	3,982.13	2,546.78	72.25	6,456.66	75,456.12
Previous year	32,405.27	47,183.16	-	150.18	79,438.25	1,804.99	2,278.94	101.80	3,982.13	30,600.28
B. Intangible assets										
Computer softwares	525.97	120.84	-	-	646.81	171.49	150.77	-	322.26	354.48
Total intangible assets	525.97	120.84	-	-	646.81	171.49	150.77	-	322.26	354.48
Previous year	171.40	354.57	-	-	525.97	75.36	96.13	-	171.49	96.04
Total assets (A+B)	79,964.22	2,097.09	1.21	5,193.00	76,869.52	4,153.62	2,697.55**	72.25	6,778.92	75,810.60
Previous year	32,576.67	47,537.73	-	150.18	79,964.22	1,880.35	2,375.07**	101.80	4,153.62	30,696.32

Notes:

^ Deduction of land from gross block is on account of sale of 100% subsidiary amounting to ₹ 5,080.29 Lakh.

Residential building includes 5 shares of ₹ 10 each of a housing society, which is pending for transfer.

* The above includes gross block of ₹ 837.41 Lakh (₹ 837.41 Lakh) held in the name of AOP on co-ownership basis.

** Refer note no. 22, for depreciation and amortisation capitalised / allocated to project.

Assets given on operating lease

The Group has entered into commercial property leases, consisting of the buildings, plant and machinery and fixtures and other equipments, the details of which is as under. Leases include a clause to enable revision of the rental charges on time to time.

Class of Assets: Commercial Premises	2012		2011	
	2012	2011	2012	2011
Gross block	32,484.09	32,067.91	32,484.09	32,067.91
Accumulated depreciation	2,775.62	1,898.85	2,775.62	1,898.85
Depreciation for the year	903.78	766.16	903.78	766.16
Future minimum lease payments receivables under non-cancellable operating lease				
Not later than one year	8,991.65	8,983.97	8,991.65	8,983.97
Later than one year and not later than five years	5,026.55	11,068.94	5,026.55	11,068.94
Later than five years	831.95	1,567.08	831.95	1,567.08
Lease income recognised during the year in the statement of profit and loss	11,385.22	9,920.76	11,385.22	9,920.76

NOTES forming part of consolidated financial statements

(₹ in Lakh)		
	2012	2011
NOTE 10 : NON-CURRENT INVESTMENTS		
Long term - trade investments (valued at cost unless stated otherwise)		
Investment in government securities		
National savings certificate (in the name of employee of the Company)	0.96	0.90
	0.96	0.90
Aggregate of		
Book value of unquoted investments	0.96	0.90

(₹ in Lakh)				
	Long term (non-current)		Short term (current)	
	2012	2011	2012	2011
NOTE 11 : LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)				
Capital advances	6,455.81	3,822.04		
Advances to vendors	63.00	14.16	10,034.89	3,152.58
Deposits	61,111.33	33,707.28	92.63	369.07
Advances recoverable in cash or kind	1,005.00	124.40	893.66	1,017.30
Loans and advances to related parties (refer note 29)	13,572.55	3,822.46	1,105.25	10,334.30
	82,207.69	41,490.34	12,126.43	14,873.25
Other loans and advances				
Income tax (net of provisions)	17,145.63	16,302.16	1,859.72	2,925.61
Prepaid expenses	20.52	5.15	319.77	221.45
Loans to employees	-	-	1.58	11.20
	17,166.15	16,307.31	2,181.07	3,158.26
	99,373.84	57,797.65	14,307.50	18,031.51
Loans / advances due by directors or other officers, etc.				
Loans / advances to related parties include				
Due from the private limited companies in which the Company's director is a director	260.05	219.64	-	10,334.30

(₹ in Lakh)				
	Non-current portion		Current portion	
	2012	2011	2012	2011
NOTE 12 : OTHER ASSETS				
Interest accrued but not due	30.44	213.01	1,608.36	1,378.32
	30.44	213.01	1,608.36	1,378.32

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 13 : CURRENT INVESTMENTS		
Current investments (valued at lower of cost and market value, unless stated otherwise)		
Quoted, trade investments in units of mutual funds		
Nil (2,50,00,000) units of ₹ 10 each of Birla Sun Life Short Term FMP Series 7	-	2,500.00
Nil (2,50,00,000) units of ₹ 10 each of DSP BlackRock FMP 3M Series 29	-	2,500.00
Nil (1,00,00,000) units of ₹ 10 each of Birla Sun Life Short Term FMP Series 8	-	1,000.00
Nil (50,00,000) units of ₹ 10 each of SBI Debt Fund Series 90 days 40	-	500.00
	-	6,500.00
Aggregate of		
Book value of quoted investments	-	6,500.00
Market value of quoted investments	-	6,539.22

	(₹ in Lakh)	
	2012	2011
NOTE 14 : INVENTORIES (AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)		
Plots of land	864.74	864.74
Works in progress	97,359.07	74,573.49
Finished goods	3,578.67	1,875.59
Food and beverages etc.	107.66	105.68
Others (including transferrable development rights)	52.29	52.29
	1,01,962.43	77,471.79

	(₹ in Lakh)	
	2012	2011
NOTE 15 : TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)		
Outstanding for a period exceeding six months from the date of becoming due for payment	1,285.62	475.49
Other receivables	5,506.24	4,199.92
	6,791.86	4,675.41

	(₹ in Lakh)	
	2012	2011
NOTE 16 : CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	29.40	38.04
Balance with banks in current accounts	3,813.13	2,125.83
Fixed deposits with banks, having original maturity of three months or less	1,06,947.80	1,31,575.66
	1,10,790.33	1,33,739.53
Other bank balances		
Balance with bank in unpaid dividend account	0.30	-
Fixed deposit with banks, having original maturity for more than three months but less than twelve months	14,154.78	2,508.62
Fixed deposits with banks (lien marked)	4,394.06	3,650.37
	18,549.14	6,158.99
	1,29,339.47	1,39,898.52

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 17 : REVENUE FROM OPERATIONS		
Revenue from operations		
Revenue from projects	57,684.38	78,680.37
Revenue from hospitality	8,973.00	6,714.08
Rental and other related revenues	12,891.35	11,195.53
Property and project management revenue	2,288.47	1,842.82
Other operating revenue	631.47	1,169.60
	82,468.67	99,602.40

	(₹ in Lakh)	
	2012	2011
NOTE 18 : OTHER INCOME		
Interest Income on		
Bank fixed deposits	10,324.61	4,885.76
Others	92.41	0.09
Dividend Income on investments	2,396.92	1,365.61
Profit on sale of investments	2,127.31	-
Profit on sale of mutual fund units (net)	0.61	0.24
Other non-operating income	68.02	23.46
	15,009.88	6,275.16

	(₹ in Lakh)	
	2012	2011
NOTE 19 : OPERATING COSTS		
Opening balance of works in progress	74,573.49	59,707.21
Opening stock of finished goods	1,875.59	1,237.19
Opening stock of food and beverages etc.	105.68	135.50
(A)	76,554.76	61,079.90
Add: transferred from current assets	-	120.39
Add: expenses incurred during the year		
On acquisition of joint venture	9,333.13	-
Land, development rights and transferrable development rights	110.64	10,278.08
Materials and structural cost	5,864.20	9,997.68
Contract and labour expenses	21,357.39	19,527.65
Other project cost	4,119.30	3,351.78
Rates and taxes	4,502.59	5,701.27
Professional charges	1,677.97	1,664.66
Food, beverages and hotel expenses	3,575.66	2,914.89
Depreciation and amortisation	3.51	0.52
Allocated expenses to projects		
Employee benefits expense	3,620.31	2,632.15
Other expenses	1,212.25	1,383.32
Interest and finance charges	7.58	4.40
(B)	55,384.53	57,576.79

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 19 : OPERATING COSTS (CONTD.)		
Less:		
Closing balance of works in progress	97,359.07	74,573.49
Closing stock of finished goods	3,578.67	1,875.59
Closing stock of food and beverages etc.	107.66	105.68
Capitalised during the year	1,297.72	3,998.15
	(C)	80,552.91
	(A+B-C)	38,103.78

	(₹ in Lakh)	
	2012	2011
NOTE 20 : EMPLOYEE BENEFITS EXPENSE		
Employee costs	6,368.20	4,765.70
Contribution to provident fund, gratuity and others	263.69	367.90
Staff welfare expenses	280.06	202.53
	6,911.95	5,336.13
Less: allocated to projects / capitalised	3,620.32	2,632.15
	3,291.63	2,703.98

	(₹ in Lakh)	
	2012	2011
NOTE 21 : OTHER EXPENSES		
Advertising and marketing expenses	553.60	1,015.68
Books and periodicals expenses	20.75	7.63
Communication expenses	105.67	90.07
Conveyance and travelling expenses	170.17	156.85
Directors sitting fees and commission	51.25	32.20
Donations	8.72	17.70
Electricity charges	53.12	63.30
Hire charges	6.04	6.64
Information technology expenses	29.01	28.93
Insurance charges	126.95	95.96
Legal and professional charges	149.04	150.75
Loss on foreign exchange fluctuation (net)	145.05	4.47
Loss on sale / discarding of fixed assets	21.50	18.64
Membership and subscription charges	22.22	13.01
Miscellaneous expenses	116.96	60.17
Payment to auditors	86.56	84.80
Printing and stationery expenses	130.81	113.53
Rent expenses	77.18	27.41
Repairs and maintenance		
Building	45.89	64.52
Plant and machinery	147.11	104.20

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 21 : OTHER EXPENSES (Contd.)		
Others	191.92	164.07
Security service charges	36.79	48.80
Site expenses	0.95	0.31
Transportation charges	1.31	1.65
Vehicle expenses	145.59	100.99
	2,444.16	2,472.28
Less: allocated to projects / capitalised	1,212.24	1,383.32
	1,231.92	1,088.96
Payment to auditors (including service tax)		
As auditor		
Statutory audit fees	57.41	56.52
Tax audit fees	13.09	12.85
In other capacity		
Taxation matters	12.78	12.55
IPO related fees	-	55.15
Other services	3.18	2.54
Out of pocket expenses	0.10	0.34
	86.56	139.95
Less: adjusted against security premium account	-	55.15
	86.56	84.80

	(₹ in Lakh)	
	2012	2011
NOTE 22 : DEPRECIATION AND AMORTISATION		
Depreciation on tangible assets	2,546.78	2,278.94
Amortisation of intangible assets	150.77	96.13
	2,697.55	2,375.07
Less: allocated to projects / capitalised	3.51	6.76
	2,694.04	2,368.31

	(₹ in Lakh)	
	2012	2011
NOTE 23 : INTEREST AND FINANCE CHARGES		
Interest expenses	7.42	2.09
Bank and finance charges	30.69	21.75
	38.11	23.84
Less: allocated to projects / capitalised	7.58	4.40
	30.53	19.44

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 24 : EARNINGS PER SHARE (EPS)		
Profit after tax as per statement of profit and loss	46,287.26	51,718.23
Less : Dividend on preference shares (including tax thereon)	-	(0.00)
Add: Reversal of excess provision of dividend on preference shares in earlier year (including tax thereon)	-	97.23
Net profit after tax available to equity share holders	46,287.26	51,815.46
Weighted average number of equity shares for basic EPS (in No.)	32,82,33,262	30,68,80,621
Add: Weighted average potential equity shares on grant of option under ESOP (in No.)	- #	- #
Weighted average number of equity shares for diluted EPS (in No.)	32,82,33,262	30,68,80,621
Face value of equity share (₹)	10.00	10.00
Basic earnings per share (₹)	14.10	16.88
Diluted earnings per share (₹)	14.10	16.88
# Anti-dilutive		

	(₹ in Lakh)	
	2012	2011
NOTE 25 : PROPOSED DIVIDEND AND DIVIDEND DISTRIBUTION TAX		
Proposed dividend		
Equity shares (proposed)	6,564.67	3,282.33
Preference shares (paid)	-	0.00
Preference shares (proposed)	-	0.00
Reversal of excess provision of preference dividend in previous year	-	(83.11)
	6,564.67	3,199.22
Dividend distribution tax		
Equity shares	1,064.98	532.47
Preference shares	-	0.00
Reversal of excess provision of tax on preference dividend in previous year	-	(14.12)
	1,064.98	518.35
	7,629.65	3,717.57

	(₹ in Lakh)	
	2012	2011
NOTE 26 : EMPLOYEE BENEFITS		
A. Defined contribution plans		
Employer's contribution to provident fund*	260.85	185.04
Employer's contribution to pension fund	29.86	24.48
Employer's contribution to ESIC*	11.71	11.06
Labour welfare fund contribution for workmen	0.35	0.27

Note:

* Employer's contribution to provident fund amounting to ₹ Nil (₹ 6.05 Lakh) and employer's contribution to ESIC amounting to ₹ Nil (₹ 0.07 Lakh) pertaining to hospitality operations has been debited to pre-operative expenditure.

NOTES forming part of consolidated financial statements

	(₹ in Lakh)			
	Gratuity		Leave encashment	
	2012	2011	2012	2011
B. Defined benefit plans				
i) Change in present value of obligations				
Present value obligation at the beginning of the year	257.04	101.93	94.97	98.21
Interest cost	20.30	8.04	6.64	7.13
Service cost	93.27	105.08	161.38	184.70
Benefit paid	(6.53)	(2.90)	(24.00)	(18.24)
Actuarial (gains) / losses	(152.68)	44.89	(127.51)	(176.83)
Present value obligation at the end of the year	211.40	257.04	111.48	94.97
ii) Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	70.30	44.68	-	-
Equitable interest transfer out	(0.76)	-	-	-
Expected return on plan assets	8.60	4.96	-	-
Contribution	56.05	22.78	24.00	18.24
Benefit paid	(6.53)	(2.90)	(24.00)	(18.24)
Actuarial gains / (losses)	(8.59)	0.78	-	-
Closing balance of fair value of plan assets	119.07	70.30	-	-
iii) Experience history				
(Gains) / losses on obligation due to change in assumption	(145.03)	(32.31)	(32.17)	(52.58)
Experience (gains) / losses on obligation	(7.66)	77.20	(95.34)	(124.25)
Actuarial gains / (losses) on plan assets	(8.59)	0.78	-	-
iv) Amount recognised in the balance sheet				
Present value of obligation at the end of year	211.40	257.04	111.48	94.97
Fair value of plan assets at the end of the year	119.07	70.30	-	-
Funded status	(92.32)	(186.73)	(111.48)	(94.97)
Unrecognised past service cost - non vested benefits	0.13	0.00	-	-
Net assets / (liability) recognised in the balance sheet	(92.19)	(186.73)	(111.48)	(94.97)
v) Expense recognised in statement of profit and loss				
Current service cost	93.27	105.08	161.38	184.70
Interest cost	20.30	8.04	6.64	7.13
Past service cost - non vested benefits	-	0.26	-	-
Unrecognised past service cost - non vested benefits	(0.13)	(0.26)	-	-
Expected return on plan assets	(8.60)	(4.96)	-	-
Net actuarial (gains) / losses recognised for the year	(144.09)	44.11	(127.51)	(176.83)
Expenses recognised in statement of profit and loss	(39.25)	152.27	40.51	15.00

NOTES forming part of consolidated financial statements

(₹ in Lakh)				
	Gratuity		Leave encashment	
	2012	2011	2012	2011
vi) Movement in the liability recognised in balance sheet				
Opening net liability	186.73	57.24	94.97	98.21
Equitable interest transfer-out	0.76	-	-	-
Expenses as above	(39.25)	152.27	40.51	15.00
Contribution paid	(56.05)	(22.78)	(24.00)	(18.24)
Closing net liability	92.19	186.73	111.48	94.97
vii) Classification of defined benefit obligations				
Non-current portion	5.74	4.54	82.84	82.65
Current portion	86.88	182.19	28.64	12.32

(₹ in Lakh)				
	Gratuity		Leave encashment	
	2012	2011	2012	2011
Actuarial assumptions :				
Interest / discount rate	8.65%	8.00%	8.65%	8.00%
Expected return on plan assets	9.15%	9.15%	-	-
Annual expected increase in salary cost	10.00%	15.00%	10.00%	15.00%

C. General Description of significant defined plans**Gratuity plan**

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

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 as on March 31,

	2012	2011
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%

NOTES forming part of consolidated financial statements

	(₹ in Lakh)					
	2012			2011		
	Real estate	Hospitality	Total	Real estate	Hospitality	Total
NOTE 27 : SEGMENT INFORMATION						
Segment revenue	73,479.88	9,056.83	82,536.71	92,817.86	6,808.00	99,625.86
Segment result	45,228.45	891.26	46,119.71	56,011.39	(275.21)	55,736.18
Unallocated income net of unallocated expenses			4,220.41			990.50
Operating profit			50,340.12			56,726.68
Less: Interest and finance charges			(30.53)			(19.44)
Add: Interest income			10,324.67			4,885.85
Profit before tax and prior period items			60,634.26			61,593.09
Add / (less) : Prior period items			(42.73)			(46.22)
Profit before tax			60,591.53			61,546.87
Provision for tax			(14,304.27)			(9,828.64)
Profit after tax			46,287.26			51,718.23
Other information						
Segment assets	3,00,211.66	39,984.01	3,40,195.67	1,89,171.95	43,653.41	2,32,825.36
Unallocated corporate assets ^(A)			1,38,257.39			1,66,229.02
Total assets			4,78,453.06			3,99,054.38
Segment liabilities	93,697.63	2,928.14	96,625.77	54,327.56	6,241.75	60,569.31
Unallocated corporate liabilities			8,412.35			3,727.74
Total liabilities			1,05,038.12			64,297.05
Capital expenditure for the year	14,182.85	114.27	14,297.12	10,040.28	1,713.02	11,753.30
Unallocated capital expenditure for the year			698.40			871.67
Depreciation for the year	925.53	1,386.84 (Note B)	2,312.37	786.72	1,242.57 (Note B)	2,029.29
Unallocated depreciation for the year	-	-	381.67	-	-	339.02

Notes:

- A. Unallocated assets includes unspent IPO proceeds and temporary surplus. Income earned on temporary investments of the same has been shown in "Unallocated income net of unallocated expenditure".
- B. Depreciation ₹ Nil (₹ 1.87 Lakh) pertaining to hospitality assets has been debited to pre-operative expenditure.

	(₹ in Lakh)	
	2012	2011
NOTE 28 : LEASES		
Assets taken on operating lease		
Future minimum lease payments under non-cancellable operating lease :		
Not later than one year	426.96	48.03
Later than one year and not later than five years	1,636.28	65.59
Later than five years	-	-
Lease payments recognised during the year in the statement of profit and loss	66.61	70.76

NOTES forming part of consolidated financial statements**NOTE 29 : RELATED PARTY DISCLOSURES****A. Name of related parties and related party relationship****i) Related parties with whom transactions have taken place during the year**

Jointly controlled entities / assets	Siddhivinayak Realities Private Limited
	Sangam City Township Private Limited
	ZACO Aviation (AOP)
	Oasis Realty (AOP)
	I-Ven Realty Limited (on and after September 29, 2011)
Key management personnel and their relatives	Vikas Oberoi
	Bindu Oberoi
	Ranvir Oberoi
	Santosh Oberoi
	Gayatri Oberoi
Entities where key management personnel have significant influence	I-Ven Realty Limited (till September 28, 2011)
	R S Estate Developers Private Limited
	Splendor Developers Private Limited (till January 05, 2012)
	Oberoi Foundation

B. Related party transactions

		(₹ in Lakh)	
Relationship	Nature of transaction	2012	2011
Jointly controlled entities / assets	Reimbursement of expenses	21.73	49.82
	Recovery of expenses	-	1.72
	Deposit paid	-	0.13
	Corporate guarantee on behalf of JV	11,290.00	-
Key management personnel and their relatives	Dividend paid	2,243.16	448.63
	Recovery of expenses	-	9.82
	Remuneration	234.00	243.84
	Rent paid	4.80	8.40
	Amount paid on behalf of	-	3.45
Entities where key management personnel have significant influence	Advance rent received	-	54.69
	Amount received on behalf of	0.30	0.02
	Dividend paid	333.00	66.60
	Recovery of expenses	0.51	1.85
	Reimbursement of expenses	-	1.47
	Rental income	719.35	314.67

C. Closing balances of related parties

		(₹ in Lakh)	
Relationship	Nature of transaction	2012	2011
Jointly controlled entities / assets	Reimbursement of expenses	5.37	13.39
	Loan given	-	10,055.25
	Advances given	13,572.55	4,101.51

NOTES forming part of consolidated financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 30 : CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND OTHER COMMITMENTS		
A. Summary details of contingent liabilities		
Letters of credit	316.48	-
Bank guarantees (gross)	2,613.78	3,332.23
Indemnity bonds given in favour of the government under Export Promotion Capital Goods Scheme (net of bank guarantees)	3,721.18	3,721.18
Legal cases against the Group not acknowledged as debts	234.70	1,560.00
Claims against the Group not acknowledged as debts	720.08	2,860.19
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
Custom duty matters in dispute	47.33	3.30
Service tax matters in dispute	329.35	215.91
Income-tax matters in dispute	2,207.35	1,051.97
MVAT matter in dispute	0.82	-
Corporate guarantees given	11,290.00	-
B. Capital commitments		
Capital contracts (net of advances)	54,965.81	27,649.18
Capital commitment to joint venture	13,703.00	2,400.00
C. Other commitments		
Other commitments	1,884.67	-

- D. In respect of the leasehold property at Worli, which was assigned to I-Ven Realty Limited (the Company's JV) in 2005, the Municipal Commissioner (MC) of the Municipal Corporation of Greater Mumbai (MCGM) has passed an order in 2009 revoking various permissions granted earlier by the MCGM and also invalidating the transfer of lease to the Company's JV.

The assignor of the lease had filed a writ petition before the Bombay High Court against the MCGM and others (to which the JV has also been made a party) seeking among other things that the order passed in 2009 be set aside. Vide order dated April 25, 2012, the Bombay High Court has quashed and set aside the order passed in 2009 by the MC.

The JV has also filed a writ before the Bombay High Court against the MCGM and others seeking among other things that the order passed in 2009 be quashed and set aside. The matter is pending.

It is not possible to ascertain the monetary liability on this account.

- E. The Maharashtra Chamber of Housing Industry (MCHI) had filed a writ petition in Bombay High Court challenging the levy of VAT w.e.f. June 20, 2006 under MVAT Act, 2002 on property under construction which has been recently dismissed by the High Court. Under the premises ownership agreement / letter of allotment entered into by the Group, such liability ultimately needs to be borne by the purchaser of the premises, for which the purchasers have created lien on bank deposits or has given bank guarantees / registered undertakings and / or adequately indemnified the Group and hence no provision has been made in the books.
- F. Work in progress as at March 31, 2012, includes an amount of ₹ 29,796.81 lakh in respect of the subsidiary'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. By an interim order dated January 25, 2010, the Hon'ble Supreme Court has passed an order declaring that the subsidiary is at liberty to make use of the land and to go on with the construction on the said land and create third party interest, subject to the decision of the MOEF. Further, on February 9, 2011, the Supreme Court has referred the matter to a bench of three judges, to be heard as early as possible. The matter is pending for final disposal.

NOTES forming part of consolidated financial statements**NOTE 31 : OTHER NOTES**

- A. In our opinion, all current assets appearing in the balance sheet as at March 31, 2012 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.
- B. Balance of trade receivable, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.
- C. The Group is primarily 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 are included under the head 'Work in progress' or 'Plots of land' as part of 'Current assets'.
- D. The Group's normal operating cycle in respect of operations relating to under construction real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and hospitality business is based on 12 months period. Assets and liabilities have been classified into current and non-current based on the operating cycle of respective businesses.
- E. The accounts of Oasis Realty (a joint venture entity) have been consolidated based on unaudited management accounts.
- F. Figures have been rounded off to the nearest thousand.

NOTE 32 : PREVIOUS YEAR FIGURES

Till the year ended March 31, 2011, the Group was following pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Group. The Group has reclassified / re-grouped the previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in financial statements, particularly presentation of balance sheet.

As per our report of even date

For and on behalf of the Board of Directors

For P. RAJ & CO.**Chartered Accountants**

Firm Registration No. 108310W

Vikas Oberoi
Chairman & Managing DirectorBindu Oberoi
DirectorT. P. Ostwal
Director**P. S. Shah**

Partner

Membership No.44611

Mumbai, April 25, 2012

Saumil Daru
Chief Financial OfficerBhaskar Kshirsagar
Company Secretary

FINANCIAL STATEMENTS STANDALONE

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AUDITOR'S REPORT

To the Members of Oberoi Realty Limited

We have audited the attached Balance Sheet of Oberoi Realty Limited as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow statement for the year ended on that date annexed thereto and significant accounting policies and other explanatory information.

Management is responsible for the presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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.

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, the Statement of Profit and Loss 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, the Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2012 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, 2012;
 - b) in the case of Statement of Profit and Loss 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
Firm Registration No. 108310W

P. S. Shah
Partner
Membership No.44611
Mumbai, April 25, 2012

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 account.

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) The Company has granted interest free loan to seven entities covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 31,631.24 Lakh and the year-end balance of such loan amounted to ₹ 12,430.55 Lakh.

Other terms and conditions of such loans are prima facie not prejudicial to the interest 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 loans, secured or unsecured 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- 9) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues 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, 2012, there are no undisputed dues payable for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no material dues of provident fund, service tax, wealth tax, custom duty, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax and Municipal tax have not been deposited by the Company on account of disputes.

Nature of Statute	Nature of the Dues	₹ in Lakh	Financial Year to which the amount relates	Forum where dispute is pending
Income Tax	Disallowance of Expenses claimed / Additions made to Taxable Income	66.23	2001-02	ITAT
Income Tax	Additions made to Taxable Income	78.60	2002-03	ITAT
Income Tax	Additions made to Taxable Income	414.28	2003-04	ITAT
Income Tax	Additions made to Taxable Income	224.07	2004-05	ITAT
Municipal Taxes	Municipal Taxes	4.81	2005-06	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Income Tax	Additions made to Taxable Income	231.12	2006-07	ITAT
Income Tax	Disallowance of Expenses Claimed	41.09	2008-09	The Commissioner of Income Tax (Appeals)

- 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 Management has disclosed the end use of money raised by public issue at Note 32. 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
 Firm Registration No. 108310W

P. S. Shah
 Partner
 Membership No.44611
 Mumbai, April 25, 2012

BALANCE SHEET

		(₹ in Lakh)	
AS AT MARCH 31,	Note	2012	2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	32,823.33	36,413.33
Reserves and surplus	3	1,91,682.93	1,69,696.62
		2,24,506.26	2,06,109.95
Non-current liabilities			
Deferred tax liabilities	4	654.83	(159.44)
Trade payables	5	93.39	55.27
Other long-term liabilities	6	2,813.32	3,822.89
Long-term provisions	7	81.81	80.45
		3,643.35	3,799.17
Current liabilities			
Trade payables	5	1,777.63	1,923.92
Other current liabilities	8	72,425.53	36,745.95
Short-term provisions	7	7,731.35	3,987.92
		81,934.51	42,657.79
Total		3,10,084.12	2,52,566.91
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	55,405.27	55,922.66
Intangible assets	9	316.48	345.12
Capital work in progress		28,009.32	15,037.83
Non-current investments	10	34,879.57	3,289.99
Long-term loans and advances	11	27,497.28	4,759.66
Other non-current assets	12	29.28	210.07
		1,46,137.20	79,565.33
Current assets			
Current investments	13	2,800.00	6,500.00
Inventories	14	40,260.39	27,209.36
Trade receivables	15	2,910.69	1,882.33
Cash and bank balances	16	1,05,150.09	1,14,066.85
Short-term loans and advances	11	11,547.23	22,157.09
Other current assets	12	1,278.52	1,185.95
		1,63,946.92	1,73,001.58
Total		3,10,084.12	2,52,566.91
Significant accounting policies	1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For P. RAJ & CO.

Chartered Accountants

Firm Registration No. 108310W

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

T. P. Ostwal
Director

P. S. Shah

Partner

Membership No.44611
Mumbai, April 25, 2012

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

STATEMENT OF PROFIT AND LOSS

		(₹ in Lakh)	
FOR THE YEAR ENDED MARCH 31,	Note	2012	2011
INCOME			
Revenue from operations	17	39,138.75	38,982.48
Other income	18	15,886.56	4,969.64
Total revenue	(A)	55,025.31	43,952.12
EXPENSES			
Operating costs	19	14,097.08	13,907.50
Employee benefits expense	20	3,035.66	2,467.15
Other expenses	21	1,304.03	1,256.99
Total expenses	(B)	18,436.77	17,631.64
Profit before interest, depreciation, amortisation and taxes (EBITDA)	(A - B)	36,588.54	26,320.48
Depreciation and amortisation	22	2,234.87	1,844.64
Interest and finance charges	23	26.33	19.02
Profit before prior period items, extra-ordinary items and taxes		34,327.34	24,456.82
Prior period income / (expenses)		(42.73)	49.39
Profit before tax		34,284.61	24,506.21
Tax expense			
Current tax		7,976.89	6,306.00
Deferred tax		814.27	1,110.96
Excess provision of tax in earlier years		-	32.68
Profit after tax		25,493.45	17,056.57
Earnings per equity share (face value of ₹ 10)	24		
a) Basic (in ₹)		7.77	5.59
b) Diluted (in ₹)		7.77	5.59
Significant accounting policies	1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For P. RAJ & CO.**Chartered Accountants**

Firm Registration No. 108310W

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

T. P. Ostwal
Director

P. S. Shah

Partner

Membership No.44611

Mumbai, April 25, 2012

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

CASH FLOW STATEMENT

		(₹ in Lakh)	
FOR THE YEAR ENDED MARCH 31,		2012	2011
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit before prior period items, extra-ordinary items and taxes as per statement of profit and loss		34,327.34	24,456.82
Adjustments for			
Depreciation and amortisation		2,234.87	1,844.64
Depreciation and amortisation - prior period / allocated to projects		-	6.25
Interest income		(8,330.30)	(3,492.84)
Interest and finance charges		0.02	1.71
Dividend income		(5,291.29)	(1,455.00)
Loss / (profit) on sale of mutual fund units (net)		(0.46)	(0.16)
Loss / (profit) on sale of investments (net)		(2,126.70)	-
Loss / (profit) from foreign exchange fluctuation (net)		224.26	5.18
Loss / (profit) on sale / discarding of fixed assets		1.38	16.93
Sundry balances written off / (back)		(7.76)	-
Prior period (expense) / income		(42.73)	49.39
Operating profit before working capital changes		20,988.63	21,432.92
Add / (less): Adjustments for change in working capital			
Increase / (decrease) in trade payables		(1,256.34)	1,268.65
Increase / (decrease) in other liabilities		34,669.41	11,547.99
Increase / (decrease) in provisions		(70.02)	118.85
(Increase) / decrease in loans and advances		(19,121.62)	3,291.26
(Increase) / decrease in trade receivables		(1,028.37)	(176.90)
(Increase) / decrease in inventories		(13,051.03)	(6,350.20)
Cash generated from operations		21,130.66	31,132.57
Direct taxes paid		(7,331.82)	(5,667.89)
Net cash inflow / (outflow) from operating activities (A)		13,798.84	25,464.68
CASH FLOW FROM INVESTING ACTIVITIES :			
(Acquisition) / sale of fixed assets / capital work in progress (net)		(16,364.67)	(12,693.43)
Interest received		8,418.51	2,320.68
Dividend received		5,291.29	1,455.00
Decrease / (increase) loans and advances to subsidiaries / joint ventures (net)		8,983.44	(3,886.13)
(Acquisition) / sale of investments (net)		(32,262.42)	(29.93)
(Increase) / decrease in other assets		(10,734.19)	95.93
Net cash inflow / (outflow) from investing activities (B)		(36,668.04)	(12,737.88)

CASH FLOW STATEMENT

	(₹ in Lakh)	
FOR THE YEAR ENDED MARCH 31,	2012	2011
CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in equity share capital (including share premium)	-	1,02,861.20
Increase / (decrease) in preference share capital	(0.00)	-
Share issue expenses	-	(3,687.91)
Interest paid	(0.02)	(1.71)
Dividend paid (including dividend distribution tax)	(3,282.03)	(626.02)
Net cash inflow / (outflow) from financing activities (C)	(3,282.05)	98,545.56
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(26,151.25)	1,11,272.36
Add: cash and cash equivalents at the beginning of the year	1,16,925.01	5,652.65
Cash and cash equivalents at the end of the year	90,773.76	1,16,925.01
Components of cash and cash equivalents as at March 31,	2012	2011
Cash on hand	17.65	23.43
Balance with banks in current accounts	2,315.31	1,122.92
Fixed deposits with banks, having original maturity of three months or less	88,440.80	1,09,278.66
Cash and cash equivalents (as per note 16)	90,773.76	1,10,425.01
Add: short term liquid investments	-	6,500.00
Cash and cash equivalents at the end of the year	90,773.76	1,16,925.01
Reconciliation statement of cash and bank balances as at March 31,	2012	2011
Cash and cash equivalents at the end of the year as per above	90,773.76	1,16,925.01
Add: Balance with bank in unpaid dividend accounts	0.30	-
Add: Fixed deposit with banks, having original maturity for more than three months but less than twelve months	10,747.28	68.62
Add: Fixed deposits with banks (lien marked)	3,628.75	3,573.22
Less: Short term liquid investments	-	(6,500.00)
Cash and bank balance as per balance sheet	1,05,150.09	1,14,066.85
Significant accounting policies (refer note 1)		
The accompanying notes form an integral part of the financial statements		

As per our report of even date

For P. RAJ & CO.**Chartered Accountants**

Firm Registration No. 108310W

P. S. Shah

Partner

Membership No.44611

Mumbai, April 25, 2012

Vikas Oberoi
Chairman & Managing Director

For and on behalf of the Board of Directors

Bindu Oberoi
DirectorT. P. Ostwal
DirectorSaumil Daru
Chief Financial OfficerBhaskar Kshirsagar
Company Secretary

NOTES forming part of financial statements

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.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory 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. Changes in presentation and disclosures of financial statements

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable, for preparation and presentation of financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in financial statements. The Company has also reclassified the previous year figures in accordance with the requirements to conform to current year's classification, wherever necessary.

C. 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.

D. Tangible assets, intangible assets and capital work in progress

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

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

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

Borrowing costs relating to acquisition / construction / development of tangible assets, intangible assets and capital work in progress 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.

E. Depreciation and 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 life 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

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

NOTES forming part of financial statements

(b) Assets individually costing less than or equal to ₹ 0.05 lakh 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. Amortisation method, useful life and residual value are reviewed periodically.

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

F. Impairment of tangible / intangible assets

The carrying amount of tangible assets / intangible 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. Long term investments are stated at cost less permanent diminution in value, if any. Current investments are stated at the lower of cost or market value.

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 and stock in trade of 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 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.

J. 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 stage of percentage of project completion.

Revenue is recognised on execution of either an agreement or a letter of allotment.

NOTES forming part of financial statements

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 statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease 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 income is accounted on accrual basis, except interest on delayed payment by debtors which is accounted on acceptance of the Company's claim.

K. Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency (Indian rupee) 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 statement of profit and loss. 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 the Company is the lessee

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

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 statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

Initial direct costs are recognised immediately in the statement of profit and loss.

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 on the balance sheet date.

iii) Deferred tax assets arising on the temporary timing differences are recognised only if there is reasonable certainty of realisation.

NOTES forming part of financial statements

- 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.

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
- The Company has a present obligation as a result of a past event;
 - It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - A reliable estimate can be made of the amount of the obligation
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources.
- 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 statement of profit and loss.

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 statement of profit and loss. The actuarial valuation is performed using the projected unit credit method.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

iii) Other employee benefits

Leave encashment is recognised as an expense in the statement of profit and loss 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 statement of profit and loss.

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 financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 2 : SHARE CAPITAL		
Authorised share capital		
37,85,00,000 (37,85,00,000) equity shares of ₹ 10 (Rupees ten only) each	37,850.00	37,850.00
465 (465) redeemable non-convertible cumulative preference shares of ₹10,00,000 (Rupees ten Lakh only) each	4,650.00	4,650.00
	42,500.00	42,500.00
Issued, subscribed and paid up share capital		
32,82,33,262 (32,82,33,262) equity shares of ₹ 10 (Rupees ten only) each fully paid up (above equity shares includes 28,60,70,620 equity shares issued and allotted as fully paid bonus shares during immediately preceding five years from the reporting date)	32,823.33	32,823.33
Nil (359) redeemable non-convertible cumulative preference shares of ₹ 10,00,000 (Rupees ten Lakh only) each fully paid up	-	3,590.00
	32,823.33	36,413.33

A. Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares

	2012		2011	
	in No.	₹ in Lakh	in No.	₹ in Lakh
At the beginning of the year	32,82,33,262	32,823.33	28,86,71,262	28,867.13
Add: Issue of fresh shares	-	-	3,95,62,000	3,956.20
At the end of the year	32,82,33,262	32,823.33	32,82,33,262	32,823.33

Redeemable non-convertible cumulative preference shares

	2012		2011	
	in No.	₹ in Lakh	in No.	₹ in Lakh
At the beginning of the year	359	3,590.00	359	3,590.00
Less: Redemption during the year (refer note C below)	(359)	(3,590.00)	-	-
At the end of the year	-	-	359	3,590.00

B. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each equity share is entitled to one vote. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognised as proposed for distribution to equity shareholders was ₹ 2 (₹ 1), which is subject to approval of shareholders in Annual General Meeting.

C. Redemption of redeemable non-convertible cumulative preference shares

During the year, the Company has redeemed all 359 redeemable non-convertible cumulative preference shares of ₹ 10,00,000 each aggregating to ₹ 35,90,00,000 for an amount of ₹ 1 and balance ₹ 35,89,99,999 has been transferred to capital reserve.

NOTES forming part of financial statements**D. Details of shareholders holding more than 5% shares in the Company****Equity shares**

	2012		2011	
	in No.	% holding	in No.	% holding
i) Vikas Oberoi	22,43,13,573	68.34%	22,43,13,573	68.34%
ii) R S Estate Developers Private Limited	3,33,00,000	10.15%	3,33,00,000	10.15%
iii) SSIII Indian Investments Two Limited	3,10,55,247	9.46%	3,10,55,247	9.46%

Redeemable non-convertible cumulative preference shares

	2012		2011	
	in No.	% holding	in No.	% holding
SSIII Indian Investments Two Limited	-	-	359	100%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

E. Shares reserved for issue under options

The Company instituted an Employees Stock Option Scheme ('ESOP 2009') pursuant to the Board and Shareholders' resolution dated December 04, 2009. As per ESOP 2009, the Company is authorised to grant 14,43,356 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The employee will have the option to exercise the right within three years from the date of vesting of options. Under ESOP 2009, 13,49,553 options have been granted.

The following information relates to the Employee Stock Options as on March 31, 2012 :

	Number of options	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average contractual life of options as on the date of grant (years)
Outstanding at the beginning of the year	12,20,387	260	260	4.20
Less: Lapsed / forfeited / cancelled during the year	94,151	-	-	-
Outstanding at the end of the year	11,26,236	260	260	4.20
Exercisable at the end of the year	2,25,913	260	260	4.20

The employee share based payments have been accounted using the intrinsic value method measured by a difference between the market price of the underlying equity shares as at the date of grant and the exercise price. Since the market price of the underlying equity shares on the grant date is same as exercise price of the option, the intrinsic value of option is determined as Nil. Hence no compensation expense has been recognised. Under the fair value method, the basic and diluted EPS would have been lower by ₹ 0.11.

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 3 : RESERVES AND SURPLUS		
General reserves		
Opening balance	1,750.32	1,323.32
Add: transferred during the year	2,550.00	427.00
	4,300.32	1,750.32
Capital redemption reserve		
Opening balance	2,120.00	2,120.00
Add: created during the year	3,590.00	-
	5,710.00	2,120.00
Capital reserve		
Opening balance	-	-
Add: addition during the year	3,590.00	-
	3,590.00	-
Securities premium account		
Opening balance	1,35,132.61	38,717.31
Add: receipt during the year	-	98,905.00
Less: share issue expenses (net of tax benefit of ₹ Nil (₹ 1,198.21 Lakh))	-	2,489.70
	1,35,132.61	1,35,132.61
Surplus in statement of profit and loss		
Opening balance	30,693.69	17,781.69
Add: profit during the year as per statement of profit and loss	25,493.45	17,056.57
Less: Appropriations		
Transfer to capital redemption reserve	3,590.00	-
Transfer to general reserve	2,550.00	427.00
Proposed dividend, dividend distribution tax and credit availed (refer note 25)	7,097.14	3,717.57
	42,950.00	30,693.69
	1,91,682.93	1,69,696.62

	(₹ in Lakh)	
	2012	2011
NOTE 4 : DEFERRED TAX LIABILITIES		
Deferred tax liabilities		
On depreciation	1,483.94	879.82
On others	-	54.24
Deferred tax assets		
Share issue expenses	766.28	1,029.77
On other expenses	62.83	63.73
Deferred tax liabilities (net)	654.83	(159.44)

NOTES forming part of financial statements

(₹ in Lakh)				
	Non-current portion		Current portion	
	2012	2011	2012	2011
NOTE 5 : TRADE PAYABLES				
Trade payables (refer note. 35)	93.39	55.27	1,777.63	1,923.92
	93.39	55.27	1,777.63	1,923.92

(₹ in Lakh)		
	2012	2011
NOTE 6 : OTHER LONG-TERM LIABILITIES		
Trade deposits	2,813.32	3,822.89
	2,813.32	3,822.89

(₹ in Lakh)				
	Long term (non-current)		Short term (current)	
	2012	2011	2012	2011
NOTE 7 : PROVISIONS				
Provision for employee benefits				
Provision for gratuity (refer note 26)	3.03	3.04	73.49	160.91
Provision for leave salary (refer note 26)	78.78	77.41	28.24	12.20
	81.81	80.45	101.73	173.11
Others				
Proposed equity dividend	-	-	6,564.67	3,282.33
Provision for dividend distribution tax	-	-	1,064.95	532.48
	-	-	7,629.62	3,814.81
	81.81	80.45	7,731.35	3,987.92

(₹ in Lakh)		
	2012	2011
NOTE 8 : OTHER CURRENT LIABILITIES		
Advances from customers / billing in excess of revenue	64,230.95	31,456.80
Unclaimed dividend	0.30	-
Trade deposits	4,838.12	3,267.01
Other payables	3,356.16	2,022.14
	72,425.53	36,745.95

NOTES forming part of financial statements

Particulars	Gross block				Accumulated depreciation and amortisation			Net block	
	As at 01-04-2011	Additions	Deductions	As at 31-03-2012	As at 01-04-2011	For the year	Deductions	As at 31-03-2012	As at 31-03-2011
	₹ in Lakh								
NOTE 9 : FIXED ASSETS									
A. Tangible assets									
Land - freehold	7,513.81	-	-	7,513.81	-	-	-	7,513.81	7,513.81
Buildings	32,498.59	410.83	-	32,909.42	663.89	539.52	-	1,203.41	31,706.01
Electrical installations	2,440.84	75.92	-	2,516.76	125.51	117.71	-	243.22	2,273.54
Furniture and fixtures	4,578.62	694.07	-	5,272.69	488.53	458.13	-	946.66	4,326.03
Office equipments	671.14	33.48	6.12	698.50	66.80	45.96	2.88	109.88	588.62
Plant and machinery	9,889.86	156.65	-	10,046.51	840.81	714.48	-	1,555.29	8,491.22
Computer	467.09	102.01	-	569.10	206.09	140.16	-	346.25	222.85
Vehicle	435.74	109.71	17.28	528.17	181.40	73.89	10.31	244.98	283.19
Total tangible assets	58,495.69	1,582.67	23.40	60,054.96	2,573.03	2,089.85	13.19	4,649.69	55,405.27
Previous year	16,676.74	41,949.58	130.63	58,495.69	889.24	1,778.00	94.21	2,573.03	55,922.66
B. Intangible assets									
Computer softwares	425.20	116.38	-	541.58	80.08	145.02	-	225.10	316.48
Total intangible assets	425.20	116.38	-	541.58	80.08	145.02	-	225.10	316.48
Previous year	30.54	394.66	-	425.20	7.19	72.89	-	80.08	345.12
Total assets (A+B)	58,921.89	1,699.05	23.40	60,596.54	2,653.11	2,234.87	13.19	4,874.79	55,721.75
Previous year	16,707.28	42,344.24	130.63	58,920.89	896.43	1,850.89*	94.21	2,653.11	56,267.78

Note :

*Refer note no. 22, for depreciation and amortisation capitalised / allocated to project.

Assets given on operating lease

The Company has entered into commercial property leases, consisting of the buildings, plant and machinery, furnitures and fixtures and other equipments, the details of which are as under. Leases include a clause to enable revision of the rental charges from time to time.

Class of Assets: Commercial Premises	₹ in Lakh	
	2012	2011
Gross block	19,200.50	19,070.75
Accumulated depreciation	1,434.84	904.39
Depreciation for the year	530.44	408.55
Future minimum lease payments receivables under non-cancellable operating lease		
Not later than one year	3,686.75	3,532.03
Later than one year and not later than five years	1,170.02	3,203.49
Later than five years	-	30.95
Lease income recognised during the year in statement of profit and loss	5,074.10	4,738.93

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 10 : NON-CURRENT INVESTMENTS		
Long term - trade investments (valued at cost unless stated otherwise)		
Unquoted equity and preference shares		
A. Investment in subsidiaries		
90,000 (10,000) equity shares of ₹10 each fully paid up of Oberoi Mall Limited	9.00	1.00
51,00,000 (51,00,000) equity shares of ₹10 each fully paid up of Oberoi Constructions Limited	3,253.14	3,253.14
3,10,000 (3,10,000) equity shares of ₹10 each fully paid up of Kingston Hospitality and Developers Private Limited	31.00	31.00
90,000 (10,000) equity shares of ₹10 each fully paid up of Expressions Realty Private Limited	9.00	1.00
90,000 (10,000) equity shares of ₹10 each fully paid up of Kingston Property Services Limited	9.00	1.00
Nil (10,000) equity shares of ₹10 each fully paid up of Triumph Realty Private Limited	-	1.00
Capital in Astir Realty LLP	0.10	-
B. Investment in joint ventures		
9,500 (9,500) equity shares of ₹10 each fully paid up of Sangam City Township Private Limited	0.95	0.95
5,00,000 (Nil) equity shares of ₹10 each fully paid up of I-Ven Realty Limited	25,501.29	-
3,62,500 (Nil) 1% non cumulative non convertible Preference Shares of ₹10 each fully paid up of I-Ven Realty Limited	2,500.13	-
Unquoted debt instruments in joint venture		
10,10,000 (Nil) 0% optionally convertible debenture 2011-Series-3 of ₹100 each fully paid up of I-Ven Realty Limited	1,010.00	-
3,75,000 (Nil) 0% optionally convertible debenture 2011-Series-4 of ₹100 each fully paid up of I-Ven Realty Limited	375.00	-
6,10,000 (Nil) 0% optionally convertible debenture 2011-Series-5 of ₹100 each fully paid up of I-Ven Realty Limited	610.00	-
3,80,000 (Nil) 0% optionally convertible debenture 2012-Series-1 of ₹100 each fully paid up of I-Ven Realty Limited	380.00	-
3,10,000 (Nil) 0% optionally convertible debenture 2012-Series-2 of ₹100 each fully paid up of I-Ven Realty limited	310.00	-
1,75,000 (Nil) 0% optionally convertible debenture 2012-Series-3 of ₹100 each fully paid up of I-Ven Realty Limited	175.00	-
3,55,000 (Nil) 0% optionally convertible debenture 2012-Series-4 of ₹100 each fully paid up of I-Ven Realty Limited	355.00	-
3,50,000 (Nil) 0% optionally convertible debenture 2012-Series-5 of ₹100 each fully paid up of I-Ven Realty Limited	350.00	-
Investments in government securities		
National savings certificate (in the name of employee of the Company)	0.96	0.90
	34,879.57	3,289.99
Aggregate of		
Book value of unquoted investments	34,879.57	3,289.99

NOTES forming part of financial statements

(₹ in Lakh)				
	Long term (non-current)		Short term (current)	
	2012	2011	2012	2011
NOTE 11 : LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)				
Capital advances	2,701.30	66.64	-	-
Advances to vendors	63.00	14.16	8,156.55	2,003.48
Deposits	12,594.23	89.83	51.13	368.57
Advances recoverable in cash or kind	1,000.00	119.40	527.59	745.59
Loans and advances to related parties (refer note 34)	11,132.50	4,465.00	1,298.05	16,948.99
	27,491.03	4,755.03	10,033.32	20,066.63
Other loans and advances				
Income tax (net of provisions)	-	-	1,280.72	1,925.79
Prepaid expenses	6.25	4.63	231.69	154.71
Loans to employees	-	-	1.50	9.96
	6.25	4.63	1,513.91	2,090.46
	27,497.28	4,759.66	11,547.23	22,157.09
Loans and advances due by directors or other officers, etc.				
Advances to related parties include				
Due from the private limited companies in which Company's director is a director	4,640.00	4,465.00	-	-

(₹ in Lakh)				
	Non-current portion		Current portion	
	2012	2011	2012	2011
NOTE 12 : OTHER ASSETS				
Interest accrued but not due	29.28	210.07	1,278.52	1,185.95
	29.28	210.07	1,278.52	1,185.95

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 13 : CURRENT INVESTMENTS		
Current portion of long-term trade investments (valued at cost unless otherwise stated)		
Unquoted debt instruments		
20,00,000 (Nil) 0% optionally convertible debenture 2011-Series-1 of ₹100 each fully paid up of I-Ven Realty Limited	2,000.00	-
8,00,000 (Nil) 0% optionally convertible debenture 2011-Series-2 of ₹100 each fully paid up of I-Ven Realty Limited	800.00	-
Current investments (valued at lower of cost and market value, unless stated otherwise)		
Quoted, trade investments in units of mutual funds		
Nil (2,50,00,000) units of ₹10 each of Birla Sun Life Short Term FMP Series 7	-	2,500.00
Nil (2,50,00,000) units of ₹10 each of DSP BlackRock FMP 3M Series 29	-	2,500.00
Nil (1,00,00,000) units of ₹10 each of Birla Sun Life Short Term FMP Series 8	-	1,000.00
Nil (50,00,000) units of ₹10 each of SBI Debt Fund Series 90 days 40	-	500.00
	2,800.00	6,500.00
Aggregate of		
Book value of quoted investments	-	6,500.00
Market value of quoted investments	-	6,539.22
Book value of unquoted investments	2,800.00	-

	(₹ in Lakh)	
	2012	2011
NOTE 14 : INVENTORIES (AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)		
Plots of land	378.49	378.49
Works in progress	38,808.48	25,051.97
Finished goods	913.47	1,620.93
Food and beverages etc.	107.66	105.68
Others (including transferrable development rights)	52.29	52.29
	40,260.39	27,209.36

	(₹ in Lakh)	
	2012	2011
NOTE 15 : TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)		
Outstanding for a period exceeding six months from the date of becoming due for payment	890.54	45.00
Other receivables	2,020.15	1,837.33
	2,910.69	1,882.33

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 16 : CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	17.65	23.43
Balance with banks in current accounts	2,315.31	1,122.92
Fixed deposits with banks, having original maturity of three months or less	88,440.80	1,09,278.66
	90,773.76	1,10,425.01
Other bank balances		
Balance with bank in unpaid dividend account	0.30	-
Fixed deposit with banks, having original maturity of more than three months but less than twelve months	10,747.28	68.62
Fixed deposits with banks (lien marked)	3,628.75	3,573.22
	14,376.33	3,641.84
	1,05,150.09	1,14,066.85

	(₹ in Lakh)	
	2012	2011
NOTE 17 : REVENUE FROM OPERATIONS		
Revenue from operations		
Revenue from projects	24,787.26	26,973.22
Revenue from hospitality	8,973.00	6,714.08
Rental and other related revenues	5,208.50	4,862.21
Other operating revenue	169.99	432.97
	39,138.75	38,982.48

	(₹ in Lakh)	
	2012	2011
NOTE 18 : OTHER INCOME		
Interest income on		
Bank fixed deposits	8,330.24	3,492.75
Others	70.45	0.09
Dividend income on		
Investments in subsidiaries	3,282.50	511.00
Other investments	2,008.79	944.00
Profit on sale of shares	2,126.70	-
Profit on sale of mutual fund units (net)	0.46	0.16
Other non-operating income	67.42	21.64
	15,886.56	4,969.64

NOTES forming part of financial statements

		(₹ in Lakh)	
		2012	2011
NOTE 19 : OPERATING COSTS			
Opening balance of works in progress		25,051.97	20,201.66
Opening stock of finished goods		1,620.93	91.21
Opening stock of food and beverages etc.		105.68	135.50
	(A)	26,778.58	20,428.37
Add: expenses incurred during the year			
Land, development rights and transferrable development rights		-	5,245.56
Materials and structural cost		1,240.56	152.36
Contract and labour expenses		14,162.16	7,013.61
Other project cost		1,180.52	692.93
Rates and taxes		3,373.39	4,519.32
Professional charges		1,049.23	498.07
Food, beverages and hotel expenses		3,586.36	2,914.89
Allocated expenses to projects			
Employee benefits expense		3,432.94	2,532.92
Other expenses		683.48	901.87
Interest and finance charges		0.33	4.03
	(B)	28,708.97	24,475.56
Less:			
Closing balance of works in progress		38,808.48	25,051.97
Closing stock of finished goods		913.47	1,620.93
Closing stock of food and beverages etc.		107.66	105.68
Capitalised during the year		1,260.86	3,917.85
Recovery of overheads		300.00	300.00
	(C)	41,390.47	30,996.43
	(A+B-C)	14,097.08	13,907.50
		(₹ in Lakh)	
		2012	2011
NOTE 20 : EMPLOYEE BENEFITS EXPENSE			
Employee costs		5,958.28	4,474.43
Contribution to provident fund, gratuity and others		254.04	344.25
Staff welfare expenses		256.28	181.39
		6,468.60	5,000.07
Less: allocated to projects / capitalised		3,432.94	2,532.92
		3,035.66	2,467.15

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 21 : OTHER EXPENSES		
Advertising and marketing expenses	506.53	934.49
Books and periodicals expenses	19.82	6.67
Communication expenses	93.98	79.19
Conveyance and travelling expenses	100.42	106.60
Directors sitting fees and commission	44.45	26.60
Donations	8.72	12.45
Electricity charges	49.65	63.78
Hire charges	2.62	5.30
Information technology expenses	21.67	22.69
Insurance charges	90.99	77.47
Legal and professional charges	38.23	48.37
Loss on foreign exchange fluctuation (net)	237.20	4.47
Loss on sale/ discarding of fixed assets	1.38	16.93
Membership and subscription charges	18.17	5.04
Miscellaneous expenses	7.14	13.13
Payment to auditor	45.21	44.21
Printing and stationery expenses	117.64	105.02
Rent expenses	23.14	26.12
Repairs and maintenance		
Building	45.11	64.08
Plant and machinery	146.67	102.81
Others	202.74	255.52
Security service charges	30.86	47.80
Transportation charges	0.41	0.77
Vehicle expenses	134.76	89.35
	1,987.51	2,158.86
Less: allocated to projects / capitalised	683.48	901.87
	1,304.03	1,256.99
Payment to auditor (including service tax)		
As auditor		
Statutory audit fees	30.73	30.32
Tax audit fees	5.62	5.52
In other capacity		
Taxation matters	5.62	5.52
IPO related fees	-	55.15
Other services	3.14	2.51
Out of pocket expenses	0.10	0.34
	45.21	99.36
Less: adjusted against security premium account	-	55.15
	45.21	44.21

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 22 : DEPRECIATION AND AMORTISATION		
Depreciation on tangible assets	2,089.85	1,778.00
Amortisation of intangible assets	145.02	72.89
	2,234.87	1,850.89
Less: allocated to projects / capitalised	-	6.25
	2,234.87	1,844.64

	(₹ in Lakh)	
	2012	2011
NOTE 23 : INTEREST AND FINANCE CHARGES		
Interest expenses	0.02	1.71
Bank and finance charges	26.64	21.34
	26.66	23.05
Less: allocated to projects / capitalised	0.33	4.03
	26.33	19.02

	(₹ in Lakh)	
	2012	2011
NOTE 24 : EARNINGS PER SHARE (EPS)		
Profit after tax as per statement of profit and loss	25,493.45	17,056.57
Less : Dividend on preference shares (including tax thereon)	-	(0.00)
Add: Reversal of excess provision of dividend on preference shares in earlier year (including tax thereon)	-	97.23
Net profit after tax available to equity share holders	25,493.45	17,153.81
Weighted average number of equity shares for basic EPS (in No.)	32,82,33,262	30,68,80,621
Add: Weighted average potential equity shares on grant of option under ESOP (in No.)	- #	- #
Weighted average number of equity shares for diluted EPS (in No.)	32,82,33,262	30,68,80,621
Face value of equity share (₹)	10.00	10.00
Basic earnings per share (₹)	7.77	5.59
Diluted earnings per share (₹)	7.77	5.59

Anti-dilutive

	(₹ in Lakh)	
	2012	2011
NOTE 25 : PROPOSED DIVIDEND AND DIVIDEND DISTRIBUTION TAX		
Proposed dividend		
Equity shares (proposed)	6,564.67	3,282.33
Preference shares (paid)	-	0.00
Preference shares (proposed)	-	0.00
Reversal of excess provision of preference dividend in previous year	-	(83.11)
	6,564.67	3,199.22
Dividend distribution tax		
Equity shares	1,064.95	532.47
Preference shares	-	0.00
Reversal of excess provision of tax on preference dividend in previous year	-	(14.12)
Credit availed on dividend from subsidiaries	(532.48)	-
	532.47	518.35
	7,097.14	3,717.57

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 26 : EMPLOYEE BENEFITS		
A. Defined contribution plans		
Employer's contribution to provident fund*	245.74	176.95
Employer's contribution to pension fund	25.39	20.56
Employer's contribution to ESIC*	11.71	11.06
Labour welfare fund contribution for workmen	0.32	0.26

Note:

* Employer's contribution to provident fund amounting to ₹ Nil (₹ 6.05 Lakh) and employer's contribution to ESIC amounting to ₹ Nil (₹ 0.07 Lakh) pertaining to hospitality operations has been debited to pre-operative expenditure.

	(₹ in Lakh)			
	Gratuity		Leave encashment	
	2012	2011	2012	2011
B. Defined benefit plans				
i) Change in present value of obligations				
Present value obligation at the beginning of the year	228.57	86.20	89.61	88.55
Interest cost	18.08	6.80	6.21	6.40
Service cost	84.30	92.97	152.70	170.25
Benefit paid	(5.19)	(2.40)	(23.94)	(17.14)
Actuarial (gains) / losses	(137.46)	45.00	(117.56)	(158.45)
Present value obligation at the end of the year	188.30	228.57	107.02	89.61
ii) Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	64.62	40.04	-	-
Equitable interest transfer out	(0.76)	-	-	-
Expected return on plan assets	8.02	4.51	-	-
Contribution	53.11	21.71	23.94	17.14
Benefit paid	(5.19)	(2.40)	(23.94)	(17.14)
Actuarial gains / (losses)	(8.02)	0.76	-	-
Closing balance of fair value of plan assets	111.78	64.62	-	-
iii) Experience history				
(Gains) / losses on obligation due to change in assumption	(120.13)	(24.51)	(27.49)	(47.96)
Experience (gains) / losses on obligation	(17.33)	69.52	(90.08)	(110.48)
Actuarial gains / (losses) on plan assets	(8.02)	0.76	-	-
iv) Amount recognised in the balance sheet				
Present value of obligation at the end of year	188.30	228.57	107.02	89.61
Fair value of plan assets at the end of the year	111.77	64.62	-	-
Funded status	(76.52)	(163.95)	(107.02)	(89.61)
Unrecognised past service cost - non vested benefits	0.00	0.00	-	-
Net assets / (liability) recognised in the balance sheet	(76.52)	(163.95)	(107.02)	(89.61)
v) Expense recognised in statement of profit and loss				
Current service cost	84.30	92.97	152.70	170.25
Interest cost	18.08	6.80	6.21	6.40
Expected return on plan assets	(8.02)	(4.51)	-	-
Unrecognised past service cost - non vested benefits	0.00	(0.00)	-	-
Net actuarial (gains) / losses recognised for the year	(129.44)	44.25	(117.56)	(158.45)
Expenses recognised in statement of profit and loss	(35.08)	139.51	41.35	18.20

NOTES forming part of financial statements

	(₹ in Lakh)			
	Gratuity		Leave encashment	
	2012	2011	2012	2011
vi) Movement in the liability recognised in balance sheet				
Opening net liability	163.95	46.15	89.61	88.55
Equitable interest transfer-out	0.76	-	-	-
Expenses as above	(35.08)	139.51	41.35	18.20
Contribution paid	(53.11)	(21.71)	(23.94)	(17.14)
Closing net liability	76.52	163.95	107.02	89.61
vii) Classification of defined benefit obligations				
Non-current portion	3.03	3.04	78.78	77.41
Current portion	73.49	160.91	28.24	12.20

	(₹ in Lakh)			
	Gratuity		Leave encashment	
	2012	2011	2012	2011
Actuarial assumptions :				
Interest / discount rate	8.65%	8.00%	8.65%	8.00%
Expected return on plan assets	9.15%	9.15%	-	-
Annual expected increase in salary cost	10.00%	15.00%	10.00%	15.00%

C. General description of significant defined plans**Gratuity plan**

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

Leave plan

Eligible employees can carry forward 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 as on March 31,

	2012	2011
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%

NOTES forming part of financial statements

	2012			2011		
	Real estate	Hospitality	Total	Real estate	Hospitality	Total
(₹ in Lakh)						
NOTE 27 : SEGMENT INFORMATION						
Segment revenue	30,149.35	9,056.82	39,206.17	32,196.12	6,808.00	39,004.12
Segment result	17,925.36	925.93	18,851.29	20,019.42	(274.71)	19,744.71
Unallocated income net of unallocated expenses			7,172.07			1,238.29
Operating profit			26,023.36			20,983.00
Less: Interest and finance charges			(26.33)			(19.02)
Add: Interest income			8,330.31			3,492.84
Profit before tax and prior period items			34,327.34			24,456.82
Add / (less) : Prior period items			(42.73)			49.39
Profit before tax			34,284.61			24,506.21
Provision for tax			(8,791.16)			(7,449.64)
Profit after tax			25,493.45			17,056.57
Other information						
Segment assets	1,36,526.66	31,817.35	1,68,344.01	94,527.58	32,616.32	1,27,143.90
Unallocated corporate assets ^(A)			1,41,740.11			1,25,423.01
Total assets			3,10,084.12			2,52,566.91
Segment liabilities	74,361.14	2,931.97	77,293.11	39,436.72	3,364.87	42,801.59
Unallocated corporate liabilities			8,284.75			3,655.37
Total liabilities			85,577.86			46,456.96
Capital expenditure for the year	13,876.63	75.09	13,951.72	9,886.49	1,334.83	11,221.32
Unallocated capital expenditure for the year			652.17			845.85
Depreciation for the year	541.59	1,386.84 (Note B)	1,928.43	414.58	1,242.57 (Note B)	1,657.15
Unallocated depreciation for the year	-	-	306.44	-	-	187.49

Notes:

- A. Unallocated assets includes unspent IPO proceeds and temporary surplus. Income earned on temporary investments of the same has been shown in "Unallocated income net of unallocated expenditure".
- B. Depreciation ₹ Nil (₹ 1.87 Lakh) pertaining to hospitality assets has been debited to pre-operative expenditure.

	2012		2011	
(₹ in Lakh)				
NOTE 28 : LEASES				
Assets taken on operating lease				
Future minimum lease payments under non-cancellable operating lease :				
Not later than one year		12.26		48.03
Later than one year and not later than five years		11.17		65.59
Later than five years		-		-
Lease payments recognised during the year in statement of profit and loss		24.08		70.76

NOTES forming part of financial statements

NOTE 29 : RELATED PARTY DISCLOSURES

A. Name of related parties and related party relationship

i) Related parties where control exists	
Subsidiaries	Oberoi Constructions Limited
	Oberoi Mall Limited
	Kingston Property Services Limited
	Kingston Hospitality and Developers Private Limited
	Triumph Realty Private Limited (till May 23, 2011)
	Expressions Realty Private Limited
ii) Related parties with whom transactions have taken place during the year	
Jointly controlled entities	Sangam City Township Private Limited
	Astir Realty LLP
	I-Ven Realty Limited (on and after September 29, 2011)
Joint venture of subsidiary	Oasis Realty (AOP)
Key management personnel and their relatives	Vikas Oberoi
	Ranvir Oberoi
	Santosh Oberoi
	Bindu Oberoi
	Gayatri Oberoi
Entities where key management personnel have significant influence	R. S. Estate Developers Private Limited
	Oberoi Foundation

B. Related party transactions

Relationship	Nature of transaction	(₹ in Lakh)	
		2012	2011
Subsidiaries	Loan given	4,239.56	13,864.94
	Rent received	13.24	13.24
	Reimbursement of expenses	186.58	220.83
	Dividend received	3,282.50	511.00
	Loan repayment received	19,890.50	10,220.20
	Recovery of expenses	32.50	3.47
	Transfer to project maintenance	-	22.58
	Profit sharing	22.43	18.93
	Purchase of material	21.28	-
	Subscription to shares	24.00	30.00
	Purchase of assets	-	74.86
	Service charges	330.90	330.90
	Sale of unit	401.91	-
	Rent paid	2.21	-
	Amount paid on behalf of by	0.33	0.37
Amount received on behalf of	8.27	1.39	
Joint venture of subsidiary	Corporate guarantee given	5,000.00	-
Jointly controlled entities	Advance given	6,723.20	240.00
	Advance refunded	55.50	-
	Capital contribution	0.10	-
	Subscription to debentures	6,365.00	-
	Advance received back	0.20	-

NOTES forming part of financial statements

		(₹ in Lakh)	
Relationship	Nature of transaction	2012	2011
Key management personnel	Remuneration	192.00	192.00
	Recovery of expenses	-	9.82
	Dividend paid	2,243.16	448.63
	Rent paid	4.80	8.40
Entities where key management personnel have significant influence	Dividend paid	333.00	66.60
	Recovery of expenses	3.10	3.33
	Reimbursement of expenses	-	1.47
	Rent income	719.35	314.67
	Amount received on behalf of	0.30	0.02
	Advance rent received	-	54.69

C. Closing balances of related parties

		(₹ in Lakh)	
Name and relationship	Nature of transaction	2012	2011
Subsidiaries	Loan given	1,298.05	16,948.99
	Recovery of expenses	19.10	36.49
	Profit sharing	21.65	-
Jointly controlled entities	Advance given	11,132.50	4,465.00
Joint venture of subsidiary	Capital contribution	0.10	-

		(₹ in Lakh)	
		2012	2011
NOTE 30 : CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND OTHER COMMITMENTS			
A. Summary details of contingent liabilities			
Letters of credit		316.48	-
Bank guarantees (gross)		2,563.78	3,282.23
Indemnity bonds given in favour of the government under Export Promotion Capital Goods Scheme (net of bank guarantees)		3,721.18	3,721.18
Legal cases against the Company not acknowledged as debts		200.15	1,540.00
Claims against the Company not acknowledged as debts		80.00	698.11
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
Service tax matters in dispute		85.88	85.88
Corporate guarantees given		5,000.00	-
Custom duty matters in dispute		44.00	-
Income-tax matters in dispute		1,077.54	232.85

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
B. Capital commitments		
Capital contracts (net of advances)	25,920.81	11,145.50
C. Other commitments		
Other commitments	1,884.67	-

- D. During the year, the Company has acquired 50% interest in I-Ven Realty Limited (JV) which holds a leasehold property at Worli, assigned to it in 2005. The Municipal Commissioner (MC) of the Municipal Corporation of Greater Mumbai (MCGM) has passed an order in 2009 revoking various permissions granted earlier by the MCGM and also invalidating the transfer of lease to the JV.

The assignor of the lease had filed a writ petition before the Bombay High Court against the MCGM and others (to which the JV has also been made a party) seeking among other things that the order passed in 2009 be set aside. Vide order dated 25th May, 2012, the Bombay High Court has quashed and set aside the order passed in 2009 by the MC.

The JV has also filed a writ before the Bombay High Court against the MCGM and others seeking among other things that the order passed in 2009 be quashed and set aside. The matter is pending.

It is not possible to ascertain the monetary liability on this account.

- E. The Maharashtra Chamber of Housing Industry (MCHI) had filed a writ petition in Bombay High Court challenging the levy of VAT w.e.f. June 20, 2006 under MVAT Act, 2002 on property under construction which has been recently dismissed by the High Court. Under the premises ownership agreement / letter of allotment entered into by the Company, such liability ultimately needs to be borne by the purchaser of the premises, for which the purchasers have created lien on bank deposits or has given bank guarantees / registered undertakings and / or adequately indemnified the Company and hence no provision has been made in the books.

	(₹ in Lakh)			
	Sangam City Township Private Limited		I-Ven Realty Limited*	Astir Realty LLP*
	2012	2011	2012	2012
NOTE 31 : INTEREST IN JOINT VENTURES				
Principal activity	Real estate development	Real estate development	Real estate development	Real estate development
Country of incorporation	India	India	India	India
Ownership interest	31.67%	31.67%	50.00%	10.00%
The Company's share of the assets and liabilities based on audited financial statements				
Equity and liabilities				
Share capital	0.95	0.95	88.75	-
Reserves and surplus	27.62	26.77	1,378.63	(0.04)
Partner's capital	-	-	-	0.10
Non-current liabilities	-	-	3,565.00	6,492.50
Current liabilities	4,380.24	4,246.51	4,354.63	0.04
	4,408.81	4,274.23	9,387.01	6,492.60
Assets				
Non-current assets	-	-	1.66	6,492.60
Current assets	4,408.81	4,274.23	9,385.35	0.00
	4,408.81	4,274.23	9,387.01	6,492.60

NOTES forming part of financial statements

	(₹ in Lakh)			
	Sangam City Township Private Limited	I-Ven Realty Limited*	Astir Realty LLP*	
The Company's share of the income and expenses based on audited financial statements				
Income	1.52	4.44	5.95	-
Less : Expenses	0.30	0.30	1.33	0.04
Profit / (loss) before tax	1.22	4.14	4.62	(0.04)
Less: Tax expense	0.38	1.34	0.01	-
Profit / (loss) after tax	0.84	2.80	4.61	(0.04)

* The Company acquired equity shares of I-Ven Realty Limited during the year on September 29, 2011 and Astir Realty LLP was incorporated during the current year on March 23, 2012. Therefore, previous year figures of both entities are not been provided.

	(₹ in Lakh)
	2012
NOTE 32 : DETAILS OF UTILIZATION OF PROCEEDS RAISED THROUGH INITIAL PUBLIC OFFERING ('IPO')	
The details of utilisation of funds received from IPO as of March 31, 2012 are as under :	
Amount received from IPO	1,02,861.20
Actual deployment of fund received from IPO	
Construction of projects	50,233.45
Acquisition of land and / or land development rights	36,260.00
General corporate purposes	4,397.73
Share issue expenses	4,060.53
Total deployment	94,951.71
Balance amount to be utilised	7,909.49
Interim utilisation of balance IPO proceeds	
Fixed deposits with banks	7,885.31
Balance with banks in current accounts	24.18
Total	7,909.49

Shareholders in the Annual General Meeting held on June 30, 2011 have passed the special resolution to vary and / or revise the utilisation proceeds from the Initial Public Offering ('IPO') of Equity Shares to utilise the proceeds of IPO including change in allocation for construction of ongoing projects, towards acquisition of land or land development rights and /or general corporate purposes, change in amount or schedule of deployment for the projects identified in the Prospectus, as the case may be.

	(in foreign currency)		(₹ in Lakh)	
	2012	2011	2012	2011
NOTE 33 : UNHEDGED FOREIGN CURRENCY EXPOSURE				
Payable in USD	30,646	-	15.73	-

NOTES forming part of financial statements

(₹ in Lakh)				
	2012		2011	
	Closing balance	Maximum amount due	Closing balance	Maximum amount due
NOTE 34 : LOANS AND ADVANCES GIVEN TO SUBSIDIARIES AND JOINT VENTURE ENTITIES				
Subsidiary companies				
Oberoi Constructions Limited	-	5,223.94	2,654.94	2,654.94
Oberoi Mall Limited	200.00	225.00	200.00	2,458.81
Kingston Hospitality and Developers Private Limited	1,098.05	10,096.80	10,046.55	10,076.55
Expressions Realty Private Limited	-	850.00	-	6.00
Triumph Realty Private Limited#	-	4,047.50	4,047.50	4,677.50
Joint venture entities				
Sangam City Township Private Limited	4,640.00	4,695.50	4,465.00	4,465.00
Astir Realty LLP	6,492.50	6,492.50	-	-

sold during the year

(₹ in Lakh)		
	2012	2011
NOTE 35 : DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	12.71	0.08
- Interest amount	-	-

The amount of interest due and payable for the year due to delay in making payment under Micro, Small and Medium Enterprise Development Act, 2006 is ₹ Nil (₹ Nil). No interest is accrued / unpaid for the current year.

Disclosure of trade payables under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Lakh)		
	2012	2011
NOTE 36 : VALUE OF IMPORTS (C. I. F. BASIS)		
Materials	28.67	-
Capital goods	928.76	95.81
	957.43	95.81

NOTES forming part of financial statements

	(₹ in Lakh)	
	2012	2011
NOTE 37 : EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)		
Foreign travel	73.36	85.66
Professional fees	1,192.42	649.00
Others	1,281.12	73.33
	2,546.90	807.99

			(₹ in Lakh)	
			Year of payment	
	No. of shares	Year to which dividend relates	2012	2011
NOTE 38 : REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS				
Number of Shareholders				
Equity of shareholders				
358	6,24,76,980	2010-2011	624.77*	-
1	3,10,55,247	2009-2010	-	62.11
Preference shareholders				
1	359	2010-2011	-	0.00
1	359	2010-2011	0.00	-
1	359	2009-2010	0.00	31.97

* The Company declared and paid dividend to all shareholders in Indian rupees including all registered foreign shareholders, except to one shareholder holding 3,10,55,247 equity shares to whom ₹ 310.55 Lakh had been remitted in equivalent foreign currency.

	(₹ in Lakh)	
	2012	2011
NOTE 39 : EARNINGS IN FOREIGN CURRENCY (ON RECEIPT BASIS)		
Sale of residential units	1,152.28	587.69
Hospitality services	4,379.53	3,196.81
	5,531.81	3,784.50

NOTE 40 : OTHER NOTES

- A. In our opinion, all current assets appearing in the Balance Sheet as at March 31, 2012 have a value on realisation in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet.
- B. Balance of trade receivable, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.
- C. The Company is primarily engaged in real estate development. The Company has acquired various lands / development rights and certain projects are at initial stage of implementation. The projects may be developed with various end uses, such as hotel, retail outlets, plots, residential, commercial and IT specific use. Such projects will be classified under 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 are included under the head 'Work in progress' or 'Plots of land' as part of 'Current assets'.

NOTES forming part of financial statements

- D. The Company's normal operating cycle in respect of operations relating to under construction real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and hospitality business is based on 12 months period. Assets and liabilities have been classified into current and non-current based on the operating cycle of respective businesses.
- E. The share of profit / loss in the LLP is accounted in the books of the Company as and when the same is credited / debited to the Partners' Capital Account.
- F. Figures have been rounded off to the nearest thousand.

NOTE 41 : PREVIOUS YEAR FIGURES

Till the year ended March 31, 2011, the Company was following pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The Company has reclassified / re-grouped the previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in financial statements, particularly presentation of balance sheet.

As per our report of even date

For and on behalf of the Board of Directors

For P. RAJ & CO.

Chartered Accountants

Firm Registration No. 108310W

Vikas Oberoi
Chairman & Managing Director

Bindu Oberoi
Director

T. P. Ostwal
Director

P. S. Shah

Partner

Membership No.44611

Mumbai, April 25, 2012

Saumil Daru
Chief Financial Officer

Bhaskar Kshirsagar
Company Secretary

FINANCIAL DETAILS u/s 212 (8) of the Companies Act, 1956

No.	Name of subsidiary	Paid-up capital	Reserves and surplus	Total assets (non-current assets + current assets)	Total liabilities (non-current liabilities + current liabilities)	Investments (excluding investments in subsidiaries)	Revenues	Profit / (loss) before tax	Provision for tax	Profit / (loss) after tax	Proposed dividend (excluding dividend distribution tax)
1	Oberoi Constructions Limited	510.00	1,36,165.23	1,46,844.93	10,169.70	4,183.53	35,733.57	22,472.76	3,642.57	18,830.19	1,530.00
2	Oberoi Mall Limited	9.00	8,159.50	20,387.70	12,219.20	-	8,145.07	7,442.02	1,828.40	5,613.62	5,034.60
3	Kingston Property Services Limited	9.00	113.05	1,485.76	1,363.71	-	2,499.97	81.24	31.19	50.05	-
4	Kingston Hospitality and Developers Private Limited	31.00	(20.09)	1,109.07	1,098.16	-	3.33	3.08	0.89	2.19	-
5	Expressions Realty Private Limited	9.00	0.58	9.64	0.06	-	3.33	2.30	0.96	1.34	-
6	Perspective Realty Private Limited ^(A)	9.00	0.61	24.67	15.06	-	3.34	2.33	0.97	1.36	-

Note :

A. Oberoi Constructions Limited, a wholly owned subsidiary holds 100% of the total subscribed and paid up share capital of Perspective Realty Private Limited

For and on behalf of the Board of Directors

Vikas Oberoi Chairman & Managing Director	Bindu Oberoi Director	T. P. Ostwal Director
Saumil Daru Chief Financial Officer	Bhaskar Kshirsagar Company Secretary	

Mumbai, April 25, 2012

STATEMENT u/s 212 of the Companies Act, 1956

No.	Name of subsidiary	Financial year end of the subsidiary company ^(A)	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			(₹ in Lakh)		
			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		till previous financial years since it became subsidiary	
					for financial year ended on March 31, 2012	till previous financial years since it became subsidiary	for financial year ended on March 31, 2012	till previous financial years since it became subsidiary		
1	Oberoai Constructions Limited	March 31, 2012	51,00,000	100%	510.00	648.75	18,581.98	1,16,937.66		
2	Oberoai Mall Limited	March 31, 2012	90,000	100%	2,772.50	1.00	4,796.88	11,169.72		
3	Kingston Property Services Limited	March 31, 2012	90,000	100%	-	-	50.05	63.00		
4	Kingston Hospitality and Development Private Limited	March 31, 2012	3,10,000	100%	-	-	2.19	(22.29)		
5	Expressions Realty Private Limited	March 31, 2012	90,000	100%	-	-	1.34	(0.76)		
6	Perspective Realty Private Limited ^(B)	March 31, 2012	90,000	100%	-	-	1.36	(0.75)		

Notes :

A. 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.

B. Oberoi Constructions Limited, a wholly owned subsidiary holds 100% of the total subscribed and paid up share capital of Perspective Realty Private Limited.

For and on behalf of the Board of Directors			
	Vikas Oberoi Chairman & Managing Director	Bindu Oberoi Director	T. P. Ostwal Director
		Saumil Daru Chief Financial Officer	Bhaskar Kshirsagar Company Secretary

Mumbai, April 25, 2012



OBEROI REALTY LIMITED
Commerz, 3rd Floor,
International Business Park,
Oberoi Garden City,
Off Western Express Highway,
Goregaon (East),
Mumbai - 400 063. India.

Tel: +91 22 6677 3333
Fax: +91 22 6677 3334
www.oberoirealty.com