

Integrity  
The first step to true greatness





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# Standing Tall

## Company Overview

- ✓ Presence : 9 States across 30 Cities
- ✓ Project Under Execution/ Construction : ~ 125 mn sq ft
- ✓ Area delivered in Real Estate : 58.30 mn sq ft (approx.)
- ✓ Area Delivered as Third Party Contractor : 31.80 mn sq ft (over 123 contracts)
- ✓ No of projects (On-going) : 14 Group Housing, 18 Integrated Township, 10 Commercial Malls/Hotels/ SCO



HI-TECH TOWNSHIPS



INTEGRATED TOWNSHIPS



GROUP HOUSING



COMMERCIAL-  
SHOPPING MALLS /  
OFFICE SPACE



HOTELS

# Omaxe Presence Across India

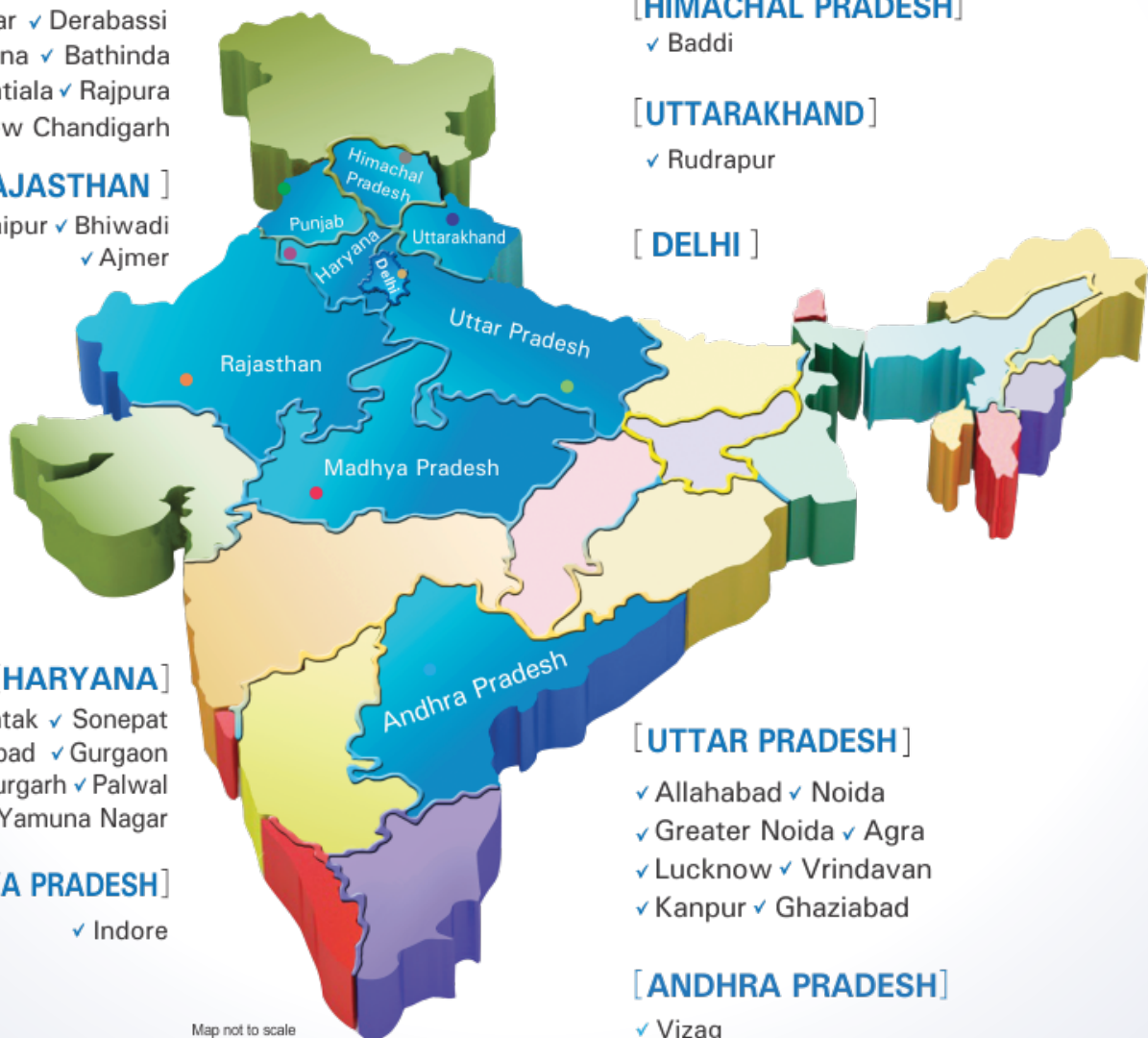
09 States | 30 Cities

## [PUNJAB]

- ✓ Amritsar ✓ Derabassi
- ✓ Ludhiana ✓ Bathinda
- ✓ Patiala ✓ Rajpura
- ✓ New Chandigarh

## [RAJASTHAN]

- Jaipur ✓ Bhiwadi
- ✓ Ajmer



## [HARYANA]

- ✓ Rohtak ✓ Sonapat
- ✓ Faridabad ✓ Gurgaon
- ✓ Bahadurgarh ✓ Palwal
- ✓ Yamuna Nagar

## [MADHYA PRADESH]

- ✓ Indore

## [HIMACHAL PRADESH]

- ✓ Baddi

## [UTTARAKHAND]

- ✓ Rudrapur

## [DELHI]

## [UTTAR PRADESH]

- ✓ Allahabad ✓ Noida
- ✓ Greater Noida ✓ Agra
- ✓ Lucknow ✓ Vrindavan
- ✓ Kanpur ✓ Ghaziabad

## [ANDHRA PRADESH]

- ✓ Vizag

## Business Overview Q4 FY 14

	<b>Q4 FY 14</b>	<b>Q4FY 13</b>	<b>Change</b>
Area Sold (mn sq.ft)	2.44	3.49	-30%
Value of Booking (Rs. Cr)	415	798	-48%
Avg Rate psf (Rs.)	1,696	2,288	-26%

<b>Particular</b>	<b>Q4 FY14</b>		<b>Q4 FY13</b>	
	<b>Area (mn sq ft)</b>	<b>Value (Cr.)</b>	<b>Area (mn sq ft)</b>	<b>Value (Cr.)</b>
Residential Plotted	0.16	33	0.23	37
Residential Built-up	0.08	19	2.80	661
Commercial	2.20	363	0.46	100
<b>Total</b>	<b>2.44</b>	<b>415</b>	<b>3.49</b>	<b>798</b>
Avg Rate psf (Rs.)	1,696		2,288	

# Business Overview FY14

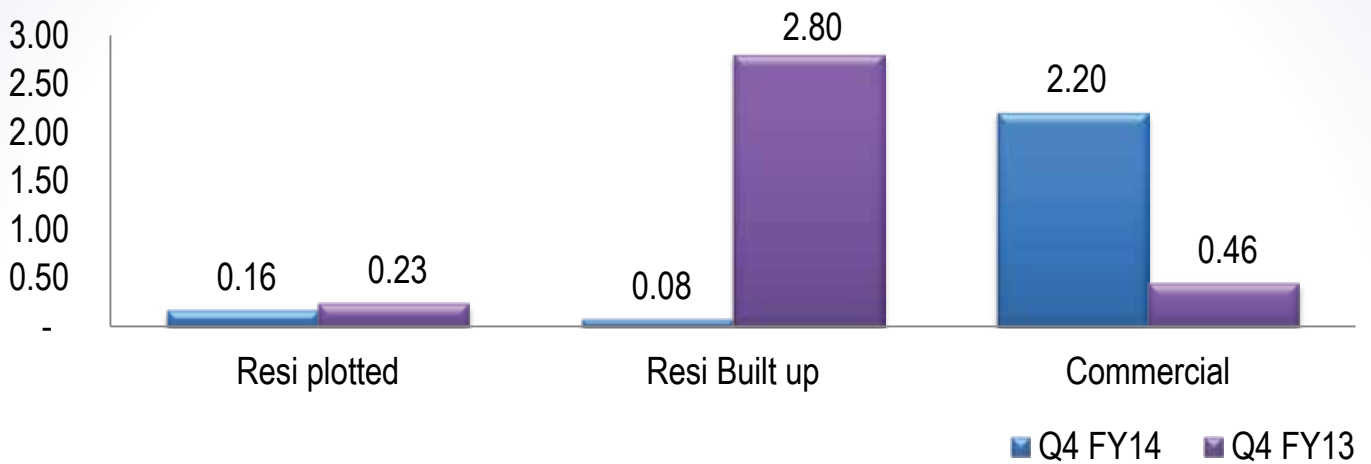
	<b>FY 14</b>	<b>FY 13</b>	<b>Change</b>
Area Sold (mn sq.ft)	7.83	11.39	-31%
Value of Booking (Rs. Cr)	2107	2,373	-11%
Avg Rate psf (Rs.)	2,692	2,083	29%

<b>Particular</b>	<b>FY14</b>		<b>FY13</b>	
	<b>Area (mn sq ft)</b>	<b>Value (Cr.)</b>	<b>Area (mn sq ft)</b>	<b>Value (Cr.)</b>
Residential Plotted	2.37	450	3.86	339
Residential Built-up	2.75	979	6.38	1,541
Commercial	2.70	678	1.15	493
Total	7.83	2,107	11.39	2,373
Avg Rate psf (Rs.)	2,692		2,083	

# Business Operation (Q4 FY 14 – Q4 FY 13)

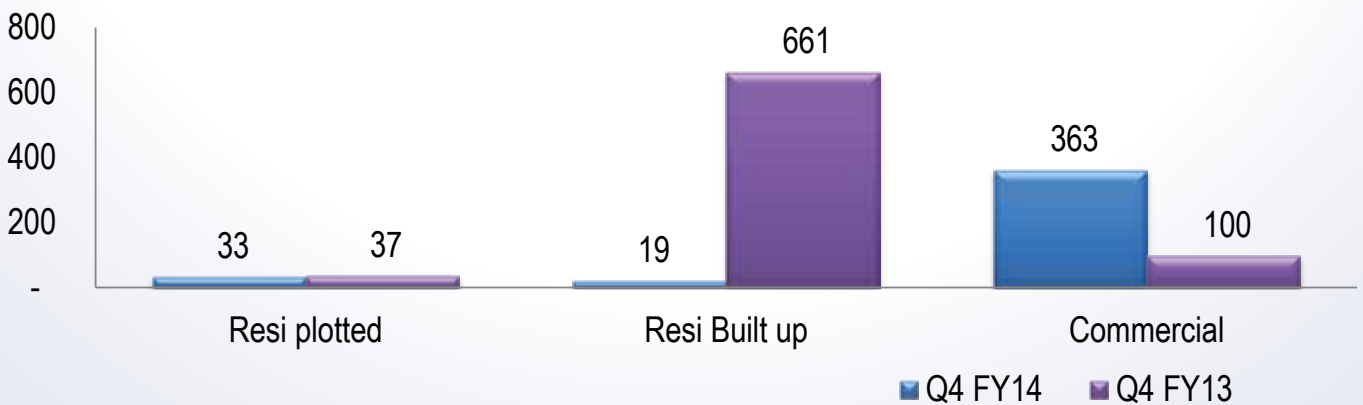
## Area Booked (Mn Sqft)

**Q4 FY14** Area booked 2.44 mn sqft



## Value Of Booking(Rs in Cr)

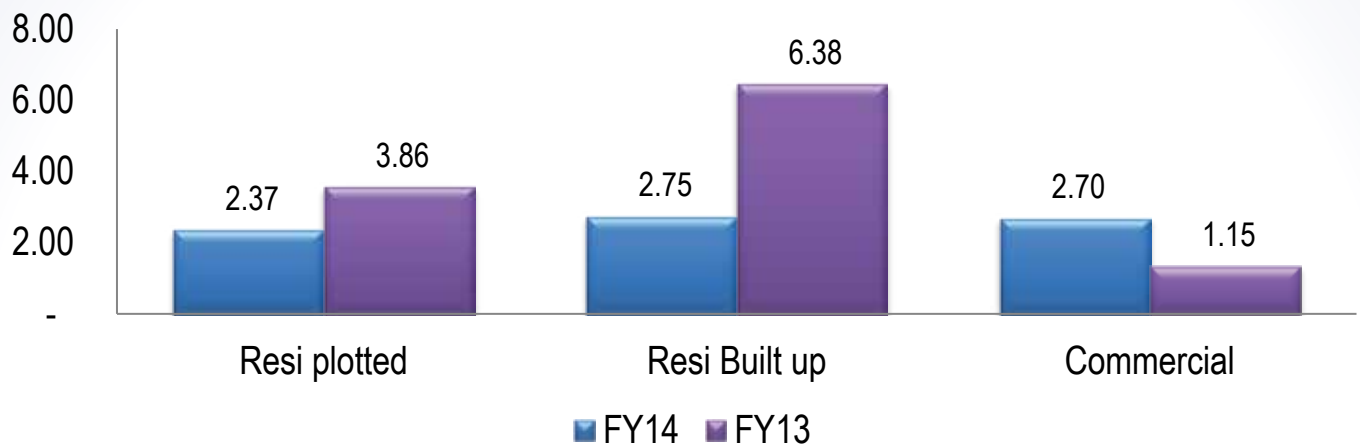
**Q4 FY14** Value of booking 415 Cr



# Business Operation (FY 14 – FY 13)

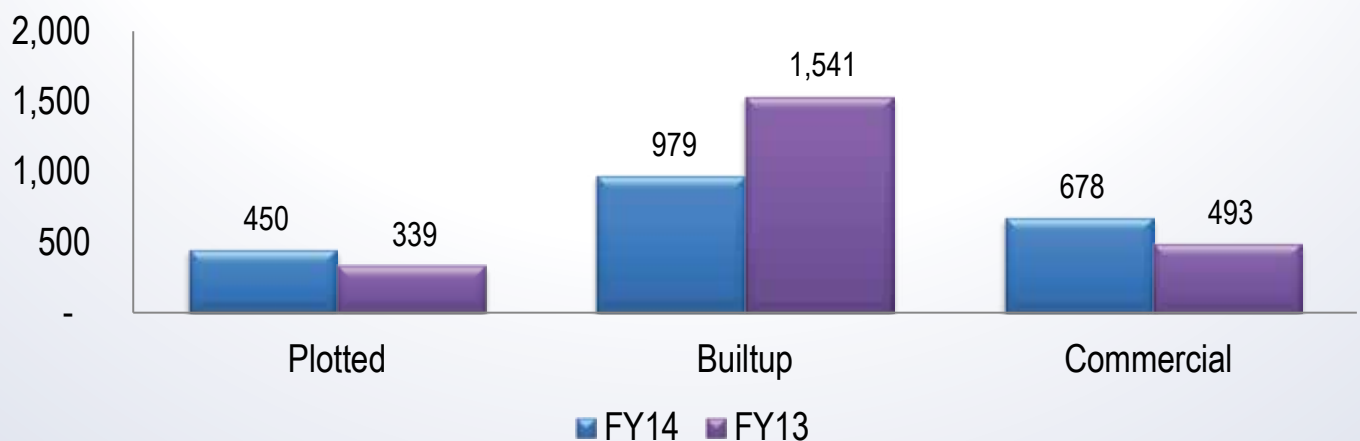
## Area Booked (Mn Sqft)

**FY14** Area booked 7.83 mn sqft



## Value Of Booking(Rs in Cr)

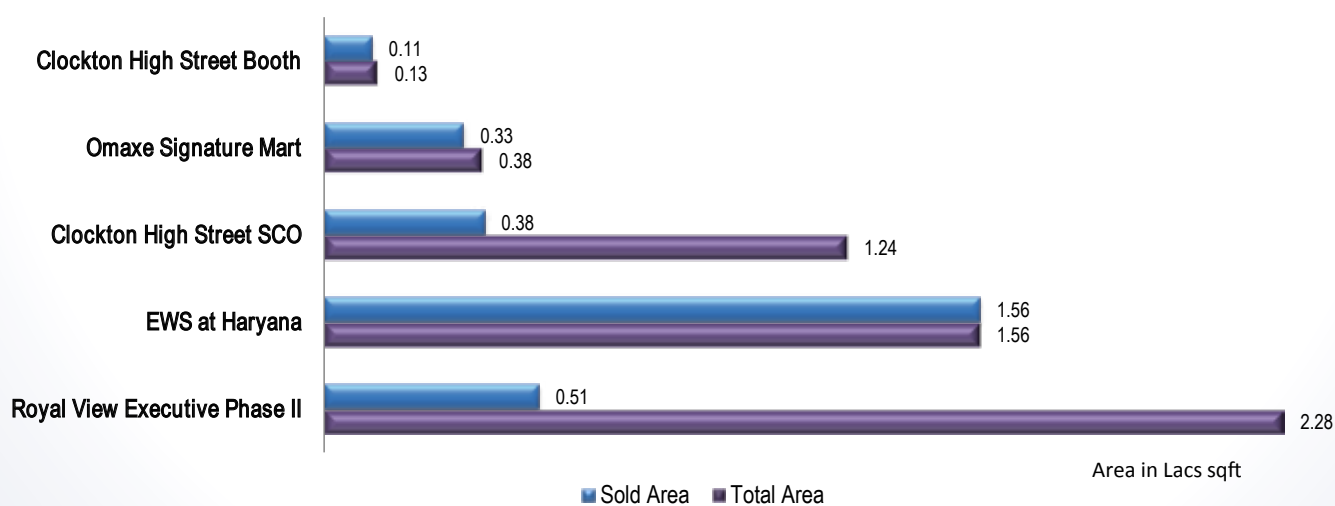
**FY14** Value of Booking 2,107 Cr.





# Newly Launched Projects during Q4 FY 14

SI No	Project Name	Particulars	Places	Total Area (in lacs)	Sold Area (in lacs)
1	Royal View Executive Phase II	Low rise floors	Ludhiana	2.28	0.51
3	EWS at Haryana	EWS	Faridabad	1.56	1.56
2	Clockton High Street SCO	Commercial Builtup	New Chandigarh	1.24	0.38
4	Omaxe Signature Mart	Commercial Builtup	Bahadurgarh	0.38	0.33
5	Clockton High Street Booth	Commercial Builtup	New Chandigarh	0.13	0.11
	<b>Total</b>			<b>5.58</b>	<b>2.89</b>



# Newly Launched Projects during FY 14

SI No	Project Name	Particulars	Places	Total Area (in lacs)	Sold Area (in lacs)
1	Grand Omaxe	Group Housing	Bahadurgarh	4.72	4.72
2	Happy Home Rohtak	Low rise floors	Rohtak	2.57	2.57
3	Royal View Executive Phase II	Low rise floors	Ludhiana	2.28	0.51
7	Royal View Premier Plus	Low rise floors	Ludhiana	1.36	1.30
4	City Centre	Commercial SCO	Bahadurgarh	2.05	0.49
5	Service Suites	Commercial Built-up	New Chandigarh	1.94	1.79
6	Meadow Blossom	Low rise floors	Bhiwadi	1.52	0.89
8	Krishna Castle	Low rise floors	Vrindavan	1.25	0.77
9	Clockton High Street Sco Chd.	Commercial Builtup	New Chandigarh	1.24	0.38
10	EWS at Faridabad	EWS	Faridabad	1.56	1.56
11	Studio Apartment at Royal Residency	Commercial Builtup	Ludhiana	0.74	0.59
12	The Palm Villas	Villas	Greater Noida	0.58	0.56
13	Omaxe Midtown, Bhiwadi	Commercial Builtup	Bhiwadi	0.38	0.31
14	Omaxe Signature Mart	Commercial Builtup	Bahadurgarh	0.38	0.33
15	Retail Shop	Omaxe Midtown, Bhiwadi	Bhiwadi	0.24	0.10
16	Omaxe Palm Court	Commercial Built-up	Greater Noida	0.18	0.10
17	Clockton High Street Booth Chd	Commercial Builtup	New Chandigarh	0.13	0.11
18	Central Market	Omaxe City Jaipur	Jaipur	0.09	0.09

# Financial Highlights (Results)

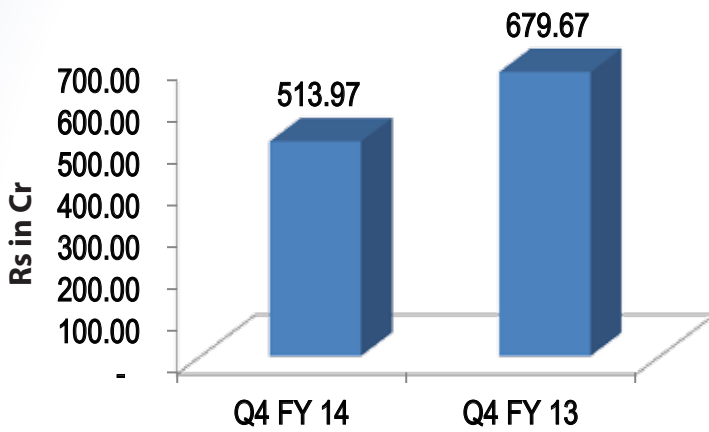
(as on 31st March, 2014)

Fig in Rs. Cr.

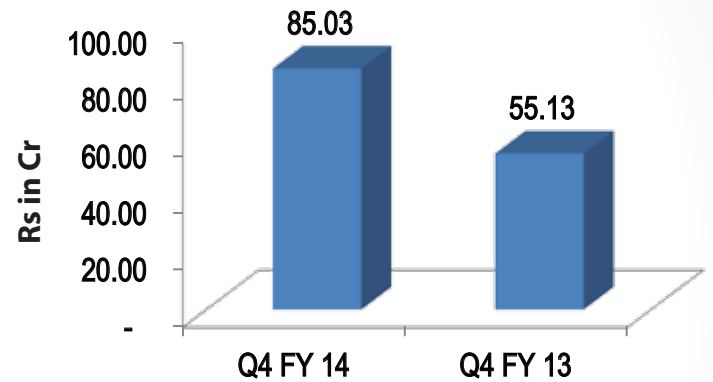
	Quarter Ended			Year Ended	
	Q4 FY2014	Q3 FY2014	Q4 FY2013	FY 2014	FY 2013
<b>Turnover</b>	513.97	342.04	679.67	1623.12	2077.54
<b>EBIDTA</b>	85.03	55.79	55.13	255.98	256.06
<b>PBT</b>	44.79	19.78	25.93	115.54	124.72
<b>PAT</b>	25.09	16.25	35.66	78.52	105.68
<b>EPS</b>	1.37	0.89	1.95	4.29	5.78

# Operational Glimpse (Q4 FY14 vis-à-vis Q4 FY13)

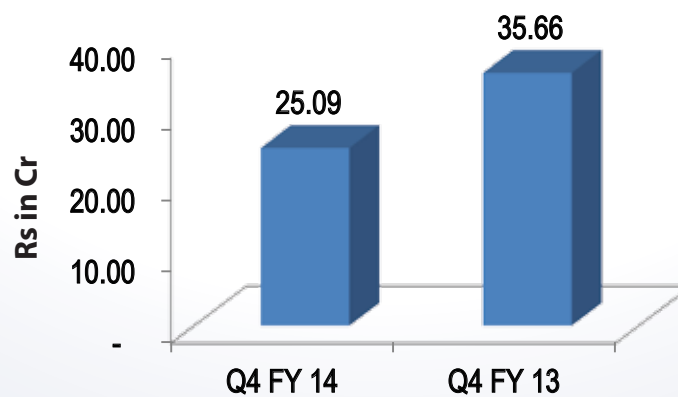
## Income from Operation (Cr.)



## EBITDA (Cr.)

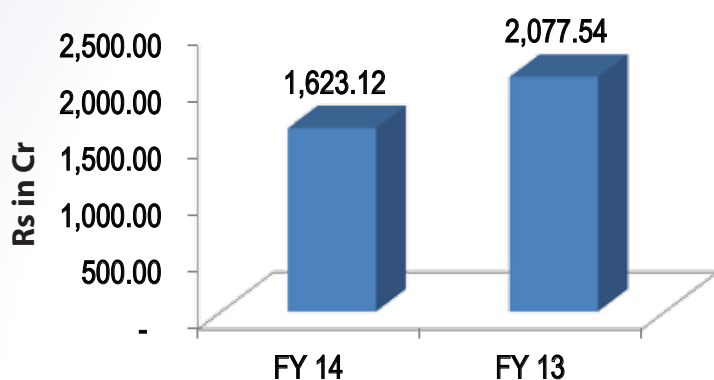


## PAT (Cr.)

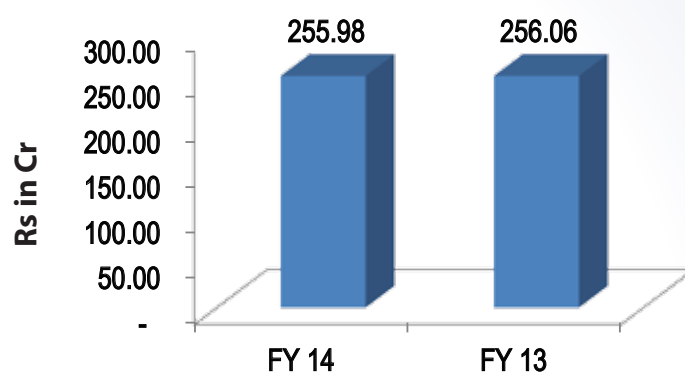


# Operational Glimpse (FY14 vis-à-vis FY13)

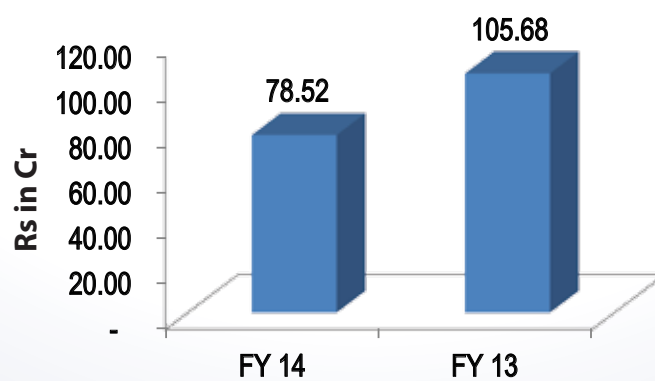
## Income from Operation (Cr.)



## EBITDA (Cr.)



## PAT (Cr.)



# Financial Highlights

## Debt Status (as on 31st March, 2014)

<b>Particulars</b>	<b>Amount in Cr.</b>
Gross Debt Position (as on December 31, 2013)	996.29
Add: Loans availed during the Quarter	170.18
Less: Repaid during the Quarter	97.95
Add: Working Capital Limit	(19.06)
Gross Debt Position (as on March 31, 2014)	1,049.46
Debt Repayment Schedule	
Debt Repayment in next three months	130.00

# Financial Highlights

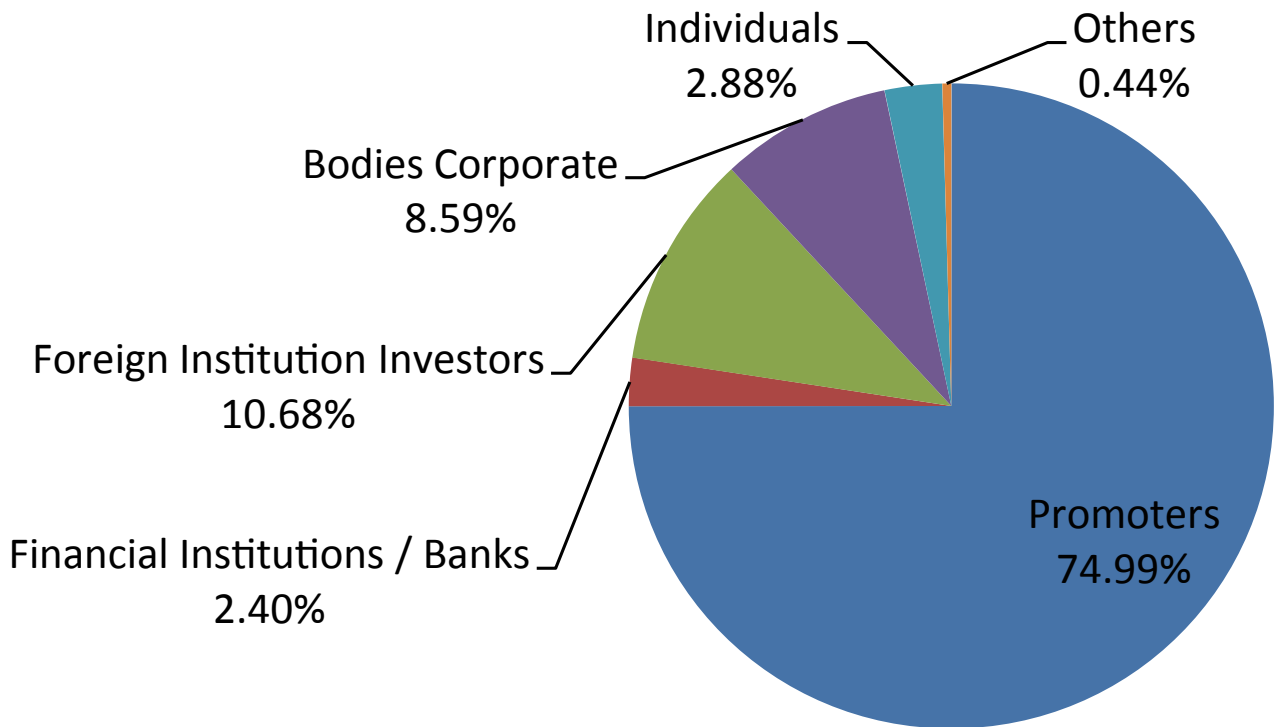
## Cash Flow Position (as on March 31, 2014)

Fig in Rs. Cr.

Particulars	Q4 FY 14	FY 14
Cash Flow from Operation	395	1,696
New Borrowings	170	369
Fixed Deposit Mobilization		74
Advance from Promoters		255
Total Inflow	565	2,394
Construction and Other Overhead Expenses	244	1,280
Selling and Admin Expenses	114	461
Interest Expenses	34	132
Debt Repayments	117	501
Total outflow	509	2,374
Net Balance	56	20

# Shareholding Pattern

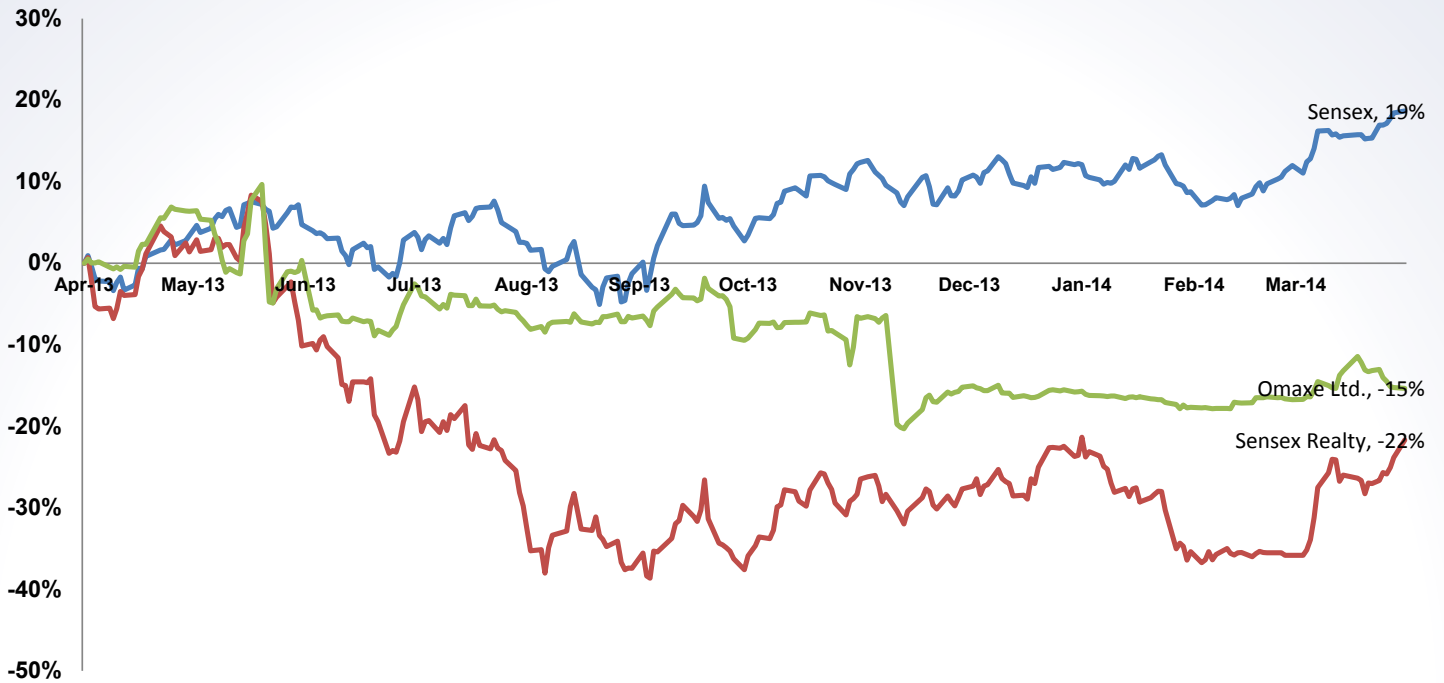
As on March 31, 2014



Category	No of Shares	Percentage Shareholding
Promoters	137,166,194	74.99%
Financial Institutions / Banks	4,398,680	2.40%
Foreign Institution Investors	19,533,846	10.68%
Bodies Corporate	15,714,036	8.59%
Individuals	5,275,307	2.88%
Others	812,477	0.44%
<b>Total</b>	<b>18,29,00,540</b>	<b>100.00%</b>



# Omaxe Limited – Share price movement



Last Trading Price  
As on May 30, 2014

INR 144.05

52 Week High

INR 147.60

52 Week Low

INR 115.65

Market Capitalization

INR 2,634 cr

# New Horizons

## Clockton High Street - Booth, Omaxe New Chandigarh



These built-up booths provide a good place to find goods of everyday needs in the vastly spread township. Well-illuminated with contemporary lighting, well-designed corridors, complimenting elevators from basement etc are some of the defining features.

## Clockton High Street - SCO, Omaxe New Chandigarh



These built-up SCOs are place to operate all kinds of commercial & office activity in the vastly spread township. Well-illuminated with contemporary lighting, well-designed corridors, complimenting elevators from basement etc are some of the defining features

# New Horizons

## Royal View Executive Phase 2, Omaxe Royal Residency, Ludhiana



Gracefully designed, these villa floors are spacious and highly exquisite. In sizes of approx. 1750 square feet, the floors provides all modern luxury. Surrounded by abundant of greenery and complete with all modern and superb amenities and specifications, Royal View Executive-Phase 2 is a peaceful abode far from the industrial belt.

## Omaxe Signature Mart, Bahadurgarh



The shopping complex allows one to indulge in wholesome shopping and entertainment. This will provide the best shopping experience in Bahadurgarh.

# Way to Success



The Forest Spa, Surajkund



Omaxe Spa Village, Faridabad



Mulberry Villa, Omaxe New Chandigarh



Executive Homez, Jaipur



Royal View Executive, Omaxe Royal Residency, Ludhiana

\* Construction update

# भास्कर ने ओमैक्स माल के सहयोग से मनाई लोहड़ी

एसपी सिटी दलजीत सिंह राणा और ट्रैफिक इंजीनियर हरदीप सिंह बड़ंगर ने शहरवासियों को लोहड़ी की बधाई दी

संका नरु | पंजाब

लोहड़ी पर ट्रैफिक भास्कर के सहयोग से आयोजन किया। इसमें सिटी दलजीत सिंह राणा ने शहरवासियों को लोहड़ी की बधाई दी और सभी से लोहड़ी खाने को कहा। उन्होंने कहा कि लोहड़ी की बधाई देना हमारे परंपरा में अंगूठा खींचना है।

सुखी दुप ने भव्य रास किया, इसके रास कर्मों ने रास किया। सुखी सिटी दलजीत सिंह राणा ने शहरवासियों को लोहड़ी की बधाई दी।

ट्रैफिक इंजीनियर बड़ंगर ने भी सभी को बधाई दी।

संका नरु ने शहरवासियों के प्रश्नों में ट्रैफिक भास्कर से सहायता लेने में मदद किया। ट्रैफिक भास्कर ने शहरवासियों को लोहड़ी की बधाई दी।

शहरवासियों के सहयोग से लोहड़ी का आयोजन किया गया।

शहरवासियों के सहयोग से लोहड़ी का आयोजन किया गया।

शहरवासियों के सहयोग से लोहड़ी का आयोजन किया गया।



लोहड़ी के लोक पर रास प्रस्तुत करती बच्ची।



लोहड़ी के लोक पर सुखी दुप के सहयोग से रास प्रस्तुत करती बच्ची।



## Shareholding norm: SEBI revokes curbs on Omaxe

Press Trust of India  
Mumbai, Jan. 13

The capital markets regulator SEBI on Monday revoked the restrictions imposed on Omaxe, its directors and promoters, after the real estate company met the minimum public shareholding norms.

Pointing out Omaxe had "now achieved" the 25 per cent minimum public shareholding, SEBI in an order dated January 10 said: "... hereby revoke the directions vide the interim order dated June 4, 2013, against the company, Omaxe, its directors, promoters and promoter group, with immediate effect."

On June 4, last year, the Securities and Exchange Board of India had slapped several restrictions on over 100 non-compliant companies including Omaxe, their promoters and directors, for not meeting the public holding requirement within the deadline of June 3, 2013.

Omaxe in its reply to SEBI had submitted that it had examined various methods to comply with the norms but due to the negative stock market sentiments towards the real estate and infrastructure sector in the past couple of years, it had been very difficult to raise funds either through the primary or the secondary routes.

The realty firm had undertaken a series of OFS (offer for sale) on four dates, to comply with the norm.

"... the company has now achieved the compliance through a combination of OFS and bonus shares," SEBI said in the order.

"The public shareholders now hold 25.01 per cent in the company," it added.

# न्यूज डायरी

## फूलों की होली ने किया आनंदित

वृंदावन (ब्यूरो)। छटीकरा रोड स्थित ओमैक्स इटरनिटी में शनिवार रात भक्ति की ऐसी रसधार बही, इसमें हर कोई डूबने को आतुर दिखा। भक्ति, संगीत और रास का यह दौर देर रात तक चला। ओमैक्स इटरनिटी में सर्वप्रथम रास का आयोजन किया गया। इसमें राधाकृष्ण ने फूलों की होली खेल भक्तों को को आनंद से परिपूर्ण कर दिया। इसके बाद भव्य भजन संध्या का आयोजन किया गया। इसमें भजन सम्राट विनोद अग्रवाल ने अपनी प्रस्तुति से श्रोता को भाव-विभोर कर दिया। उन्होंने पहले फूलों में सज रहे हैं श्रीवृंदावन बिहारी... भजन प्रस्तुत किया। इसके बाद उन्होंने राधेरानी सुन लो हमरी पुकार... और अपना चंदा सा मुखड़ा दिखाए... भजन गाकर श्रद्धालुओं को भक्ति के रंग में रंग दिया। अंत में उन्होंने राधिका गोरी से ब्रज की छोरी से मैया करा दे मैरा ब्याह... भजन प्रस्तुत किया। इस अवसर पर मैनेजिंग डायरेक्टर रोहताश गोयल, शिखा गर्ग आदि उपस्थित थे।





वृंदावन स्थित ओमेक्स सिटी में आयोजित सांस्कृतिक कार्यक्रम के अंतर्गत ब्रज की प्रसिद्ध फूलों की होली को झांकी प्रस्तुत करते कलाकार।



वृंदावन स्थित ओमेक्स सिटी में आयोजित भजन संघ्या में भजन गायन करते भजन सभासत विनोद अग्रवाल और सौदी।

## फूलों की होली देख झूमे श्रोता

DLA News

वृंदावन। छटीकरा रोड स्थित ओमेक्स सिटी में आयोजित सांस्कृतिक कार्यक्रम व भजन संघ्या में कलाकारों ने प्रस्तुति देकर ऐसा खास बाधा कि श्रोता भक्ति भाव में मगधोर होकर

विनोद अग्रवाल के भजनों ने किया भाव विभोर

मिस्क उठे। भजन गायक विनोद अग्रवाल ने नया अपने विरहवर्धित श्रोतों में राधे-राधे...की धुन के साथ भजन गायन

शुरू किया तो श्रोत भावविभोर हो गए। वहीं ब्रज के कलाकारों ने फूलों की होली, लक्ष्मण भोले, प्रभु नृत्य प्रस्तुत कर खूब तालियां बटोरें। वृंदा

हार और खान पान के स्टाल लोगों को जपनी और अर्कषित कर रहे थे। कार्यक्रम में कंपनी के चेयरमैन रंजिताम घोषल, शिखा गर्ग, राधाभाष्य निंदल, समरनीत अदि लोग मौजूद रहे।

31 मार्च 2014
कृपः 30 एवरे

# निवेश मंथन

### चेतनभोगी खरीदार चुनते हैं कंस्ट्रक्शन-लिव्ड योजना

मोहित गोयल सीईओ, ओमेक्स

प्रोजेक्शनलिव्ड और कंस्ट्रक्शनलिव्ड योजनाएँ दो अलग प्रकार के निवेशको/ खरीदारों के लिए हैं। इन दोनों ही योजनाओं के अपने-अपने पाठ्य दे हैं। प्रोजेक्शनलिव्ड योजना को मुख्यतः वे निवेशक तरजीह देते हैं, जो विभिन्न परियोजनाओं में छोटी-छोटी राशि का निवेश कर बैठे रहते हैं और उन पर कमई की तक में लगे रहते हैं। अधिकांश चेतनभोगी व कुछ कारोबारों भी कंस्ट्रक्शनलिव्ड योजना को प्रथमिकता देते हैं जहाँ निर्माण के प्रत्येक चरण के साथ बिल्टर को कुछ राशि दी जाती होती है। यह योजना इन्फ्लिक् अलग है क्योंकि यह खरीदार को अपने बचत के अक्षरूप योजना बनाने में मददगार होती है। बैंक भी अपने और से कंस्ट्रक्शनलिव्ड योजना को बढ़ावा देते हैं और इस योजना के तहत आचस रूप हस्तिल कखन अखन है।



**Next Govt Could Improve Scenario**

High inflation and interest rate alongside policy uncertainty played a role in both consumers and investors staying away from the market in 2013. With slowdown in demand, this is seen as a good time to buy property. However, in 2014, what result the general elections throw up will be a thing to watch out for. But a few emerging positives will aid in the process. The Delhi Master Plan 2021 will create more avenues for residential and commercial development in the city. With a few more regions getting added to NCR, the prospects look rosy.

In the second half of 2014, the scenario could improve depending on the stability of the next government. However, if one were to go by analysts who forecast a stable government, it would benefit domestic as well as foreign investors sentiments complimented with an already improving macroeconomic indicators and global economy. We also expect the govt to take cognizance of the long-pending demand of the real estate sector.



**MOKIT GOEL**  
Chief Executive Officer, Omaxe Ltd.

## गोपी नाम लीन्हो जीवन लियो संवार

विनोद अग्रवाल के भजनों को सुन भाव विभोर हुए श्रोता

वृंदावन: ओमेक्स सभागार में भव्य संजावट के बीच प्रख्यात भजन गायक ने अपने मधुर स्वर में भजनों का ऐसा सिलसिला शुरू किया कि कि-लोग टस से मस न हुये। हालांकि भजन संघ्या के पूर्व फूलों की होली को देख दर्शक तालियां बजाते- बजाते नहीं थके। छटीकरा मार्ग स्थित ओमेक्स सिटी में सांस्कृतिक कार्यक्रम के तहत फूलों की होली में आज बिरज में होली रे रसिया गीत पर कलाकारों ने करीब आधा घंटे तक धमाल मचाया। इस दौरान लड़के-लड़कियां, पुरुष और महिलाएँ दर्शक मंच के सामने खड़े होकर उनके साथ नृत्य कर खुमते नजर आये। रात नौ बजे के करीब प्रख्यात भजन गायक विनोद अग्रवाल मंच पर अपने साधियों के साथ आये तो उनका दर्शकों ने तालियों से स्वागत किया। खनाखच भरे सभागार में उन्होंने जैसे ही मेरे कृष्ण मुगुरी गिरधारी भजन की लाइने गावें दर्शक प्रफुल्लित हो गये। इसके बाद उन्होंने राधा नाम और गोपी नाम लीन्हो जीवन लियो संवार भजन गाया। भजन संघ्या का यह कार्यक्रम देर रात तक चलता रहा। आयोजकों ने बताया कि इस कार्यक्रम को सुनने के लिये आगरा, दिल्ली, पनसीआर हरियाणा और पंजाब से करीब दो हजार श्रोता आये।

## सांवरे तेरे बिन सूने मेरे पलक पावड़े...

वृंदावन छटीकरा मार्ग स्थित ओमेक्स इंटरनिटी में एक शाम सांवरे के नाम कार्यक्रम का आयोजन किया गया। इसमें जहाँ एक तरफ जानेमाने भजन गायक विनोद अग्रवाल ने भक्तों को भक्ति रस से सरोबोर कर दिया। वहीं दूसरी तरफ ब्रज के कलाकारों द्वारा की गई प्रभु राधाकृष्ण की लीला, होली महोत्सव की धूम रही। दिल्ली सहित विभिन्न शहरों से आए लोगों ने सर्वप्रथम ब्रज की फूलों की होली का दर्शन किया। इस दौरान ब्रज कलाकारों ने प्रभु राधाकृष्ण की लीला का भी मंचन किया। भजन संघ्या में भजन गायक विनोद अग्रवाल ने भक्ति भाव के साथ एक के एक प्रभु राधाकृष्ण की लीलाओं पर आधारित भजन प्रस्तुत किए। आज सांवरे तेरे बिन सूने मेरे पलक पावड़े..., मेरा रसीलों घनपयाम..., तेरी रजा में मेरी रजा मेरे श्याम... जैसे भजनों का सिलासून भक्त झूम उठे। यह भक्ति रस की वर्षा देर रात तक होती रही। इस आयोजन में ओमेक्स के चेयरमैन रोहताश गोयल उपस्थित थे।

## Business

### Indian realty market: Despite slowdown, real value for NRIs



The Indian real estate sector has always been on a roller coaster ride. Having seen tremendous growth since 2007, the sector slowed down in 2013, at least in some parts of the country. But the domestic slowdown has not deterred non resident Indians from investing in their homeland, especially due to the rupee slide and the growth prospects in tier 2 and 3 cities.

Jyoti Kaur



As an asset class, real estate has been immensely popular with NRIs in the last few years. On an average, a 10-year investment has multiplied in value 6-10 times, irrespective of where the investment was made. Even last year, despite a slowdown in demand, the market has managed to avoid any

price decrease and some parts have seen price increases.

On the back of this growth, the Indian real estate sector now contributes around 6.3 per cent to the Indian GDP. Of this, housing alone contributes about five per cent to the country's GDP, while commercial and hospitality make up the rest.

While most of the price appreciation may have come in the metros and mini-metros, now prices even in Tier II and III cities have risen substantially, which has limited the purchasing capability of the buyers. For instance, home prices in Mumbai have seen 5 to 15 pc jump over the last six months despite the slowdown in home sales. According to the real estate

analyst, short-term advances do not affect NRIs' PIOs' investment decisions," says Parikaj Bansal, Director, MSM.

#### Roller coaster ride

Though the market has grown tremendously, but it has not been a smooth ride for the developers. The sector has had many highs and lows since 2005. The industry achieved new heights during 2007 and early 2008, characterised by a growth in demand, substantial development and increased foreign investments. However, by mid-2008, the effects of the global economic slowdown were evident here too, and the industry took a 'U' turn. FDI inflow into real estate dropped significantly and what had emerged as one of the most promising markets for foreign investments experienced a downturn.

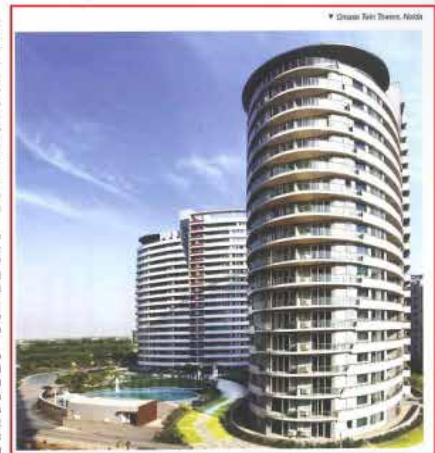
In the financial years 2007-08, 2008-09, and 2009-10, the housing and real estate sector attracted FDI of 8.9 per cent, 10.3 per cent and 11 per cent of the total FDI in India respectively. However the financial year 2010-11 saw a more 68 per cent FDI in this sector. FDI inflows in real estate in 2011-12 (April-January) stood at \$482.50 million, according to FICCI (Federation of Indian Chambers of Commerce and Industry). On similar lines, Department of Industrial Production and Policy report states that the FDI inflows in the housing and real estate sector amounted to \$2,935 million, \$1,227 million and \$731 million in the years 2009-10, 2010-11 and 2011-12 respectively. The decline is due to the unfavourable economic environment in the US and euro zone. But now the funds have begun to flow again and during

consultancy Knight Frank, incessant price rise and higher concentration of premium projects with a ticket size of more than Rs 10 million in new launches have limited the purchasing ability of home buyers resulting in a decelerating rate of absorption over the previous four quarters.

As the tier-I cities got exposed to impediments such as slow and rather uneven development of urban infrastructure, rapidly increasing operational costs, land paucity and escalating land values and exorbitant real estate prices, the focus shifted towards the so called "emerging hubs" or the tier-II and tier-III cities of the country. These included the likes of Jaipur, Ahmedabad, Nagpur, Bhopal, Chandigarh, Indore, Coimbatore, Mangalore and Kochi, where developers are launching large-scale townships, retail malls, information technology (IT) parks and special economic zones.

Lured by high returns and with the government permitting foreign direct investment in real estate, a number of overseas players - private equity, real estate developers, financial firms as well as REITs have invested in the country. These investors take a long view of the market and are not impacted by the short-term prospects.

"NRIs' PIOs from across the globe have evinced interest to invest in real estate in India. Economic slowdown will have little or no effect on investment in this sector for NRIs. Owning properties in India is far more rewarding than most other markets, and with the market poised to continue growing in the long



Chennai Real Estate, Noida

## Real Estate

'April 2012-January 2013, the real estate sector accounted for 8.8 per cent of total FDI inflows into India. FDI in the sector is estimated to grow to \$25 billion in 10 years.

During the slowdown of 2008-09, the market for high-priced homes contracted, and many companies saw an opportunity in lower-income segments. That's when the interest around mass 'affordable housing' started gaining traction. Leading developers like DLF, Unitech, Tata Housing, Purvankara, Omaxe and others announced new projects in the Rs 2 million per unit category. In addition, there are a host of smaller and regional players, including Folage in Surat, Kanchari Ganga in Nagpur and Jaiwadhari in Bangalore.

The year 2010 saw the developers spring back into action. But the revival was short lived as 2012 portrayed a dismal picture. By now, the real estate sector's contribution to GDP had declined from 10.8 per cent in 2010-11 to 6.3 per cent. With rising costs of inputs and high cost of funds, the industry is facing a dire situation. Companies are over-leveraged. Higher costs and interest rates have put pressures on their margins and with buyers taking a wait and watch attitude, the unsold inventory has been rising, adding to the debt levels of the companies.

But the demand remains and will stay for the foreseeable future. According to government estimates, at the end of 2012, India needed about 26.53 million dwelling units to serve 75.01 million households. On this, a report by global property management firm Jones Lang LaSalle stated that if the current increase in backlog of housing is maintained, a minimum of 30 million additional houses will be required by 2020.

Despite the post-up demand, by the end of 2012, it became evident that homes were not selling at the price points that builders had previously anticipated and this has led to a sharp increase in their inventory. According to the national housing index of the Indian government, 11.09 million homes in urban areas across India are currently lying vacant. New home sales in Delhi-NCR fell by

13 per cent, Mumbai by 12 per cent, 15 per cent in Pune, and seven per cent in Chennai during the third quarter of 2013 in comparison to the previous quarter.

One example of a builder facing the housing dilemma is the Orbit Grand property in Mumbai, built by Orbit Corporation which is one of the country's most prominent builders. Construction of this 35-storey building has stalled after only 10 floors. This is hardly an isolated case.

#### Housing slump in 2013

In 2013, housing prices increased in 12 cities by up to 5.3 per cent, while it declined in 10 cities, including Delhi, by up to seven per cent during the second quarter ended on September 30. Housing prices in Delhi witnessed a decline of 4.53 per cent during July-September period compared with the previous quarter. However, it jumped by 6.7 per cent on annual basis, as per Realistix released by National Housing Bank (NHB). Maximum price moderation was seen in Meerut by 6.88 per cent while, highest appreciation in rate was witnessed in Kolkata by 5.3 per cent.

"Contrary to this tradition, there has been a decline in new launch activities in Q3 2013 as economic conditions have not been encouraging for developers. Slowdown in demand with consumer

confidence at a low ebb on account of increased and consistently high pricing in key cities," Cushman & Wakefield Executive Director Residential Services Shweta Jain told in a daily.

"The first six month sales have been encouraging for the real estate sector. While the last quarter showed some decline, however, tier 2 and 3 cities continue to drive demand. On the back of a sharp depreciation in rupee, NRI quarters and conversions have risen and these are mostly from end-users," says Mohit Goyal, CEO, Omaxe Ltd.

"According to Bansal, NRIs or PIOs usually look at the growth regions from a long-term perspective. And since currency valuation provides them a considerable edge, they seek to invest in luxury properties.

Though the total new investments in real estate sector across the country has dipped by over 50 per cent during the course of past one year and domestic buyers have showed less interest, the real estate has been boosted by foreign investors or NRIs. The reasons are - a sharp fall in rupee value and the growth prospects of tier-2 and 3 cities.

#### Eye on the Rupee

The overseas investors keep close tabs on the foreign exchange rates and whenever the rupee depreciates

NRIs have been an active participant in ploughing back their savings into India and more so in real estate especially when the rupee is at its low. Rupee slide has seen renewed interest among them, which is amply clear from the remittance figures. It cannot be quantified as to what percentage went into real estate but it is one of the major asset classes.

Mohit Goyal, CEO, Omaxe Ltd

significantly they use the opportunity to invest in India. For example, in May-August, when the rupee shed nearly 25 pc of its value, the remittances from overseas reached record highs. In fact, many people also borrowed to be able to cash the opportunity. G Shankar Reddy, President, CREDAI, said, "According to RBI, net inflows of NRI deposits amounted to \$8.3 billion in Q2 of 2013-14 as compared to \$2.8 billion in the corresponding quarter of 2012-13. About 40 per cent of these inflows have gone in the real estate sector. It is also observed that the developers get 10-15 per cent more inquiries from NRI PIO customers whenever the rupee depreciates."

Omaxe's Goyal says, "NRIs have been an active participant in ploughing back their savings into India and more so in real estate especially when the rupee is at its low. Declining rupee has seen renewed interest among the community, which is amply clear from the remittance figures. It cannot be quantified as to what percentage went into real estate but it is one of the major asset classes. Rupee slide definitely helps the community purchase property at a lower value, but sliding rupee doesn't augur well for the economy and the sector."

"With the dollar appreciating against the rupee, there is a lot of interest among



Developers are also looking to tier 2 and 3 cities

rich NRIs in the UK and elsewhere to invest in India. NRIs, particularly the first-time home buyers, see multiple advantages - the foreign exchange value is now to their advantage," says Bansal of MSM.

#### Smaller cities, bigger role

As prices in the metros reach a certain degree of maturity, the developers are turning to tier II and tier III towns. Having tasted enormous appreciation and a continuous demand in suburbs like Noida and Gurgaon near Delhi and in northern fringes of Mumbai, the developers have now started projects in cities like Indore, Chandigarh, Allahabad, Nagpur, Raipur, Ahmedabad, Jaipur and other two-tier cities.

Most of these remittances, this time around, have gone to tier 2 and 3 cities like Lucknow, New Chandigarh, Indore etc. Since these cities offer immense potential in terms of growth, appreciation and demand, their comparative affordability as compared to Metro cities and NCR have enabled larger interest. Besides these, since Bahuburgarhi, Sonapat, Rohtak have over the years grown organically and connectivity has improved tremendously, the lifestyle and want of community living has only grown, says Goyal.

But some developers offer as they feel that currently most of the demand from these cities is home-grown rather than coming from overseas. "NRIs are showing interest in New Delhi and NCR regions and Mumbai. Tier 2 and 3 do not

fall in their investment purview," says Bansal, adding, "MSM has three luxury projects in the Gurgaon region, and we are already seeing good demand from overseas markets."

#### Roadblocks

For property developers, the biggest challenge is finding land on which to build. It is not easily available and the records are not properly maintained. This makes acquiring land a time consuming, cumbersome and expensive process. A report by Jones Lang LaSalle pointed out that with high population density, which is growing due to rapid

Growing potential in tier II and tier III cities



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