

**Transcript of the proceedings of the 22<sup>nd</sup> Annual General Meeting of the members of Oberoi Realty Limited held on Monday, September 28, 2020 through video conferencing/other audio visual means**

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**Bhaskar** : Dear Members,

**Kshirsagar**  
**(Company**  
**Secretary)**

On behalf of Oberoi Realty, I Bhaskar Kshirsagar, Company Secretary, welcome you all at the 22<sup>nd</sup> Annual General Meeting of the Company.

I have been informed that the requisite quorum is present, and under directions of the Chairman we shall accordingly commence the proceedings of the meeting.

Before we commence, I would like to inform you that in view of the COVID-19 pandemic, the Ministry of Corporate Affairs vide general circular dating May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively the 'General Circulars') has introduced certain measures enabling companies to convene their AGMs through video conferencing or other audio visual means.

Considering the health and safety of the shareholders, employees and other stakeholders of the company, as well as to organize the meeting in a participative way the 22<sup>nd</sup> AGM of Oberoi Realty Limited is conducted through video conferencing facility on Webex platform.

The facility to join the meeting by VC has been kept open at least 15 minutes before the commencement of the meeting and shall remain open till the time of expiry or 15 minutes after such scheduled time for the meeting. The minimum capacity for this meeting is 1000 shareholders on a first come first serve basis.

The members attending the meeting through VC shall be counted for the purpose of quorum.

Appointment of Proxies are not allowed this AGM in view of the general circulars. However, representative of members under Section 112 and 113 of the Companies Act 2013 can be appointed to participate and vote at the AGM.

During the meeting if any member faces any issue or require any assistance regarding the e-voting or the video conferencing facility, he/ she may call the helpline number of CDSL as mentioned in the notice of AGM.

The resolution mentioned in notice convening this AGM has been open for remote e-voting and the facility of the voting is also available during the AGM for the members who have not casted their vote through remote e-voting.

Now, I would like to introduce to the panelists for the meeting.

We have Mr. Vikas Oberoi, Chairman and Managing Director of the Company, and Mr. Saumil Daru, the Director Finance cum CFO. We also have independent directors Mr. T.P. Ostwal, who is also the Audit Committee Chairman, Mr Venkatesh Mysore, who is also the chairman of Nomination and Remuneration Committee, Ms. Tina Trikha, and Mr. Karamjit Singh Kalsi. Ms. Bindu Oberoi, a non executive director of the Company and the Chairman of Stakeholders Relationship Committee shall be joining very shortly.

We also have Mr. Vinayak Pujare, partner of SRBC & Co LLP, the statutory auditors, of the Company.

We also have Mr. Himanshu Kamdar, partner of M/s. Rathi and Associates, the secretarial auditors of the Company.

Now, I request Mr. Vikas Oberoi to take over the proceedings of the meeting.

**Mr. Vikas  
Oberoi  
(Chairman  
and  
Managing  
Director)**

: Good Afternoon Ladies & Gentlemen,

Welcome to the 22nd Annual General Meeting of Oberoi Realty Limited. On behalf of the Board of Directors and Oberoi Realty, I would like to thank you for being a part of this event. Given the COVID-19 situation, we have organised this AGM through a Video Conference for the safety of our shareholders and, I appreciate you all taking the time and being a part of this AGM.

The COVID-19 pandemic has been an extraordinary and unprecedented event in our lives. It has impacted economies across the world and every country is battling this crisis in its best possible way. These are testing times for all corporates and I am sure that organisations that exhibit agility, innovation, and financial stability will persist. Most of us have faced the repercussions of this crisis, in some way or the other but I am confident that this situation will only make us more resilient, self-reliant, and stronger than ever.



The year saw that the new government continued on its path of taking India to the top of the global economic ladder. Amid the pandemic, the government and the RBI took several measures to provide stimulus to the economy and the real estate sector. These initiatives helped the economy and the sector to stay resilient and we truly appreciate them as it was the need of the hour.

The last financial year was yet another positive one for your company and the company's performance remained consistent despite a challenging business environment. As we look ahead into the future, we have already adapted ourselves to the new normal. Your company was among the early adopters of digital tools to market its projects and interact with its customers. We also deployed numerous digital initiative to ensure our site operations continued uninterrupted. Our financial prudence and ability to adapt to newer methods of design & construction and customer experience have given us the advantage to be the thought leaders even in these difficult times. As a brand, we will continue to explore opportunities that align with our vision of creating value to all our stakeholders.

COVID-19 has altered the way we live, work, and play. The importance of a safe, secure, and spacious home that caters to all the needs of a family has gained tremendous importance. Your company has already been a pioneer in designing spaces that are created keeping in mind customers' needs. Hence we emerge as the most preferred developer due to our product offerings and construction quality.

We are already seeing an increase in momentum over the last three months and we expect this pick-up to continue. The impact of this pandemic has changed the dynamics of the residential segment along with other businesses - commercial, retail, and hospitality. We are positive that we will prosper despite challenging situations and adapt ourselves effortlessly.

On the supply side, we anticipate major consolidation in the sector because players with weak balance sheet and weak brand equity and not great track record, and financial instability will find it impossible to survive. We are already seeing customers gravitate and entrust their hard-earned money with developers who can guarantee delivery of their dream home.

I am thankful to you for your support and faith through these turbulent times. Please stay strong and stay safe, this calamity has brought us closer to our loved ones and forced us to test our limits. It is time to regroup and restart as your company is geared up to embrace the new normal.

Wishing you all a healthy, happy, and successful year ahead!

Thank You.

**Bhaskar Kshirsagar (Company Secretary)** : Now I would like to request Mr. Saumil Daru, Director Finance cum CFO to make a presentation on the year 19-20.

Just to announce that Ms. Bindu Oberoi has also joined in. Also Mr. Amit Jain from SRBC team has also joined in.

Sir (Mr. Saumil Daru), over to you.

**Saumil Daru (Director Finance cum CFO)** : Thank you Bhaskar, and thank you all for joining the 22nd AGM of Oberoi Realty.

To begin with, just a brief summary of how the year went by.

Our total revenue from projects was at 1681 crores, our total revenue from rent was at 367 Crore, and our total revenue from the hospitality was at about 100 Crore. Our property management revenues were at about 50 crores; put together all of these along the nonoperating income, total top line of the company stood at about 2285 crores and after taking the expense in account, the profit before tax stood at 968 crores and the profit after tax after considering the other comprehensive income, the total stood at 689.19 crore. This was versus 817.56 crore for the last year.

All with this, the total equity or the book net worth of the company now stands at 8629.5 crores, compared to 8029 crores for FY 19.

On the cash flow, the total operating cash flows consumed were about 282 crores. Our investing cash flows generated about 358 crores and the financing cash flows again consumed about 309 crores. Overall we consumed about 233 crores of cash for the year and after adjusting for the opening cash balance of 431.5 crores, the cash and cash equivalents at the end of the year stood at 198.45 crore.

In terms of the financial numbers, as I mentioned earlier, the networth stands at 8629.49 crore. Our EBITDA margins for the year stood at about 47.96%. The overall PAT margin stands at about 30.15%.

In terms of the shareholding the promoter and promoter group continued to remain at 67.7%, which is the same as 31st March 19.

The FII holding stands at 24.91% and the domestic financial institutions as of 31st March 20 are about 5.52%, and the other public shareholders stand at 1.87%.

Thank you very much, and with this Bhaskar back to you for the further proceedings.

**Bhaskar Kshirsagar (Company Secretary)** : The Notice dated August 20, 2020, convening the 22<sup>nd</sup> Annual General Meeting alongwith the Annual Report for FY 19-20 has already been served by email to the shareholders, and the said notice is taken as read.

The Registers maintained by the company and required to be kept at the meeting are available for inspection in electronic mode of those shareholders who may be interested in it.

The auditors report on the financial statements of the company for financial year ended 31st March 2020 does not have any qualifications, adverse observations or modified or modified opinion. Accordingly, the auditors report is not required to be read before the meeting.

The Company had invited queries concerning the accounts and operations of the Company via email. We have consolidated all such queries and would request the chairman and the CFO to reply.

I will just read out the questions raised by the shareholders.

Sir the first question that has been raised was 'could you please give us some color on the upcoming launches about the Thane project, the OGC 3, the next phase of Borivali?'

**Mr. Vikas Oberoi (Chairman and Managing Director)** : Basically all three projects will be launched within this financial year itself. As you all know, work has already commenced in OGC 3 and also on the Borivali next phase. We have almost topped up in five of our towers in Borivali, and we've seen very good traction. Even in OGC 3, we are at anywhere between 5th and 7th slab of four of the five buildings and we will be launching booking for the same. As far as Thana goes, we are on the planning mode. We are expecting the new DCPR, the common DCPR for the rest of Maharashtra to

be released anytime within the next three or four weeks. We want to see the impact of that and then probably design Thane as well.

But looking at the response we've had post the opening of the lock down, we are very motivated to start all three projects within this financial year itself. It could probably be your Diwali launch or probably or your end launch and maybe one of the three may spill over to the next quarter or the last quarter of this financial year. But all three will start this year.

Thank you.

**Bhaskar Kshirsagar (Company Secretary)** : The second question is, 'could you please walk us through your upcoming annuity portfolio built out and are there plans to do commercial assets outside Mumbai?'

**Mr. Vikas Oberoi (Chairman and Managing Director)** : So as you all know, we have the Oberoi Mall, we have Commerz I, we have the Westin hotel, we got Commerz II. All these assets are doing really well.  
We have also started construction for Commerz 3, where we have Morgan Stanley as our anchor tenant. We also started work at our Worli project.

Financial closure for both these projects are almost done. We are probably just short of signing the documents.

We have very aggressive plans for doing commercial assets rent, yielding assets and unlike investment companies that actually buy ready assets, we being the developer, we have developer margin and we have the annuity margin also, that plays in our favor.

So going forward we are really looking at returns in this segment to be in the high teens and so I think it's a very attractive business and it's a very stable business. We've had 100% rent recovery, even for the lock down. Not for the mall, but for the offices. So that's been a huge plus and we clearly see that.

Going forward also there will be very little supply of these, so whichever company will take a bet on building these for the future will benefit and growth will come from 2 aspects.

One is of course new companies that you probably want to establish themselves in India and the second one will be from companies that exist in

not so great buildings they will want to move from average buildings into better buildings and that's what we're seeing, and we're hoping that will continue.

Thank you.

**Bhaskar Kshirsagar (Company Secretary)** : The next question is, what's our marketing and product strategy for Thane? For a brand that known to be the mid to upper luxury, how would you position this segment of 1.1 to 1.5 crores?

Also, are looking to do some other micro markets in the same price point?

**Mr. Vikas Oberoi (Chairman and Managing Director)** : Firstly, I think this entire product strategy and what segment is, I guess, a little overrated.

We would like ourselves to be known as a company that gives value for its product that gives quality. And with the same aspiration we're moving into Thane. Our idea is to build quality. We can, with our scale, can very easily be able to give very good quality for an apartment which is between one and 1.5 crores.

I would say the way we will design our projects will be such that these amenities will be spread amongst people and so many of them will come together, so we will be able to give very high quality, amenities to people for larger use.

So as far as Thane is concerned we are going to bring something that probably Thane has not seen both in terms of price sensitivity and quality, and in terms of the amenities, also very confident.

To answer your next question, whether we will be open to any other micromarket, Thane is a unique micromarket, it actually is an extension of Mumbai as its suburb.

So for us we've studied Thane for a long time and know that Thane is a growing market, so if there are any other micro markets which are similar, why not, we'll be very happy to explore those also.

Thanks.

**Bhaskar Kshirsagar** : The next question is, 'what are the steps that we are taking to take advantage of market consolidation and increase our share of the market? Are we looking

**(Company  
Secretary)**

to expand our product horizon to cater to a larger section? How do we become the largest player in MMR?'

**Mr. Vikas  
Oberoi  
(Chairman  
and  
Managing  
Director)**

: We are not really chasing scale. And when I say we're not chasing scale doesn't mean that we're not ambitious. We are very ambitious. But our ambitions are only curtailed by our own limitations. And here again we are very clear that we will not want to grow beyond the point where we can't give quality, when can't stand up to a commitment. These are the hurdles that we've slowly and steadily kept crossing.

Today we are doing more than 20 million square feet. Thane alone will probably be 15 million square feet, which probably will get built over seven or eight or nine years so.

Here's a company, where we have now build scale which can be delivered, with a certain quality standards and only with that is what we really want to go.

By default, our market share increase. Everybody wants to go to a developer who will stand by his commitment, who gives quality, who will be reasonable.

Our idea is that we should be ticking all the boxes when it comes to a buyer. Buyer's choice of being the developer, and that's really our focus. We will also get there earlier.

We were not very aggressive in reaching out to our customer. Well, we will be doing that a lot more digitally and we will reach out to our customers. And probably, make our product more aware and that's how we increase our market share.

One another thing is, it's a fact, but I don't want to dwell too much on it that customers will have very little choice because most of these developers will either be in the balance sheet repair mode, or will be really not even be in a position to build; so by default we will have their customers coming to us and we feel that there will be very few players left in the real estate industry who will probably be able to go through the pain that one has.

In fact, even before pandemic, I thought that a lot of them have done hara kiri in terms of looking at their balance sheet. They lived a little longer than what I thought they would, but given the pandemic, I think the story is pretty clear.

Thank you.

- Bhaskar Kshirsagar (Company Secretary)** : The next question is, 'could you give us some color on your future land banking strategy?'
- Mr. Vikas Oberoi (Chairman and Managing Director)** : So again, our land banking strategy is very clear that we should not be into any land banking.
- We feel that land is a commodity and given the situation where we are in today, land is available for the asking.
- There is no merit in saying that I hold so much land if you don't have a brand that can actually build anything.
- So for us it's very simple. We want to follow the just in time strategy.
- If you buy land there is cost money also. There's a cost to money and we do not want to deploy our capital into an asset which is dead.
- We'd rather buy land enough where we are going to build.
- If land parcels are big they anyway get phased out. Like in Thane we have 60 acres of land, Goregaon we've 80 acres of land and we're still building there. Five more towers to go the office building to go.
- So we don't mind buying large land parcels and phasing the development so that we get the advantage.
- You all know that we started booking in Goregaon at ₹2750, and it's only 13 years ago. Today we are at 17 and a half thousand, so we're about seven or eight times the price that we sold in here. Of course, markets went up. Plus we also build a development that kind of got appreciated.
- We want to do similar developments and we would be very happy to take larger land parcels. But we don't want to buy land and sit on it for it to kind of appreciate.
- We feel that's not the strategy. We want to buy land just in time. And then, build them and move on.

**Bhaskar Kshirsagar (Company Secretary)** : And the last question is, 'what internal organizational changes we're making to slingshot into the next stage of growth.?'

**Mr. Vikas Oberoi (Chairman and Managing Director)** : We don't want to take any knee jerk reaction. Whatever we are doing has been a slow and steady process of evolution.

As a company we have, outsourcing was our first strategy. We knew that if we want to grow and we want to go to scale, we have to lean on outside contractors and that's why we went to the L&Ts of the world.

The entire outsourcing strategy was that someone else's capacities, is my capacity, the day I want to scale up, I can just reach out to them and do that.

We've always focused on creating and retaining internal product knowledge and so on and so forth.

So like I said, we are not going to do any changes in our strategy, our strategy has been evolving overtime and we have been doing course correction. It's not that every time we move you're moving in the right direction, but because we're course correcting we don't have to take a U turn as such. They are a little here and there.

And again here we were very clear. In fact when the pandemic started, we told our team that can we, what if we don't sell a single apartment for the next one year, still fulfill our commitment. We went through those tests.

Luckily, we never had to do that. After the lockdown opened the numbers were fantastic, people came back with the literally with a vengeance. And so the entire pent up demand was available for us to encash.

So that has not happened. But having said that, like I said that, one has to be prepared for many things.

Nobody can say that they dreamt of a pandemic, but something equal to a pandemic in a business terminology, was the Lehman crisis, and only people who were prudent with finances were able to do that.

This is far worst, but then it's like you have to be ready to land your plane with both your engines failing.

So that's how we we planned ourselves.

Luckily with God's grace and all your good wishes and blessings, it didn't come to that, but that's how it is, so no drastic changes on strategy.

We are on the right path. The trajectory is correct. Or we are ready for the tailwind that we will get.

Too many other reasons then simply what we are doing well. Like I said that it could be, lack of competition, failure of other people to gain confidence in the customer, will draw these customers to us.

That's like a tailwind for us.

We are very ready and very well positioned to take that tailwind and increase our speed.

Thank you.

**Bhaskar Kshirsagar (Company Secretary)** : I would now like to inform the members that the Board of Directors of the company has appointed Mr. Himanshu S. Kamdar, partner Rathi & Associates, Company Secretaries as the scrutinizer for the remote e-voting as and also for the e-voting at the AGM.

The Scrutinizer will scrutinize the voting and ensure that the whole process is conducted in fair in a transparent manner.

Mr. Himanshu Kamdar, the scrutinizer shall submit his report after completion of the poll process.

Under instructions from chairman ordering the poll, I request those members who have not yet casted their vote through e-remote voting to now cast their votes through CDSL e-voting platform on the businesses as mentioned in the notice of AGM.

The results of remote e-voting and e-voting at the AGM shall be announced by intimation to the stock exchanges and will also be placed on the website of the company as also the website of CDSL.



I would now like to thank all the members for their continuing support to the company and look forward for your support in future as well.

The meeting is now concluded.

Thank you.

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*This transcription is not represented to be the verbatim reproduction of the proceedings of the 22<sup>nd</sup> Annual General Meeting of the members of Oberoi Realty Limited held on Monday, September 28, 2020 through video conferencing/other audio visual means. Further, certain edits have been made to the transcription for the sake of brevity. All efforts have been made to ensure that the intent and purpose of the wording remains intact.*