

ANNUAL REPORT  
**2011-12**



**BRIGADE**  
ENTERPRISES LTD.

QUALITY & CUSTOMER—FIRST

# The Board of Directors



**Mr M. R. Jaishankar**  
Chairman & Managing Director



**Dr Anumolu Ramakrishna**  
Independent Director



**Ms Githa Shankar**  
Wholetime Director



**Mr P. V. Maiya**  
Independent Director



**Mr M. R. Gurumurthy**  
Non-Executive Director



**Mr M. R. Shivram**  
Non-Executive Director



**Mr P. M. Thampi**  
Independent Director



**Dr K. R. S. Murthy**  
Independent Director

**COMPANY SECRETARY**  
Mr P. Om Prakash

**PRINCIPAL BANKERS**  
Corporation Bank  
State Bank of India

**STATUTORY AUDITORS**  
M/s Narayanan, Patil & Ramesh  
Chartered Accountants  
No. 1, 11th Floor, North Block  
World Trade Center  
Malleswaram-Rajajinagar  
Bangalore 560 055

**INTERNAL AUDITORS**  
Grant Thornton  
Wings, First Floor, 16/1  
Cambridge Road, Halasuru  
Bangalore 560 008, India

**EQUITY SHARES LISTED AT**  
National Stock Exchange of India Ltd (NSE)  
Bombay Stock Exchange Ltd (BSE)

**REGISTRAR & SHARE TRANSFER AGENTS**  
Karvy Computershare Private Limited  
Plot Nos. 17 to 24, Vittalrao Nagar  
Madhapur, Hyderabad 500 081  
Telephone No.: +91-40-2342 0815 to 24  
Fax No.: +91-40-2342 0814  
E-mail: svraju@karvy.com

**REGISTERED AND CORPORATE OFFICE**  
29th & 30th Floors  
World Trade Center  
Brigade Gateway Campus  
26/1, Dr Rajkumar Road  
Malleswaram-Rajajinagar  
Bangalore 560 055  
Telephone No.: +91-80-4137 9200  
Fax No.: +91-80-2221 0784  
E-mail: investors@brigadegroup.com  
www.brigadegroup.com

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## CMD's Message

THE financial year 2011-12 was an important milestone for the Group, as we have successfully completed 25 years of operations, to be precise on 10 October 2011.

What started as a one project venture in October 1986, blossomed into a multiproduct and multicity company. The success of our maiden venture Brigade Towers, the support we have received throughout from stakeholders like you, and the trust reposed on us by our customers, have brought us thus far.

With the completion of Orion Mall and, with it, the total completion of the iconic, landmark Brigade Gateway project, a major milestone was reached this year. Many of the components of Brigade Gateway—be it Orion Mall, World Trade Center Bangalore, Sheraton Bangalore Hotel, Galaxy Club, The Brigade School or Columbia Asia Hospital—apart from the entire Brigade Gateway project itself—have set new standards in development and become benchmarks for others to follow. (The Orion launch event itself was considered by many to be the best product launch ever seen in Bangalore.) This milestone, coupled with shifting of our corporate offices to WTC Bangalore, should be considered as a new chapter in the life of the organisation.

During the last 25 years, we have seen many ups and downs, as have most other businesses. Through it all, we have managed to survive and grow. We have tried, and we continue to try, to do business respecting our core values, which are quality-centric and customer-centric, built around the principles of fairness, innovation, social responsibility and trust. I can only say that it is not easy; it takes enormous effort and determination to live up to



our core values. Our vision is to become a world-class organisation, in our people, products, processes and performance.

I am delighted to mention that Sheraton Bangalore Hotel at Brigade Gateway received the coveted recognition as the *Best New 5-Star Upscale Hotel in South Asia in 2011* at the annual HICSA Conference of HVS.

What is significant, and very satisfying, is that our Mercure Homestead Serviced Residences (now Grand Mercure) won a similar award in the Apartment Hotel category in 2009—making both our hotel properties the 'best in class'.

On Brigade Group's social contribution to society: in addition to setting up three Brigade Schools, we are supporting and contributing in a significant way to the setting up of a unique museum at JP Nagar. The Centre for Indian Music Experience or IME will be the first of its kind in India, similar to such music museums in Seattle and Vienna. Another major CSR initiative we would like to launch is a Not-for-Profit company in the Social Housing sector, to help the urban poor. We would take up this project once the global and Indian economic scenario stabilises.

Having completed 20 million sft in over 100 buildings, we have geared up to launch and complete 30 million sft of new projects in seven South Indian cities over the next five years. As an optimist, like most businessmen, I hope that the not so favourable macro-environment will change for the better fairly soon.

I seek your good wishes and support in the years ahead.

— M. R. Jaishankar, CMD





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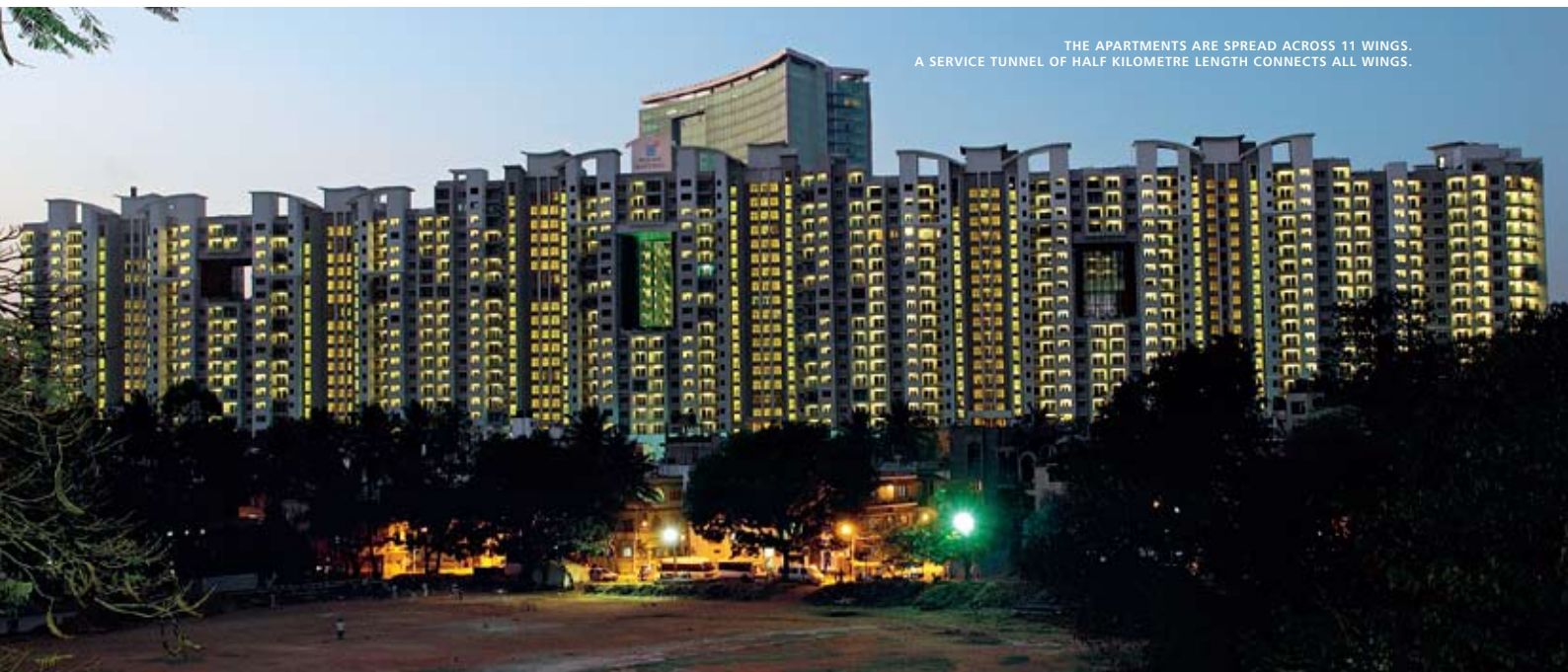
# Brigade Gateway: A vision realised

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THE 40-acre Brigade Gateway enclave, based on the best practices of modern town planning, comprises several independent and self-sufficient facilities that come together seamlessly as a whole. These are the residential section, with 1250+ apartments; the iconic World Trade Center Bangalore office facility; Orion Mall & Multiplex; Sheraton Bangalore Hotel; Galaxy Club; Columbia Asia Hospital and The Brigade School—separated from each other by broad roads, trees and garden areas. A central feature of the enclave is its man-made lake and surrounding promenade. Enclaves of this size and description are usually located outside the city core. Brigade Gateway, in the central Malleswaram-Rajajinagar region, is an exception. With all these features and advantages, Brigade Gateway may well be one of the most outstanding integrated enclaves in the world.



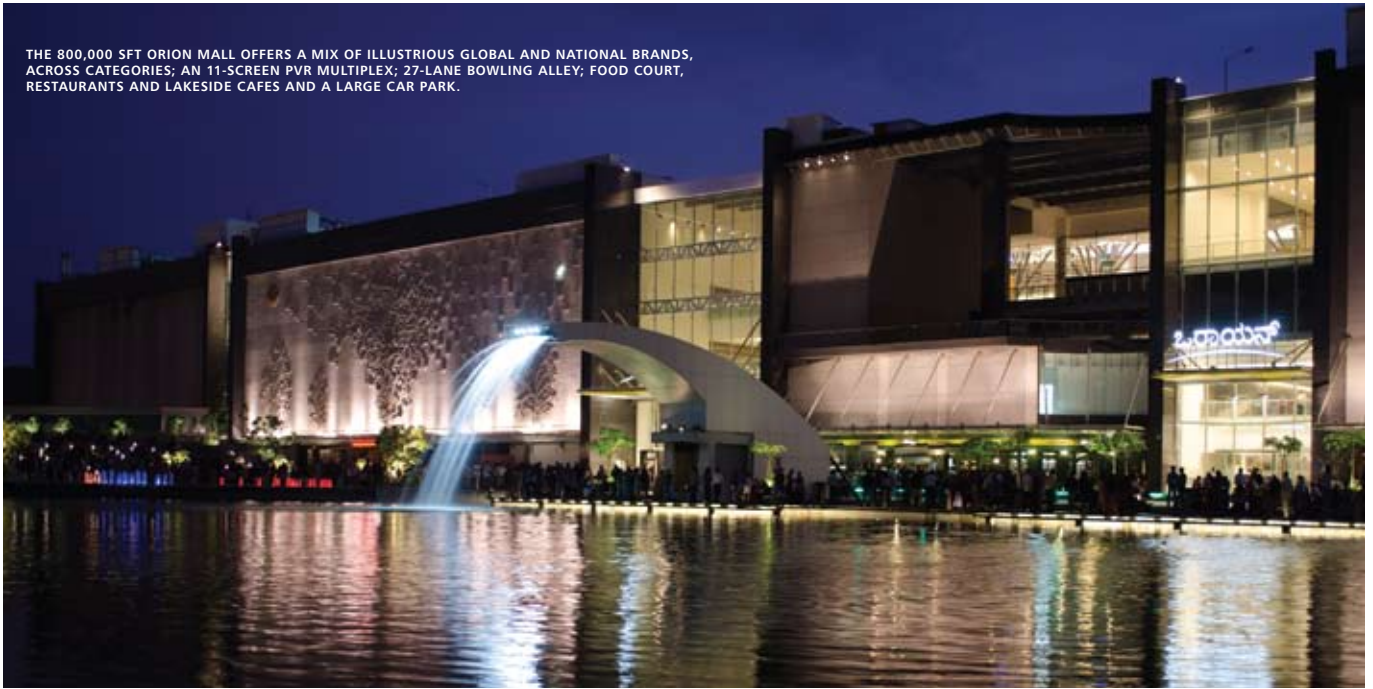
*A view of the Brigade Gateway enclave. The 5-star Sheraton Bangalore Hotel is on the left, with the WTC Bangalore office facility opposite. Sky bridges offer aerial connectivity between residences, Orion Mall, Sheraton and WTC.*



THE APARTMENTS ARE SPREAD ACROSS 11 WINGS.  
A SERVICE TUNNEL OF HALF KILOMETRE LENGTH CONNECTS ALL WINGS.



THE 800,000 SFT ORION MALL OFFERS A MIX OF ILLUSTRIOUS GLOBAL AND NATIONAL BRANDS, ACROSS CATEGORIES; AN 11-SCREEN PVR MULTIPLEX; 27-LANE BOWLING ALLEY; FOOD COURT, RESTAURANTS AND LAKESIDE CAFES AND A LARGE CAR PARK.



Electric carts ferry people around the enclave. Seen behind is the World Trade Center Bangalore or WTCB—the tallest building in the city and one of its most sought after business addresses.



The 200-bed multi-specialty Columbia Asia Hospital provides comprehensive tertiary-level services, as well as secondary-level medical care.



Winner of 'Best Hospitality Architecture' title at the CNBC AWAAZ CRISIL CREDAI Real Estate Awards 2010, the Galaxy Club offers a range of sports, entertainment, dining and leisure facilities.



The Brigade School, the third and most recent in The Brigade Schools chain, offers excellent teaching, infrastructure and facilities.



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## Residential projects across cities and market segments

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**E**NCLAVES like Brigade Gateway are only one aspect of our residential portfolio. Also on that portfolio are a range of independent residential projects—premium, luxury and high end residences in seven cities across South India. Several more, including villa options and residential sections within enclaves, are under different stages of construction and on our drawing boards. Importantly, we have sharpened our focus on environmental and ecological sustainability. A case in point is Brigade Exotica, which is a CRISIL 5-star rated, IGBC Pre-certified Gold Standard green building.

More recently, we have launched an initiative to bring no-compromise, affordable homes into the housing market. Our value homes will be located within mixed use developments like Brigade Orchards in Devanahalli, in the northern part of the city, and Brigade Meadows on Kanakapura Road, in the south of Bangalore. They will offer their residents the benefit not only of affordable housing, but also lifestyle enriching social and recreational facilities. Our portfolio of new projects includes ...



*Brigade Caladium, Hebbal, Bangalore*



*Brigade Omega, off Kanakapura Road, Bangalore*



*Brigade Oak Tree Place, Devanahalli, Bangalore*



*Brigade Altamont, Arkavathy Layout, Bangalore*



*Brigade Palmgrove, Bogadi Road, Mysore*



*Brigade Zenith, Banjara Hills, Hyderabad*



*Brigade Serenity, Chikmagalur*

Notice is hereby given that the Seventeenth Annual General Meeting of **Brigade Enterprises Limited** will be held at Chowdiah Memorial Hall, Gayathri Devi Park Extension, 16th Cross, Malleswaram, Vyalikaval, Bangalore 560 003, on Tuesday, 7th August, 2012, at 10.30 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Audited Profit & Loss Account for the Financial Year ended 31st March, 2012, and the reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Dr Anumolu Ramakrishna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr M. R. Gurumurthy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company for the period commencing from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.

## SPECIAL BUSINESS

- 6) To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, approval be and is hereby given to the re-appointment

of Mr M. R. Jaishankar as Chairman and Managing Director for a period of 5 years with effect from 1st April 2012 on a remuneration as detailed in the Explanatory Statement annexed to the Notice.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase as the case may be is within the overall limits specified in Schedule XIII & the relevant provisions of the Companies Act, 1956.”

- 7) To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, approval be and is hereby given to the re-appointment of Ms. Githa Shankar as Wholtime Director for a period of 5 years with effect from 1st April 2012 on a remuneration as detailed in the Explanatory Statement annexed to the Notice.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase as the case may be is within the overall limits specified in Schedule XIII & the relevant provisions of the Companies Act, 1956.”

## Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at the meeting is annexed hereto and forms part of the Notice.
4. The Register of Members and Share Transfer Books will be closed from Wednesday, 1st August, 2012 to Tuesday, 7th August, 2012 (both days inclusive).

## Notes

5. Members are requested to send all communications relating to Shares to our Share Transfer Agents at the following address:  
Karvy Computershare Private Limited  
Plot Nos 17 to 24 Vittalrao Nagar, Madhapur,  
Hyderabad 500 081  
Telephone No.: +91-40-2342 0815 to 24  
Fax No : +91-40-2342 0814  
Email: svraju@karvy.com
6. Members are requested to send their queries in regard to the Accounts at least 10 days in advance to the registered Office of the Company.
7. Members / Proxies are requested to bring the attendance slips duly filled in and their copies of the Annual Report to the Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank details to their depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address or bank details immediately to our Registrars and Transfer Agent, M/s Karvy Computershare Private Limited.
10. Members are requested to note that the dividends not encashed or claimed within seven years from the date of transfer to the Unpaid Dividend Account, will as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.

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**Registered Office:**

29th & 30th floors  
World Trade Center  
Brigade Gateway Campus  
26/1, Dr Rajkumar Road  
Malleswaram-Rajajinagar  
Bangalore 560 055

Place: Bangalore  
Date: May 07, 2012

By Order of the Board  
for **Brigade Enterprises Limited**

**P. Om Prakash**  
Company Secretary

## Annexure to the Notice

### **Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956**

#### **Item No. 6**

The present term of Mr M. R. Jaishankar as Chairman & Managing Director of the Company was upto 31st March 2012. The Board of Directors have approved the re-appointment of Mr M. R. Jaishankar for further period of five years subject to the approval of shareholders.

Approval of the members is sought for ratifying the re-appointment of Mr M. R. Jaishankar as Chairman and Managing Director for a further period of 5 years w.e.f. 1st April 2012 pursuant to Section 198, 269 and other applicable

provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956.

Mr M. R. Jaishankar has been guiding force behind the Company's exponential growth of the Company. Under his guidance the company has successfully completed 25 years of operations. Mr M. R. Jaishankar has been the guiding the force for the Brigade Group completing construction of over 100 residential, commercial, retail and hospitality projects, covering over 20 million sft of developable area.

An abstract of the terms of the agreement entered into for his appointment is given below and shall be treated as disclosure required to be made under Section 302 of the Companies Act, 1956:



1. Duties and Powers

Mr M. R. Jaishankar, the Chairman and Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned by him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such subsidiaries or any other executive body or committee of such a company.

2. Period of Appointment: From 1st April 2012 to 31st March 2017.

3. Remuneration

(a) Salary up to a maximum of Rs 4,00,000/- p.m. (Rupees Four Lakhs Only), with authority to the Board to fix the salary within the said maximum amount from time to time. The annual increments shall be effective 1st April each year, and shall be decided by the Board and will be merit based and take into account the Company's performance.

(b) Perquisites

(1) In Addition to the salary, Mr M. R. Jaishankar shall be entitled to perquisites such as:

- (i) Furnished accommodation, with expenditure on gas, electricity, water and maintenance and repairs thereof or, House Rent Allowance and house maintenance allowance with expenditure on gas, electricity, water and furnishings.
- (ii) Leave Travel Allowance for self and family.
- (iii) Medical Reimbursement: Expenses incurred by the Managing Director and his family will be subject to ceiling of one month's salary.

(iv) Club Fee

And such other perquisites and allowances in accordance with the rules of the Company and as may be agreed by the Board of Directors and Mr M. R. Jaishankar; and such perquisites and allowances will be subject to overall ceiling as may be fixed by the Board of Directors from time to time.

- (2) Company maintained Car with Driver for official and personal use.
- (3) Telecommunication facilities at residence.
- (4) Contribution of Provident Fund and Gratuity: The Managing Director will be eligible to the benefit of contribution to Provident Fund, which presently is Rs 780/- (Rupees Seven

Hundred and Eighty only).

(5) Leave and encashment of unavailed leave as per the rules of the Company.

(6) Other Benefits: Such as servant allowance, entertainment expenses etc. as applicable from time to time as per the Company's rules.

(c) Commission

Such remuneration by way of Commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of the each financial year. The exact amount payable will be decided by the Board of Directors based on certain performance criteria and shall be payable only after the Annual Accounts of the Company have been approved by the Board of Directors.

The remuneration payable including commission shall not exceed the limits specified in Section I of Part II to Schedule XIII to the Companies Act, 1956.

(d) Termination:

The appointment will be for a period of five years, which may be terminated by either party giving to the other 90 days notice in writing.

The Board of Directors recommend this resolution for your consideration and approval as a special resolution.

None of the Directors except Mr M. R. Jaishankar are concerned or interested in the resolution.

**Item No. 7**

Ms Githa Shankar is on the Board of the Company with effect from 8th November 1995 as a Non Executive Director. The Board of Directors in their meeting held on 7th March 2007 approved her appointment as a Wholetime Director for a period of five years w.e.f. 1st April 2007. The Board of Directors have recommended her re-appointment as Wholetime director for a period of five years from 1st April, 2012.

Approval of the members is sought for ratifying the re-appointment of Ms Githa Shankar as an Wholetime Director of the Company for a period of five years w.e.f. 1st April 2012 pursuant to Section 198, 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956.

An abstract of the terms of the agreement entered into is given below and shall be treated as disclosure required to be made under Section 302 of the Companies Act, 1956:

1. Duties and Powers

Ms Githa Shankar, the Executive Director of the Company shall devote her whole time and attention

## Annexure to the Notice

- to the business of the Company and carry out such duties as may be entrusted to her by the Board from time to time and separately communicated to her and exercise such powers as may be assigned by her, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such subsidiaries or any other executive body or committee of such a company.
2. Period of Appointment: From 1st April 2012 to 31st March 2017.
  3. Remuneration
    - (a) Salary up to a maximum of Rs 4,00,000/- p.m. (Rupees Four Lakhs only), with authority to the Board to fix the salary within the said maximum amount from time to time. The annual increments shall be effective 1st April each year, and shall be decided by the Board and will be merit based and take into account the Company's performance.
    - (b) Perquisites
      - (1) In Addition to the salary, Ms Githa Shankar shall be entitled to perquisites such as:
        - (i) Furnished accommodation, with expenditure on gas, electricity, water and maintenance and repairs thereof or, House Rent Allowance and house maintenance allowance with expenditure on gas, electricity, water and furnishings.
        - (ii) Leave Travel Allowance for self and family.
        - (iii) Medical Reimbursement: Expenses incurred by the Whole-time Director and her family will be subject to ceiling of one month's salary.
        - (iv) Club FeeAnd such other perquisites and allowances in accordance with the rules of the Company and as may be agreed by the Board of Directors and Ms Githa Shankar; and such perquisites and allowances will be subject to overall ceiling as may be fixed by the Board of Directors from time to time.
    - (2) Company maintained Car with Driver for official and personal use.
    - (3) Telecommunication facilities at residence.
    - (4) Contribution of Provident Fund and Gratuity: The Executive Director will be eligible to the benefit of contribution to Provident Fund, which presently is Rs 780/- (Rupees Seven Hundred and Eighty only)
    - (5) Leave and encashment of unavailed leave as per the rules of the Company.
    - (6) Other Benefits: Such as servant allowance, entertainment expenses etc. as applicable from time to time as per the Company's rules.
  - (c) Commission

Such remuneration by way of Commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of the each financial year. The exact amount payable will be decided by the Board of Directors based on certain performance criteria and shall be payable only after the Annual Accounts of the Company have been approved by the Board of Directors.

The remuneration payable including commission shall not exceed the limits specified in Section I of Part II to Schedule XIII to the Companies Act, 1956.
  - (d) Termination:

The appointment will be for a period of five years, which may be terminated by either party giving to the other 90 days notice in writing.

The Board of Directors recommend their resolution for your consideration and approval as a special resolution.

None of the Directors except Ms Githa Shankar are concerned or interested in the resolution.

**Registered Office:**  
29th & 30th floors  
World Trade Center  
Brigade Gateway Campus  
26/1, Dr Rajkumar Road  
Malleswaram-Rajajinagar  
Bangalore 560 055

Place: Bangalore  
Date: May 07, 2012

By Order of the Board  
for **Brigade Enterprises Limited**  
  
**P. Om Prakash**  
Company Secretary



Details of the Directors seeking re-appointment at the 17th Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

<b>Name of the Director</b>	<b>Mr M. R. Jaishankar</b>	<b>Ms Githa Shankar</b>	<b>Dr Anumolu Ramakrishna</b>	<b>Mr M. R. Gurumurthy</b>
Date of Birth	22/04/1954	23/01/1954	20/12/1939	04/05/1941
Age (in years)	58	58	73	71
Date of Appointment	08/11/1995	08/11/1995	25/04/2008	08/11/1995
Qualification	Bachelors in Science and Masters in Business Administration	Bachelors in Arts, Bachelors in Library Science and a Masters in Business Administration	Masters in Structural Engineering	Bachelors in Science
No. of equity shares held in the Company	23045064	18700500	Nil	2137722
Expertise in functional areas	He has around 3 decades of rich experience in real estate industry	She has over 3 decades of experience in the fields of advertising, stock broking, insurance, education and real estate	He has around 4 decades of rich experience in real estate industry	He has more than 4 decades of business experience
Directorships held in other Companies	<ul style="list-style-type: none"> <li>a. Brigade Hospitality Services Ltd</li> <li>b. Mysore Holdings Pvt. Ltd</li> <li>c. Brigade Estates &amp; Projects Pvt. Ltd</li> <li>d. Brigade Tetrarch Pvt. Ltd</li> <li>e. Brigade Properties Pvt. Ltd</li> <li>f. Brigade Infrastructure &amp; Power Pvt. Ltd</li> <li>g. BGV Developers Pvt. Ltd</li> <li>h. WTC Trades &amp; Projects Pvt. Ltd.</li> <li>i. BGV Estates Pvt. Ltd.</li> <li>j. Orion Mall Management Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>a. Brigade Hospitality Services Ltd</li> <li>b. Brigade Tetrarch Pvt. Ltd</li> <li>c. Brigade Estates &amp; Projects Pvt. Ltd</li> <li>d. Brigade Properties Pvt. Ltd</li> <li>e. Mysore Holdings Pvt. Ltd</li> <li>f. Brigade Infrastructure &amp; Power Pvt. Ltd</li> <li>g. Tetrarch Equity Research &amp; Analysis Pvt. Ltd</li> <li>h. Orion Mall Management Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>a. The K C P Limited</li> <li>b. Teesta Urja Limited</li> <li>c. Madras Cements Limited</li> <li>d. GVK Jaipur Expressway Private Limited</li> <li>e. GVK Power &amp; Infrastructure Limited</li> <li>f. GVK Industries Limited Power Pvt. Ltd</li> <li>g. Taj GVK Hotels &amp; Resorts Limited</li> <li>h. SPEL Semiconductor Limited</li> <li>i. Ramco Industries Limited</li> <li>j. GVK Gautami power Limited</li> <li>k. The Andhra Sugars Limited</li> <li>l. Mumbai International Airport Private Limited</li> <li>m. The Andhra Petrochemicals Limited</li> <li>n. Anumolu Hi-Tec Promoter Private Limited</li> <li>o. GVK Energy Limited</li> </ul>	a. Capronics Private Limited
Committee positions held in other Companies	NIL	NIL	8	NIL

# Directors' Report

To  
The Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report on business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

(Rupees in Lakhs)

Particulars	2011-12	2010-11
Net Sales and other income	60,931.70	46,937.37
Interest & other Finance charges	6,039.28	1,678.69
Depreciation & amortisation expenses	4,001.39	1,726.58
<b>Profit before tax</b>	<b>6,814.95</b>	<b>16,145.85</b>
Provision for taxation: Current	1,362.51	2684.85
Deferred	(299.94)	2446.87
Wealth Tax	2.44	1.20
MAT entitlement	(59.42)	(914.65)
<b>Net Profit after Tax</b>	<b>5,809.35</b>	<b>11,927.58</b>
<b>Earnings Per Share</b>	<b>5.18</b>	<b>10.63</b>

## Dividend:

The Board of Directors of the Company have recommended a dividend of Rs 1.50 (Rupees one and paise fifty only) (15%) per equity Share which is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The total payment on account of Dividend (including Dividend Tax) shall be Rs 1956.93 lakhs. A sum of Rs 440 lakhs has been transferred to the General Reserve.

## Share Capital:

There has been no changes in the share capital of the Company during the year.

## Operational Review & Future:

The financial year 2011-12 has been a year of high volatility. The GDP of the Indian economy grew at 6.5%, a significant slowdown in comparison to the preceding two financial years. The main factors attributable to the slowdown is due to weakening industrial growth, persistent inflationary pressures, rising interest costs, weak domestic sentiment and deterioration in global economic situation. Real Estate is one of the major components of the GDP of our economy. The slackness in the growth of the real estate sector had an impact on the GDP. The silver lining to it was that the Bangalore real estate market showed a better than average performance compared to the other cities, as the real estate players in Bangalore were more organised and transparent in their functioning.

This year was a very eventful year for your Company as it completed 25 years of its existence on 10th October,

2011, in what was originally started as a single project in a partnership firm. It grew from strength to strength and today we have completed more than 100 buildings and successfully delivered more than 20 million square feet of development in residential, commercial and hospitality projects. A total of around 30 million square feet would be developed in phases over the next five year period of which 9 million square feet is presently being developed.

The snapshot of the performance during the year is as follows:

## Integrated Enclaves

### Brigade Gateway:

Brigade Gateway is an iconic project and way ahead of its time. It is the most integrated city centric enclave anywhere in the country. The total integration of the residential apartments with offices, retail, hotel, hospital, educational and recreational facilities within the project, is unprecedented. The residential blocks comprising of over 1250+ apartments have been nearly sold.

World Trade Center, the office tower at Brigade Gateway, comprising 32 levels with a height of 128 meters is the tallest building in Bangalore as on date. Around 40% out of the total of 1.1 million square feet in this building has been leased and 30% has been sold. Company will hold a major stake in the space since the World Trade Center brand for the city of Bangalore is held by the Company through its subsidiary WTC Trades & Projects Private Limited.

We are also happy to inform that the registered office and corporate office of the Company has been shifted to the 29th & 30th floors of this prestigious building w.e.f. 8th February, 2012.

In the first year of operations, the Sheraton Bangalore Hotel at Brigade Gateway has drawn a good response from the market for both rooms and F&B and has witnessed robust business. It comprises of 230 room keys and the occupancy level in the property is quite encouraging.

The flagship retail venture of the Company—ORION Mall at Brigade Gateway, aggregating to over 8,00,000 sft has been completed and operations have commenced in the month of March, 2012. About 85% of the space has been leased out and 60% of the Mall is fully operational as on date. The completion of the mall makes all components of the enclave completely operational.

The many accolades received by the various components of the enclave is a true reflection of this world class project.

### Brigade Metropolis:

The construction of the residential blocks, aggregating to about 2.52 million sft, have been completed during the year. The sale of the apartments were completed during the year. Summit, the office space at Metropolis aggregating to



8,28,000 sft was completed during the year.

#### **Commercial:**

During the year the Company monetised the following commercial assets:

- A total of around 0.39 million sft of office space at World Trade Center at Brigade Gateway has been sold.
- Company has monetised to the extent of 0.05 million sft of Summit @Brigade Metropolis located on Whitefield Road.
- We have Monetised to the extent of 0.07 million sft in Brigade Rubix, HMT Township.

#### **Hospitality Domain:**

- **Sheraton Bangalore Hotel:** The Sheraton Bangalore Hotel at Brigade Gateway has done good business in the first year of its operations and the occupancy levels have consistently exceeded expectations. Sheraton Bangalore has been voted the 'Best New Hotel of the year 2012' in the 'Upscale segment-Business' by HVS South Asia at HISCA 2012.
- **Grand Mercure:** The 5-Star Grand Mercure, apartment hotel in Koramangala, Bangalore is owned by the Company and managed by the French group, Accor. The occupancy levels has consistently averaged over 80% during the year and is one of the best performing apartment hotel in South India.

**Special Economic Zones**—The construction work at the Special Economic Zone at Kochi would commence shortly. The infrastructure works is being undertaken by the concerned statutory authorities in the Special Economic Zone at Mangalore. We will commence construction on completion of the infrastructure works by the authorities.

#### **Brigade Value Homes**

**Brigade Meadows**—Brigade Meadows located on Kanakapura Road is a 65 acres mixed use development of which Brigade Value Homes is an integral part. The first phase of development is on 31 acres in which 1850 units are launched. Construction is progressing well in the project.

The other ongoing Residential Projects are as follows:

- **Brigade Sonata**, Palace Road, Bangalore aggregating to 0.04 million sft.
- **Brigade Rhapsody**, Palace Cross Road, Bangalore a premium residential project aggregating to 0.03 million sft.
- **Brigade Horizon** at Mysore aggregating to 0.17 million sft.
- **Brigade Sparkle** at Mysore aggregating to 0.24 million sft.

The following projects have been launched by the Company in 2011-12:

- **Brigade Exotica** on Old Madras Road, our Premium Luxury Residential Apartment Project aggregating to 1.50 million sft. This project has received 5-star Rating from CRISIL Real Estate Rating. It has also received pre-certified Gold rating by IGBC Green Homes. The construction of the first tower is in progress.
- **Brigade IRV Centre** in Nallurahalli, Whitefield, is our proposed Commercial Office building Project aggregating to 0.26 million sft. It has received the LEED ICS Pre Certified Gold rating by IGBC Green Homes.

The following projects are in the pre-launch stage.

- **"Brigade Omega"**, our Luxury Residential Project in Thurahalli Village, Uttarahalli, Bangalore South aggregating to 0.82 million sft.
- **Brigade Pinnacle**, residential project in Mangalore aggregating to 0.51 million sft.
- **Brigade Palmgrove**, our Premium Villa & Town House Project on Bogadhi Main Road, Mysore aggregating to 0.27 million sft.

The ground breaking ceremony for the following projects in Bangalore were conducted during the year.

- Commercial Office building Project—Brigade IRV Centre in Nallurahalli
- Premium Residential Apartment Project—Brigade Caladium, Hebbal
- Commercial Office Building—Brigade Magnum, Hebbal.

#### **Shifting of Registered Office:**

During the year under review, the registered office of the Company was shifted to the 29th & 30th Floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Rajajinagar-Malleswaram, Bangalore 560 055 w.e.f. 8th February, 2012.

#### **Subsidiaries:**

**Brigade Hospitality Services Limited (BHSL)** is a wholly owned subsidiary of the Company that runs and manages clubs, serviced residences and convention centres. During the financial year 2011-12 BHSL has registered income from operations amounting to Rs 5210.72 lakhs and incurred a loss of 41.41 Lakhs.

**Orion Mall Management Company Limited (OMMC)** is a newly incorporated wholly owned subsidiary of the Company, incorporated during the year. The main object of the company is to carry on the business of mall management. This Company would manage all malls developed by the Company. OMMC had a turnover of Rs 16.81 lakhs and a loss of Rs 58. 13 lakhs.

# Directors' Report

WTC Trades & Projects Private Limited(WTC) a wholly owned subsidiary of the Company which has obtained the licence from World Trade Center Association, USA is entitled to use WTC logo in the city of Bangalore. WTC had a turnover of Rs 84.11 lakhs and a net profit of Rs 0.12 lakhs.

Brigade Estates and Projects Private Limited & Brigade Properties Private Limited are wholly owned Subsidiaries of the Company with main business in the field of real estate development. Brigade Infrastructure & Power Private Limited is a wholly owned subsidiary with its main objects in the field of Infrastructure and power. These Companies are in the process of being fully operational.

Brigade Tetrarch Private Limited (BTPL) is also a wholly owned subsidiary of the Company with its main business in the field of sports related activities. BTPL has registered income from operations amounting to Rs 0.29 lakhs and incurred a loss of Rs 0.12lakhs.

## Joint Venture:

BCV Developers Private Limited is a 50:50 joint venture between the Company and Classic Valmark Private Limited for development of land of 120 acres in Devanahalli, Bangalore. Your Company has 50% representation of the Board of this Company. The project known as "Brigade Orchards" is a 120 acre, one-of-its kind, completely integrated and inclusive enclave located near the Bangalore International Airport. This will be an eco-friendly, model township, incorporating globally followed "best practices" in town planning and urban infrastructure. A total of around 7 million square feet of development is proposed over a period of 5 years. The project would comprise of villas, value homes, apartments, commercial complex, retail, sports arena, clubs. Provisions are made for Arts village, Healthcare, school and civic amenities. The model villas are ready and presently the infrastructure work is progressing in the project.

## Consolidated Financial Statements:

The Consolidated Financial statements have been prepared by the Company pursuant to Clause 32 of the Listing Agreement entered with the Stock Exchanges. The Consolidated Financial Statement and Auditors' Report thereon forms part of the Annual Report.

## Fixed Deposits:

The Company has not accepted any fixed deposits during the year. There are no deposits repaid during the year or any unclaimed deposits with the Company.

## Management Discussion & Analysis Report:

The Management Discussion and Analysis is annexed to this report.

## Directors:

Dr Anumolu Ramakrishna and Mr M. R. Gurumurthy retire by rotation and being eligible, offer themselves for re-appointment.

The present tenure of Mr M. R. Jaishankar as Chairman & Managing Director and Ms. Githa Shankar as Wholetime Director was upto 31st March, 2012. The Board of Directors have approved their re-appointment for a further period of five years with effect from 1st April, 2012 subject to the approval of members in the 17th Annual General Meeting.

None of the Directors of the Company are disqualified under Section 274(1)(g) of the Companies Act, 1956.

## Auditors:

M/s. Narayanan, Patil & Ramesh, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible for re-appointment have offered themselves for re-appointment.

M/s. Narayanan, Patil & Ramesh, Chartered Accountants have confirmed that the appointment, if made, will be in accordance with the limits prescribed under Section 224(1B) of the Companies Act, 1956.

## Directors' Responsibility Statement:

As per the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. 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 and loss of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the accounts on a going concern basis.

## Report on Corporate Governance:

A detailed report on Corporate Governance has been included as an attachment to this Report.



### Particulars of Employees:

In terms of 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 employees are set out in the annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all members of the Company and others entitled thereto. Any person interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

### Conservation of energy, technology absorption, Foreign Exchange earnings and outgo:

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings & outgo pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is contained in Annexure I.

### Awards and Recognitions:

"World Trade Center", at Brigade Gateway has won the award for "Outstanding Concrete Structure of Karnataka-2010" from the "Indian Concrete Institute".

"Sheraton Bangalore Hotel" at Brigade Gateway has been voted the "Best New Hotel of the Year 2012" in the Upscale Segment-Business by HVS South Asia" at HICSA 2012.

The Group has been awarded a commendation certificate by Indian Merchants Chambers Ramakrishna Bajaj National Quality Award Trust for business excellence, 2011 under the Service category.

"Brigade Group" was honoured with the "Outstanding contribution in Real Estate (Hospitality Sector)" at the

EPC World Awards 2011. The award was conferred to the Company for the products and services provided by the Organisation for the development of the Indian Infrastructure and Construction sector.

"World Trade Center" was conferred the ACCE-BILLIMORIA award 2011 for "Best construction in High Rise Buildings" by the Association of Consulting Civil Engineers India, Governing Council.

The Group was awarded a certificate for its "Strong Commitment to Excel" by the CII-EXIM Award for Business Excellence 2011 at the National Quality Summit.

Mr M. R. Jaishankar was honoured as an 'EMINENT DEVELOPER' by Civil-Aid Technoclinic Private Limited, a Bureau Veritas Group Company.

The Group has won two awards, 'Developer of the Year—Commercial' & 'Integrated Township of the Year' (Brigade Gateway) Awards at the Realty Plus Excellence Awards 2012 for South India, instituted by Realty Plus.

The Group was presented the "India's Top 10 Builders" award at the CW Architect and Builder Awards 2011. This is the fifth year in a row that your Company has received this honour.

"Economic Times, in association with"Great places to Work Institute""rated the Company as the 2nd best Company in the Real Estate Sector and also at number 88 among all Companies in the Country in 2011 to work at.

### Acknowledgements:

We would like to record our sincere thanks to team Brigade, shareholders, to our family of associates (architects, consultants, contractors, bankers, suppliers, officials in the civic authorities and government), friends, well wishers and, of course, all our customers, who have shown their confidence and support to the Company during the last 25 years and helped in shaping Brigade Group.

Place: Bangalore  
Date: May 07, 2012

By Order of the Board  
for **Brigade Enterprises Limited**

**M. R. Jaishankar**  
Chairman and Managing Director

# Annexure “I”

## Conservation of Energy

(a) Energy conservation measures taken:

The conservation of Energy and Water, and the protection of the environment—air, water, & ground from pollution—is an integral part of Design and Development. The cost of power / fuel consumption doesn't constitute a major cost of the project. This cost per se is the power and fuel purchased for construction process such as operation of cranes, lifts, conveyors lighting, welding, cutting, drilling and operation of other electrical instruments at the project sites. The buildings being Mega and High raised structures it is imperative to use power assisted gadgets for the safety of the workers.

However the company has been taking energy saving measures viz.,

- Utilising the natural light sources on lighting system, and install high-efficiency lamps (CFL and LED Lamps) with the high frequency electronic ballasts.
- Painting the ceilings and walls in favor of reflecting effect with lighter colors.
- Use of electrical equipments with minimum of three star rating by Bureaus of Energy Efficiency, Government of India.
- Use of glass as building material to maximise the use of Day-light in offices and projects of the company and at the same time not increasing the air conditioning load by suitably shading the building.
- Utilisation of solar energy wherever possible for heating and lighting in all the projects of the company
- Energy efficient Lifts and Water Supply Pumps.
- Use of Energy efficient Air Conditioning System in all Commercial Buildings developed by the company
- Use of low flow water fixtures to reduce the water demand and energy requirement for pumping water in all the projects of the company
- Design and Implementation of Green Building norms in all our future projects

(b) Additional investment and proposals, if any being implemented for reduction in consumption of energy.

The Company as a matter of policy has a regular and ongoing programme for investments in energy saving devices, wherever possible, used in construction. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

(c) Impact of measures taken at (a) and (b) above for reduction of Energy consumption and consequent impact of the same.

The impact of the measures taken cannot be quantified as the company is in the construction field.

(d) Total energy consumption and energy consumption per unit as per form – A of the Annexure to the rules of industries specified in the schedule thereto:

Not Applicable.

## II. Technology absorption

Company works on a mechanised process to reduce cost and increase the efficiency of the operations. Company has from time to time engaged international architects and consultants in its integrated enclave projects for using the latest designs and technology.

Company has implemented ERP package SAP for integrating the various process and operations of the Company.

Modern Technology / Machinery is used by the Company from time to time to achieve maximum efficiency in operations.

## III. Research and Development

More standardised building elements which adheres to quality standards.

More efficient and effective planning of construction activities for maintaining the quality.

### Benefits derived from R & D

The buildings constructed adhere to highest standard of quality.

### Expenditure on R & D

It forms part of the project cost and cannot be quantified separately.

## IV. Foreign Exchange Earnings & Outgo

The details of Foreign Exchange inflow and outflow during the year are as follows:

(Rupees in Lakhs)

Particulars	2011-12	2010-11
<b>Inflow:</b>		
Advance for Sale of Units, Lease deposits & Rentals	456.81	1,138.91
<b>Outflow:</b>		
i. Professional charges	177.68	137.48
ii. Consultation Fees	6.19	Nil
iii. Others	37.25	148.57

By Order of the Board  
for **Brigade Enterprises Limited**

**M. R. Jaishankar**  
Chairman and Managing Director

Place: Bangalore  
Date: May 07, 2012

# Management Discussion and Analysis Report

The Indian Economy was considered to be among the fastest growing and robust economies in the world through the recessionary years due to strong macro economic growth, varied natural resources and abundant manpower resources. However, due to various factors, such as lack of progressive decision making and policies by the Government, both at the state & centre, financial year 2011-12 has been a dismal year for citizens of our country. Inflation, which has continued to be very high, has been cited as the reason for keeping interest rates at the current unsustainable levels. The result of bad governance has been that the Indian economy grew by only 6.5% during the financial year 2011-12. This has had a negative impact on the real estate industry, which contributes significantly to the GDP. The industry is also the second largest employment generator after agriculture.

Within the industry, the residential segment contributes about 80% of the overall turnover of the sector. This is a result of business models of holding onto office & retail assets where the income is through rent. The housing sector contributes about 6% of the Country's GDP. Though the previous financial year has been dismal, and the present and immediate future seems uncertain, it is encouraging to know that the demand for housing will continue to be robust with reports estimating a demand for over 20 million homes across the country. The population in urban areas continues to increase dramatically and is expected to cross 590 million by 2030.

Financial year 2011-12 witnessed significant uptake of office space in Bangalore. However, the last few months leasing has been suppressed and the same has been observed globally.

Hospitality industry in India has emerged as one of the key drivers of the Country's economic growth due to attraction of tourists. The hospitality industry is projected to grow at 8% primarily due to foreign and domestic tour visits.

Special Economic Zones in India were set up to promote exports of goods & services and create employment opportunities. SEZ exports registered a substantial CAGR of 59% during FY04-FY10. In FY10, it recorded an impressive growth of 121%. This was largely driven by the tax incentives & 100% Foreign Direct Investment for development of townships provided by the Government.

The domestic retail market is gradually becoming more organised and brands are constantly evolving to meet the demands of a more informed population

The global economic crisis continues with no end in sight and is adversely impacting the fund raising ability of many

developers. Rising inflation and liquidity crunch have dampened the overall investment environment.

## Opportunities

With the launch of Brigade Meadows in South Bangalore, we have entered the affordable homes segment of the market. The units are smartly designed and priced to meet the needs of the prospective customers. Sales have been robust and we are bullish about the success of the project and the category in general. We are also shortly launching the value homes component of the over 100 acre township, Brigade Orchards, in Devengahalli, Bangalore.

We continue to focus on environmentally efficient buildings where power and water consumption are optimum, natural resources are saved and general living and working conditions are better than ever. We have ensured that our projects are 'zero discharge' by having state of the art water & sewage treatment plants, rainwater harvesting system etc.

Our recently completed integrated enclaves, Brigade Gateway and Brigade Metropolis, have won awards and are well appreciated by our customers and the public in general. This has reposed confidence in our belief that these types of developments provide the most value add to our customers. Being pioneers of Integrated Enclaves, we will continue to focus on this aspect.

We have adopted the latest in technology to speed up construction and be less dependent on labour. Accordingly we have employed globally renowned consultants for the same.

## Risks & Threats

Over the last year, not much has changed on Risks & Threats.

**Delay in Approvals:** There is tremendous delay in receiving approvals, permissions and consents as these have to be obtained from many and varied regulatory authorities, including both the State & Central Governments. There is an urgent need for a single window clearance. The implementation of such a window will ensure that costs are better managed.

**Labour:** There is shortage in labour across industries today. Considering that our industry is labour intensive, there is considerable impact. However, we have taken steps to negate this threat to a large extent.

**Financing:** Developers' preferred mode of financing projects is through bank loans. For varied reasons, Banks



are hesitant to lend and where they do, the interest rates charged are quite high. There is a clear need to address this area of threat. However, we have not been affected by the lack of bank funding and are procuring the same at competitive interest rates.

**Title Deeds:** Developers still face many issues with respect to title deeds. The centralised system, which will ensure transparency, has been proposed many times in the past and is yet to be implemented.

In sum, the company has implemented adequate and appropriate systems to ensure that the company's interests are protected and that the impact of the risks are minimal.'

### **Internal Control Systems and their Adequacy**

The Company has adequate internal control systems to commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

Company has an Internal Audit Department as well as an independent audit firm which conducts periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with applicable laws and regulations. Their scope of work includes internal controls on accounting, efficiency and economy of operations. The internal auditors present to the audit committee the findings of their audit, recommend better practices and report on the status of implementation of their recommendations.

The Audit Committee and Board reviews on a continuous basis the efficiency and effectiveness of the internal controls based on the reports from the internal audit team as well as the Internal Auditors.

### **Operational Performance**

The financial year 2011-12 was a significant year for the Company as it was the silver jubilee year for the group and the year end witnessed the completion of the Brigade Gateway, an iconic integrated enclave. The Orion Mall which is part of this enclave opened to the public w.e.f. 23rd March, 2012 after having leased over 85% of its total area of 8 lakh sft. The Sheraton Bangalore at Brigade Gateway had completed one year of its operations showing good occupancy levels and Gross Operating Margins.

A total of 9 projects were completed & delivered during the year.

During the year the company had launched 3.78 million sft which consisted of 3.31 million sft of Residential Space and 0.47 million sft of Commercial space. Company proposes to launch 11.69 million sft in the financial year 2012-13 comprising of 8.40 million sft of Residential space and 3.29 million sft of Commercial Space.

### **Financial Performance**

**Turnover:** The turnover of the Company has increased from Rs 46,937.37 lakhs in the financial year 2010-11 to Rs 60,931.70 lakhs in the financial year 2011-12, an increase of 22.96%.

**Equity Share Capital:** The equity share capital of the Company as on 31st March, 2012 stood at Rs 11,225.19 lakhs. There is no change in the Share capital of the Company as compared with the previous financial year.

**Debt Equity:** The debt equity ratio of the Company as on 31st March, 2012 is at 0.71:1 as against 0.69:1 in the previous financial year.

**Interest & Financial Charges:** Interest & Financial Charges for the financial year 2011-12 is Rs 6039.28 lakhs as compared to Rs 1678.69 lakhs in the previous year.

**EBITDA:** EBITDA margin for the financial year 2011-12 stood at 27% as compared to 36% for the previous financial year, decrease by 25%.

**Net Profit:** Net profit available for appropriation for the year 2011-12 stood at Rs 5,809.35 lakhs as compared to Rs 11,927.58 lakhs in the previous year, decrease by 51.29%.

**Dividend:** The Company has proposed a dividend of Rs 1.50 (15%) per equity share. The total payout on account of dividend including corporate dividend tax aggregates to Rs 1,956.93 lakhs.

**Earnings Per Share (EPS):** The Company's Earnings Per Share (EPS) during the current year is Rs 5.18 as compared to Rs 10.63 in the previous year. Absorption of Finance costs and depreciation on account of commencement of operations of Sheraton Bangalore Hotel at Brigade Gateway has had an impact on the profitability of the Financial Year 2011-12 as compared to the previous year.

### **Material Developments in Human Resources**

The total number of employees of the Company as on 31st March, 2012 is 500 as compared to 414 employees in the previous financial year.

The Human Resource Department has always focussed towards employee development and culture building in the organisation. To ensure a transparent culture and strengthen the communication system in the organisation, the Company has introduced Quarterly Town hall meetings which are attended by all the employees. This forum gives an opportunity to the Senior Management team to share the future business goals of the organisation with all its employees and also highlight the achievements.

It has been the endeavour of the Company to ensure that business is carried out in the most ethical manner by the employees. The launch of Brigade Code of Ethics booklet by the Human Resource Department is a testimony to the Company's seriousness towards ethical business practices.

Enduring a sexual harassment suit is one of the last challenges a Company wants to face. The Company with 24% women representation has implemented the Policy Against Sexual Harassment and popularised the same through posters and repeated training sessions.

In the midst of supporting business requirements, the Human Resource Team also drive events associated with Corporate Social Responsibility. The children of Brigade Schools have participated in planting 300 saplings at our project sites thus creating a green environment for our valued customers. The team from the Human Resource Department supported this entire event at the project sites.

Training has always been a major area of focus by the Department. During the year 2011-2012, employees have been trained in various areas to achieve operational excellence in the departments. Several teams have undertaken process improvements through Kaizen, CCPM, Six Sigma etc. An innovative approach towards training has been the

introduction of 90 minutes module programs on various subjects viz. Behavioural based programs, management of personal finances etc.

The Human Resource Department has been very active in Campus hiring of Engineering Graduates. The HR team has also visited IIM Bangalore for recruiting management trainees and also giving opportunity to students of IIM for internship with our Company.

It is imperative to mention that the attrition rate of the Company has been at an industry low. The continual performance evaluation has helped the organisation to scale up the performance levels of the employees. The Company has been the recipient of the Great Place to Work Award 2011 for being the 2nd best Company in the Real Estate Sector and also at number 88 among all Companies in the Country to work for.

#### **Cautionary Statement**

Statement in the Management Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand-supply conditions, finished goods prices, changes in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.

# Corporate Governance Report

## Philosophy on Corporate Governance at Brigade Enterprises Limited

The Philosophy on Corporate Governance at Brigade Enterprises Limited is:

- To ensure highest levels of integrity and quality.
- To ensure observance of highest standards and levels of transparency, accuracy, accountability and reliability in the organisation.
- To ensure protection of wealth and other resources of the Company for maximising the benefits to the stakeholders of the Company.

The Corporate Governance Report of the Company for the year ended 31st March 2012 is as follows:

## Board of Directors

The Board of Directors of the Company comprises 8 Directors as on 31st March, 2012 who have expertise in the different aspects of business of the Company. The composition and category of the Directors are as follows:

Category	Name of Director	Designation	No. of Directors	% to total number of Directors
Executive Promoter	Mr M. R. Jaishankar	Chairman & Managing Director	2	25
Directors	Ms Githa Shankar	Whole-time Director		

Category	Name of Director	Designation	No. of Directors	% to total number of Directors
Non-Executive Directors	Mr M. R. Gurumurthy Mr M. R. Shivram	Director Director	2	25
Independent Non-Executive Directors	Mr P. V. Maiya Mr P. M. Thampi Dr A. Ramakrishna Dr K. R. S. Murthy	Director Director Director Director	4	50
Total			8	100

## Board Meetings

The details of the Board Meetings held in the financial year 2011-2012 are as follows:

Sl. No.	Date
1	Wednesday, 4th May, 2011
2	Thursday, 11th August, 2011
3	Saturday, 22nd October, 2011
4	Wednesday, 8th February, 2012

The attendance of the Directors in Board Meetings, previous Annual General Meeting, Directorships and committee positions held by them in other Companies are as follows:

Name of Director	Board Meetings attended in the financial year 2011-12	Attendance in the 16th Annual General Meeting held on 11th August 2011	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies as:	
				Chairman	Member
Mr M. R. Jaishankar	4	Yes	Nil	Nil	Nil
Ms Githa Shankar	4	Yes	Nil	Nil	Nil
Mr M. R. Gurumurthy	4	Yes	Nil	Nil	Nil
Mr M. R. Shivram	4	Yes	Nil	Nil	Nil
Mr P. V. Maiya	3	Yes	2	1	1
Mr P. M. Thampi	4	Yes	2	Nil	2
Dr A. Ramakrishna	4	Yes	10	1	7
Dr K. R. S. Murthy	4	Yes	3	1	2

## Code of Conduct for Board Members and Senior Management

The Board of Directors of the Company have laid down a Code of Conduct for all Board Members and Senior Management of the Company. Board Members and Senior Management of the Company have affirmed compliance to the Code for the financial year ended 31st March 2012. A declaration to this effect by the Chairman and Managing

Director of the Company is annexed to this report. The Code of Conduct has also been posted on the website of the Company.

## Audit Committee

The Audit Committee of the Company was constituted on 20th July 2007. The constitution of the Committee is in accordance with Section 292A of the Companies Act, 1956



and Clause 49 (II) (A) of the Listing Agreement entered with the Stock Exchanges.

The terms of reference of the Audit Committee shall include:

1. Overseeing the Company's financial reporting process and disclosure of its financial information.
2. Recommending to the Board the appointment, re-appointment and replacement of the Statutory Auditor and the fixation of audit fee.
3. Approval of payments to the Statutory Auditors for any other services rendered by them.
4. Reviewing, with the Management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the Financial Statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to Financial Statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly, half-yearly and annual Financial Statements before submission to the Board for approval.
6. Reviewing, with the Management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with Internal Auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared

dividends) and creditors.

12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing.
13. Review of Management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/ letters of internal control weaknesses issued by the Statutory Auditors, Internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the Chief Internal Auditor.
14. Ensuring compliance with applicable accounting standards.
15. Reviewing the Company's financial and risk management policies.
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

The powers of the Audit Committee shall include the power:

1. To investigate activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

During the year the Audit Committee meetings were held on 4th May, 2011, 10th August, 2011, 22nd October, 2011 and 8th February, 2012.

The composition and attendance of the members for the Committee meetings are as follows:

Sl. No.	Name	Position	Attendance
1	Mr P. V. Maiya	Chairman	3
2	Mr P. M. Thampi	Member	4
3	Mr M. R. Gurumurthy	Member	4
4	Mr A. Ramakrishna	Member	4

Company Secretary is the Secretary of the Committee.

#### **Compensation Committee**

Board of Directors of the Company constituted a Compensation Committee on 20th July 2007.

# Corporate Governance Report

The terms of reference of the Compensation Committee are as follows:

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
2. Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.
3. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines.
4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The Composition of the Compensation Committee & attendance in the meetings were as follows:

Sl. No.	Name	Position	Attendance
1	Mr P. M. Thampi	Chairman	5
2	Mr P. V. Maiya	Member	3
3	Mr A. Ramakrishna	Member	5

Company Secretary is the Secretary of the Committee.

During the year Compensation Committee meetings were held on 4th May, 2011, 11th August, 2011, 2nd September, 2011, 22nd October, 2011 and 8th February, 2012.

The details of remuneration paid / payable to the Directors for the year ended on 31st March, 2012 are as follows:

Name of the Director	Salary & Perquisites (Rs)	Sitting Fees (Rs)	Commission (Rs)	Total (Rs)
Mr M. R. Jaishankar	48,00,000	Nil	2,85,63,018	3,33,63,108
Ms Githa Shankar	48,00,000	Nil	71,40,755	1,19,40,755
Mr M. R. Gurumurthy	Nil	80,000	Nil	80,000
Mr P. V. Maiya	Nil	1,70,000	6,25,000	7,95,000

Name of the Director	Salary & Perquisites (Rs)	Sitting Fees (Rs)	Commission (Rs)	Total (Rs)
Mr M. R. Shivram	Nil	80,000	Nil	80,000
Mr P. M. Thampi	Nil	1,80,000	6,25,000	8,05,000
Dr A. Ramakrishna	Nil	1,30,000	6,25,000	7,55,000
Dr K. R. S. Murthy	Nil	80,000	6,25,000	7,05,000

## Investor Grievance Committee

The Investor Grievance Committee was constituted by the Board on 20th July 2007.

The terms of reference of the Investor Grievance Committee are as follows:

1. Investor relations and redressal of shareholders' grievances in general and relating to non-receipt of dividends, interest, non-receipt of Balance Sheet etc.
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

A total of four meetings were held in the financial year on the following dates:

4th May, 2011, 11th August, 2011, 22nd October, 2011 and 8th February, 2012.

The composition of the Committee and attendance in the meetings were as follows:

Sl. No.	Name	Position	Attendance
1	Dr K. R. S. Murthy	Chairman	4
2	Mr P. V. Maiya	Member	3
3	Mr M. R. Shivram	Member	4

Company Secretary is the Secretary to the Committee

There were no complaints pending for redressal as on 1st April, 2011. A total of 52 complaints were received during the year ended 31st March 2012. All the complaints were duly redressed. There are no complaints pending redressal as on 31st March, 2012.

## Committee of Directors:

Board of Directors of the Company constituted a Committee of Directors on 25th April, 2008.

The Committee has been delegated certain powers relating to certain regular business:

The composition of the Committee & attendance in the meetings were as follows:

Sl. No.	Name	Position	Attendance
1	Mr M. R. Jaishankar	Chairman	6
2	Mr P. M. Thampi	Member	5
3	Mr P. V. Maiya	Member	5

Company Secretary is the Secretary of the Committee.

During the year Committee of Directors meeting was held on 26th August, 2011, 21st September, 2011, 18th November, 2011, 19th December, 2011, 13th January, 2012 and 26th March, 2012.

### Share Transfer Committee

The Board of the Directors of the Company constituted a Share Transfer Committee on 18th December 2007. The Committee shall approve transfer, transmission, split, consolidation & re-materialisation of shares & issue of duplicate share certificates.

The composition of the Share Transfer Committee is as follows:

Sl. No.	Name	Position
1	Mr M. R. Jaishankar	Chairman
2	Ms Githa Shankar	Member
3	Mr M. R. Shivram	Member

Company Secretary is the Secretary of the Committee.

### Subsidiary Companies

The Company does not have a material non-listed Subsidiary Company whose turnover or net worth exceeds 20% of the consolidated turnover or network of Brigade Enterprises Limited.

The Financial Statements including the investments made by the unlisted Subsidiary Companies have been reviewed by the Board of Directors of the Company.

Copies of minutes of the Board Meetings of the Subsidiary Companies are placed before Board for their attention.

Shareholding of Non-Executive Directors in the company as on 31 March 2012 is as follows:

Sl. No.	Name	No of Shares	Percentage
1	Mr M. R. Shivram	3777090	3.36
2	Mr M. R. Gurumurthy	2137722	1.90
3	Mr P. M. Thampi	57	0.00

### General Meetings

The details of the Annual General Meetings held during the last three years are as follows:

Year	No. of AGM	Day, Date & Time of AGM	Venue
2010-11	16	Thursday, 11th August, 2011 at 10.00 a.m	MLR Convention Centre, No.9, 4th Cross Road, Whitefield Road, Mahadevapura, Bangalore 560 048
2009-10	15	Friday, 23rd July, 2010 at 11.00 a.m.	MLR Convention Centre, Brigade Millennium Campus, J. P. Nagar, Bangalore 560 078
2008-09	14	Thursday, 30th July, 2009 at 4.00 p.m.	MLR Convention Centre, Brigade Millennium Campus, J. P. Nagar, Bangalore 560 078

Special Resolutions passed in the previous three Annual General Meetings are as follows:

No. of AGM	Day & Date of AGM	Special Resolutions passed through show of hands
16	11th August, 2011	i) Introduction of Employee Stock Option Plan 2011 and ii) Extension of the benefit of Employee Stock Option Plan 2011 to its subsidiaries
15	23rd July, 2010	Raising to additional capital pursuant to section 81(1A) of the Companies Act, 1956

### Extraordinary General Meeting

There were no Extraordinary General Meetings held during the year.



# Corporate Governance Report

There were no Resolutions passed through postal ballot during the year.

## Disclosures

- 1) There are no materially significant related party transactions entered by the Company with related parties that may have a potential conflict with the interests of the Company.
- 2) The Company has duly complied with the requirements of the regulatory authorities on capital market. There are no penalties imposed nor any strictures have been passed against the Company during the last three years.
- 3) The mandatory requirements laid down in Clause 49 of the Listing Agreement has been duly complied by the Company and the adoption of non-mandatory requirements is as follows:
  - (i) The Company has not fixed a period of 9 years as tenure for Independent Directors on the Board of the Company.
  - (ii) The Board of Directors of the Company have constituted a Compensation Committee on 20th July 2007. The terms of reference to the Committee is contained elsewhere in this report.
  - (iii) The Company does not send half-yearly financial results, including summary of significant events in the last six months as the same are published in newspapers and also posted on the website of the Company.
  - (iv) The Board of Directors of the Company comprises a perfect combination of Executive and Non-Executive Directors who are professionals in their respective fields.
  - (v) At present, the Company does not have a mechanism for evaluating the performance of Non-Executive Directors by a peer group.
  - (vi) The Company has not adopted Whistle Blower Policy. However the Company has not denied access to any employee to approach the management on any issue.

## Means of Communication

### Financial Results:

The Financial Results of the Company are furnished to the Stock Exchanges on a periodic basis (quarterly, half-yearly and annually) after the approval of the Board of Directors.

The results are published in "Mint"/"Business Standard"/"The Financial Express"—English Newspapers and "Vijaya Karnataka"/"Kannada Prabha"—Kannada Newspaper within 48 hours after the approval by the Board.

The details of the financial results and shareholding pattern are hosted on the Company's website: [www.brigadegroup.com](http://www.brigadegroup.com). All other official news and press releases are displayed on the same website.

## Information to Shareholders of 17th Annual General Meeting

- |    |                             |   |
|----|-----------------------------|---|
| 1  | Date                        | 7th August, 2012  |
| 2  | Time                        | 10.30 a.m.  |
| 3  | Venue                       | Chowdiah Memorial Hall,<br>Gayathri Devi Park Extension,<br>16th Cross, Malleswaram,<br>Vyalikaval, Bangalore 560 003   |
| 4  | Financial Year              | 2011-2012   |
| 5  | Date of Book Closure        | 1st August, 2012 to 7th August, 2012 (both days inclusive)  |
| 6  | Dividend:                   | The Board of Directors of the Company have recommended a dividend of Rs 1.5 (15%) per equity share. Dividend, if approved in the ensuing Annual General meeting will be paid to those shareholders, whose name appear in the Register of Members as on 31st July, 2012. |
| 7  | Compliance Officer          | P. Om Prakash   |
| 8  | Registered office           | 29th & 30th Floors,<br>World Trade Centre,<br>Brigade Gateway Campus,<br>26/1, Dr Rajkumar Road,<br>Malleswaram-Rajajinagar,<br>Bangalore 560 055   |
| 9  | Listing in Stock Exchanges: | National Stock Exchange of<br>India Limited<br>Bombay Stock Exchange<br>Limited   |
| 10 | Stock Code                  | Bombay Stock Exchange<br>Limited 532 929<br>National Stock Exchange of<br>India Limited—<br>BRIGADE, series-EQ BE   |

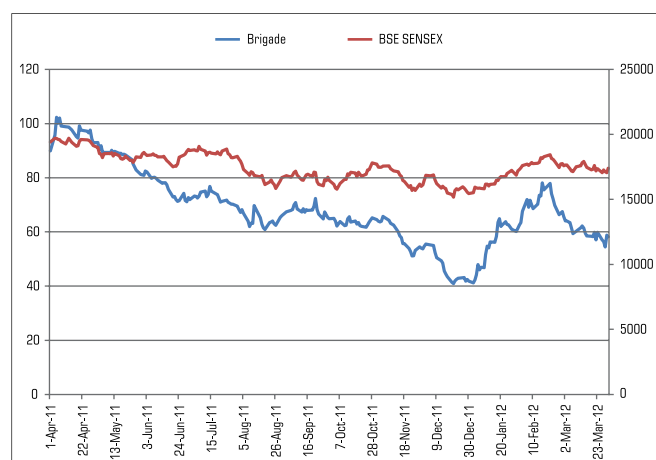
11 Listing Fees: Listing Fees as prescribed has been paid fully to all the Stock Exchanges where the shares of the Company are listed.

## 12 Stock Performance

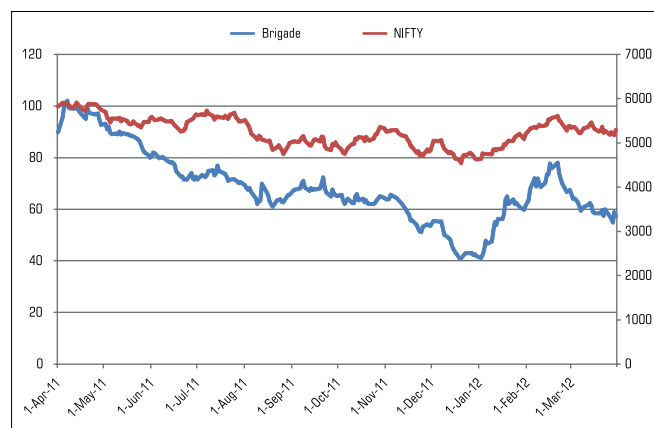
The performance of the stock in the Bombay Stock Exchange Limited & National Stock Exchange of India Limited for the period from 1st April, 2011 to 31st March, 2012 was as follows:

Month	National Stock Exchange of India Limited (NSE)			Bombay Stock Exchange Limited (BSE)		
	High	Low	Volume	High	Low	Volume
April	110.00	89.20	2262210	110.00	89.25	711701
May	96.30	79.50	693413	95.00	80.35	276014
June	84.80	71.00	728441	84.80	70.65	213727
July	79.25	70.00	1320052	80.00	69.65	394504
August	73.00	60.00	1171608	73.40	59.10	311518
September	74.20	64.10	333080	73.90	63.10	117274
October	68.10	61.20	413305	67.45	60.30	106603
November	68.00	50.05	270701	67.40	50.00	73495
December	57.50	37.65	259985	57.45	38.10	131567
January	69.00	40.30	1285473	69.10	40.00	580625
February	81.50	60.95	1194555	81.60	61.00	476116
March	54.05	68.00	396545	67.60	54.15	128465

Exchange: BSE Date: 1-4-2011 End Date: 31-3-2012



Exchange: NSE Date: 1-4-2011 End Date: 31-3-2012



## 13 Dematerialisation of shares

The ISIN for the Equity Shares of the Company is INE791I01019. A total of 103913056 Equity Shares aggregating to 95.24% of the total shares of the Company are in dematerialised form as on 31st March 2012.

## 14 Share Transfer Agents:

Karvy Computershare Private Limited  
 Plot Nos. 17 to 24 Vittalrao Nagar,  
 Madhapur, Hyderabad – 500 081  
 Telephone No.: 040 23420815 to 24  
 Fax No.: 040 23420814  
 Email: svraju@karvy.com

## 15 Distribution of Shareholding as on 31st March, 2012

Category (Amount)	No. of shareholders	%	Amount (Rs)	%
1-5000	83092	98.11	45228640	4.03
5001-10000	828	0.98	6354370	0.57
10001-20000	372	0.44	5450540	0.49
20001-30000	100	0.12	2542400	0.23
30001-40000	53	0.06	1902200	0.17
40001-50000	35	0.04	1641240	0.15
50001-100000	84	0.10	6420050	0.57
100001 & Above	130	0.15	1052979960	93.81
<b>Total</b>	<b>84694</b>	<b>100.00</b>	<b>1122519400</b>	<b>100.00</b>

# Corporate Governance Report

## 16 Categories of Shareholders as on 31st March 2012

Category	No. of shares	% to Total Shares
Promoters & their Relatives	64632539	57.58
Mutual Funds	869420	0.77
Banks, Financial Institutions	1114641	0.99
Foreign Institutional Investors	4696898	4.18
Non Resident Indians	357729	0.32
Indian Companies	2633467	2.35
HUF	565220	0.50
Indian Public	37362866	33.26
Trusts	1327	0.00
Clearing Members	17833	0.02
<b>Total</b>	<b>11,22,51,940</b>	<b>100.00</b>

Promoters / Promoter group haven't pledged any equity shares of the Company held by them in the Company as on 31st March, 2012.

## 17 Financials Release Dates for 2012-13

Quarter	Release Date (tentative & subject to change)
1st Quarter ending 30th June 2012	Fourth week of July 2012
2nd Quarter ending 30th September 2012	Fourth week of October 2012
3rd Quarter ending 31st December 2012	Fourth week of January 2013
4th Quarter ending 31st March 2013	First week of May 2013

## 18 Internet access: [www.brigadegroup.com](http://www.brigadegroup.com)

The website of the Company contains all relevant information about the Company. The Annual Reports, Shareholding pattern, un-audited quarterly results and all other material information are hosted in this site.

## 19 Email Id for Investor Grievances

Company has a dedicated e-mail id ([investors@brigadegroup.com](mailto:investors@brigadegroup.com)) for redressal of grievances of investors. Investors are requested to use this facility.



# Auditor's Report on Corporate Governance

To,  
The Shareholders of  
Brigade Enterprises Limited,

We have examined the compliance of conditions of Corporate Governance by Brigade Enterprises Limited for the year ended on 31st March, 2012 as stipulated by Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. 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 explanation given to us, we certify that the Company has complied in all material aspects with the

conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month except where disputed or sub-judice, as per the records maintained by the Company, Registrar and Transfer Agents and reviewed by the Board/Committee of 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 **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

Place: Bangalore  
Date: May 07, 2012

## CEO/CFO Certification pursuant to Clause 49 of the Listing Agreement(s)

The Board of Directors,  
Brigade Enterprises Limited  
29th & 30th Floors  
World Trade Centre  
Brigade Gateway Campus  
26/1, Dr Rajkumar Road  
Malleswaram-Rajajinagar  
Bangalore 560 055

This is to certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year 2011-2012 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. 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.
- c. 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 that 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.

- d. We have indicated to the Auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they 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.
- e. We further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2011-2012.

**for Brigade Enterprises Limited**

**M. R. Jaishankar**  
Chairman & Managing Director

**Suresh K.**  
Chief Financial Officer

Place: Bangalore  
Date: May 07, 2012

# Standalone Financial Statements

# Auditors' Report

To the members of **BRIGADE ENTERPRISES LIMITED,**

1. We have audited the attached Balance Sheet of BRIGADE ENTERPRISES LIMITED, as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government of India, in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the company are disqualified as on 31st March, 2012 from being appointed as Directors of the company under clause (g) of sub section (1) of Section 274 of Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon give the information required under 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:
  - i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012.
  - ii) In the case of Profit and Loss account, of the Profit for the year ended on that date.
  - iii) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

Place: Bangalore  
Date: May 07, 2012

for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589



# Annexure to Auditors' Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of Brigade Enterprises Limited on the accounts for the period ended 31st March 2012.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) All the fixed assets have been physically verified by the management during the period and no material discrepancies were noticed on such verification.
- (c) During the period, the company has not disposed off any substantial part of its Fixed Assets that would affect the Going Concern assumption of the Company.
- (ii) (a) The Inventory has been physically verified at reasonable intervals during the period by the management. In our opinion, the frequency of verification is reasonable.
- (b) 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.
- (c) The company is maintaining proper records of inventories. The discrepancies noticed on verification between physical stock and book stock was not material.
- (iii) (a) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured from the companies, firms and other parties mentioned in the Register maintained under section 301 of the Companies Act, 1956.
- (b) Since the company has neither granted nor taken any loans, the provisions of clause (iii) (b), (iii) (c), (iii) (d), (iii) (e), (iii) (f), (iii) (g), of the Order are not applicable to the company.
- (iv) 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, with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the company has not accepted deposits from public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under, are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to information and explanation given to us, the company has maintained such accounts and records 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. The company is in the process of getting such accounts and records duly audited by a Cost Accountant.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the particulars of Income tax, Value Added tax and Service Tax as at 31st March 2012, which have not been deposited on account of a dispute pending are as under.

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax on Import of Services	Rs 96,99,396	For the period from April, 2003 to March, 2008	Customs, Excise and Service Tax Appellate Tribunal
Value Added Tax	Additional turnover proposed	Rs 10,56,24,122	For the Assessment Year April 2005 to March 2008 and March 2010	Joint Commissioner of Commercial Taxes (Appeals)
Income Tax Act	Disallowances u/s 14A	Rs 56,15,148	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act	Disallowances u/s 80-IB, u/s 14A & others	Rs 11,22,88,885	Assessment Year 2008-09 and Assessment Year 2009-10	Income Tax Appellate Tribunal

- |  |  |
|--|--|
| <p>(x) In our opinion, the company has no accumulated losses and the company has not incurred cash losses during the financial period covered by our audit and the immediately preceding financial period.</p> <p>(xi) In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.</p> <p>(xii) In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, maintenance of records is not applicable.</p> <p>(xiii) In our opinion, the company is not a chit fund or nidhi mutual benefit fund / society and therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.</p> <p>(xiv) According to the information and explanations provided to us, the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.</p> <p>(xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institution and accordingly provisions of clause 4(xv) of the Order are not applicable to the company.</p> | <p>(xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were raised.</p> <p>(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have not been used for long-term investment.</p> <p>(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the period to parties and companies covered in the Register maintained under Section 301 of the Act and therefore, the provisions of clause 4(xviii) of the Order are not applicable to the company.</p> <p>(xix) According to the information and explanations given to us, the Company has not issued any debenture and therefore, the provisions of clause 4(xix) of the Order are not applicable to the company.</p> <p>(xx) The Company has not raised any monies by way of public issues during the year.</p> <p>(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period under review.</p> |
|--|--|

Place: Bangalore  
Date: May 07, 2012

for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

# Balance Sheet

(Rupees in Lakhs)

PARTICULARS	NOTE	As at 31st March 2012	As at 31st March 2011
<b>EQUITY AND LIABILITIES</b>			
Shareholders Funds			
Share Capital	3	11,225.19	11,225.19
Reserves and Surplus	4	105,030.74	101,277.64
		1,16,255.93	1,12,502.84
Non-current liabilities			
Long-term borrowings	5	68,346.98	57,561.07
Deferred tax liabilities (net)	30.9	2,018.83	2,318.77
Other long-term liabilities	6	12,245.22	5,380.11
Long-term provisions	7	386.58	2,233.03
Current liabilities			
Short-term borrowings	8	998.07	—
Trade payables	9	11,120.50	9,975.12
Other current liabilities	10	48,846.12	48,253.54
Short-term provisions	11	5,436.81	—
<b>Total</b>		<b>265,655.04</b>	<b>238,224.48</b>
<b>ASSETS</b>			
Non-current assets			
Fixed Assets			
Tangible assets	12-A	44,041.77	35120.24
Intangible assets	12-B	853.02	641.51
Capital work-in-progress	—	92,499.70	82018.17
Non-current investments	13	2,065.37	1,969.82
Long-term loans and advances	14	37,095.06	34,776.75
Other non-current assets	15	15,444.52	17,095.14
<b>Current Assets</b>			
Current investments	16	—	—
Inventories	17	50,755.84	48,447.88
Trade receivables	18	3,317.26	1,160.61
Cash and cash equivalents	19	3,931.15	3,590.46
Short-term loans and advances	20	15,538.91	12,200.27
Other current assets	21	112.44	1,203.62
<b>Total</b>		<b>265,655.04</b>	<b>238,224.48</b>

Summary of significant accounting policies. 2  
The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

**for Brigade Enterprises Limited**

**M. R. Jaishankar**  
Chairman & Managing Director

**Suresh K.**  
Chief Financial Officer

**M. R. Shivram**  
Director

**P. Om Prakash**  
Company Secretary

# Statement of Profit & Loss

(Rupees in Lakhs)

PARTICULARS	NOTE	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>INCOME</b>			
Revenue from operations	22	57,174.74	45,061.25
Other income	23	3,756.96	1,876.12
<b>Total</b>		<b>60,931.70</b>	<b>46,937.37</b>
<b>EXPENDITURE</b>			
Project and direct expenses	24-A	36,499.01	29,915.89
Changes in closing stock of completed units		(1,569.25)	(6,603.14)
Employee benefit expenses	25	4,794.88	2,945.22
Other expenses	27	3,427.89	3,009.86
Miscellaneous expenses written off		923.55	814.85
<b>Total</b>		<b>44,076.08</b>	<b>30,082.68</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>16,855.62</b>	<b>16854.69</b>
Depreciation and amortisation expenses	12-C	4,001.39	1,726.58
Finance costs	26	6,039.28	1,678.69
<b>Profit / (loss) before exceptional and extraordinary items and tax</b>		<b>6,814.95</b>	<b>13,449.42</b>
Exceptional items	28-A	—	2,696.43
<b>Profit / (loss) before extraordinary items and tax</b>		<b>6,814.95</b>	<b>16,145.85</b>
Extraordinary items	28-B	—	—
<b>Profit / (loss) before tax</b>		<b>6,814.95</b>	<b>16,145.85</b>
<b>Tax expense</b>			
Current tax		1,362.51	2,684.85
Deferred tax	30	(299.94)	2,446.87
Wealth tax		2.44	1.20
MAT entitlement		(59.42)	(914.65)
<b>Total tax expense</b>		<b>1,005.60</b>	<b>4,218.27</b>
<b>Profit (Loss) for the period</b>		<b>5,809.35</b>	<b>11,927.58</b>
Earnings per equity share of par value of Rs 10 each - Basic & Diluted (in Rupees)	30.7	5.18	10.63

Summary of significant accounting policies. 2  
The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

**for Brigade Enterprises Limited**

**M. R. Jaishankar**  
Chairman & Managing Director

**Suresh K.**  
Chief Financial Officer

**M. R. Shivram**  
Director

**P. Om Prakash**  
Company Secretary



# Cash Flow Statement

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before exceptional and extraordinary items and tax	6,814.95	12,258.67
Adjustments for:		
Depreciation and amortisation	4,001.39	1,726.58
Amortisation of share issue expenses and discount on shares	923.55	814.85
(Profit) / loss on sale / write off of assets	(1,750.31)	(9,578.13)
Finance costs	11,694.14	9,599.49
Interest income	(811.76)	(217.89)
Dividend income	(9.28)	(25.23)
Provision for losses of subsidiary companies	2.95	(20.54)
Provision for doubtful trade and other receivables, loans and advances	1.28	6.12
Reversal of excess provision for income tax	59.42	2,716.97
Prior year income / (expenses)	—	1,190.73
	<b>14,111.37</b>	<b>6,212.94</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>20,926.32</b>	<b>18,471.61</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,307.96)	(12,527.76)
Trade receivables	(2,157.93)	(726.01)
Short-term loans and advances	(2,363.64)	(354.10)
Long-term loans and advances	(2,318.31)	3,121.00
Other current assets	167.64	(626.35)
Other non-current assets	1,650.62	(15,475.41)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,145.38	(294.30)
Other current liabilities	493.28	15,498.47
Other long-term liabilities	6,865.11	(149.58)
Short-term provisions	4,457.27	—
Short-term borrowings	998.07	—
Long-term provisions	(1,846.45)	(215.86)
	<b>4,783.06</b>	<b>(11,749.90)</b>
<b>Cash flow from extraordinary items</b>		
Cash generated from operations	25,709.38	6,721.72
Net income tax (paid) / refunds	(1,360.41)	(2,431.04)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>24,348.97</b>	<b>4,290.68</b>

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(26,952.54)	(18,544.20)
Proceeds from sale of fixed assets	5,086.89	14,207.80
Bank balances not considered as Cash and cash equivalents		
- Matured	5.50	2.97
Purchase of long-term investments		
- Subsidiaries	(104.00)	(506.13)
Loans given		
- Subsidiaries	—	(568.42)
Interest received		
- Others	811.76	217.89
Dividend received		
- Others	9.28	25.23
	(21,143.12)	(5,164.86)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(21,143.12)</b>	<b>(5,164.86)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings	10,785.91	12,573.20
Finance cost	(11,694.14)	(9,599.49)
Dividends paid	(1,683.78)	(1,347.02)
Tax on dividend	(273.15)	(228.93)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,865.15)</b>	<b>1,397.76</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>340.69</b>	<b>523.58</b>
Cash and cash equivalents at the beginning of the year	3,590.46	3,066.88
<b>Cash and cash equivalents at the end of the year</b>	<b>3,931.15</b>	<b>3,590.46</b>

As per our report of even date  
for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

**for Brigade Enterprises Limited**

**M. R. Jaishankar**  
Chairman & Managing Director

**Suresh K.**  
Chief Financial Officer

**M. R. Shivram**  
Director

**P. Om Prakash**  
Company Secretary

# Notes to Financial Statements

## for the year ended 31st March 2012

### Note 3—Share capital

(Rupees in Lakhs)

Asset Description	As at 31st March 2012 Lakhs	As at 31st March 2011 Lakhs
<b>Authorised</b> 150,000,000 (31st March 2011: 150,000,000) Equity shares of Rs 10 each	15,000.00	15,000.00
<b>Issued, Subscribed &amp; Paid Up</b> 112,251,940 (31st March 2011: 112,251,940) Equity Shares of Rs 10/- each	11,225.19	11,225.19
<b>Total</b>	11,225.19	11,225.19

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

#### Equity shares

Particulars	As at 31st March 2012	As at 31st March 2011
Shares outstanding at the beginning of the year	112,251,940.00	112,251,940.00
Shares issued during the year	-	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>112,251,940.00</b>	<b>112,251,940.00</b>

Details of shareholders' holding equity shares more than 5%

Name of the shareholder	As at 31st March 2012		As at 31st March 2011	
	No. (in lakhs) of shares held	% of holding	No. (in lakhs) of shares held	% of holding
M R Jaishankar	230.45	20.53%	230.45	20.53%
Nirupa Shankar	93.27	8.31%	93.27	8.31%
Githa Shankar	142.74	12.72%	93.27	8.31%
Pavitra Shankar	-	-	93.27	8.31%

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Particulars	Year (Aggregate No. of Shares, in lakhs)				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Equity Shares:</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares (capitalised out of Reserves)	-	-	-	-	672.91
Shares bought back	-	-	-	-	-

### Note 4—Reserves and surplus

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
a. Securities premium account Balance at the beginning of the reporting period	68,571.78	68,571.78
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilised for various reasons	-	-
<b>Balance at the end of the reporting period</b>	<b>68,571.78</b>	<b>68,571.78</b>
b. General reserve Balance at the beginning of the reporting period	5,738.76	4,844.19
Add: amount transferred from surplus balance in the statement of profit and loss	440.00	894.57
<b>Balance at the end of the reporting period</b>	<b>6,178.76</b>	<b>5,738.76</b>
c. Surplus in the statement of profit and loss Balance at the beginning of the reporting period	26,967.10	17,897.54
Add: Profit / (Loss) for the current year	5,809.36	11,927.56
Less: Profit transferred to General Reserve	440.00	894.57
Less: Appropriation towards Proposed dividend	1,683.78	1,683.78
Less: Appropriation towards Tax on Proposed dividend	273.15	279.65
Less: Appropriation for Sheraton Bangalore Capital Assets Reserve	99.33	—
<b>Net surplus in the statement of Profit and Loss</b>	<b>30,280.20</b>	<b>26,967.10</b>
<b>Total of reserves and surplus</b>	<b>105,030.74</b>	<b>101,277.64</b>

## Note 5—Long-term borrowings

(Rupees in Lakhs)

Particulars	Terms of repayment and security	Loans repayable within one year 31.03.2012	Long-term payables 31.03.2012	Loans repayable within one year 31.03.2011	Long-term payables 31.03.2011
<b>Term loan from banks</b>					
a. Corporation Bank	Secured by first charge on pari-passu basis with Punjab National Bank on land, building and Multi Level Car Parking of the Brigade Gateway World Trade Centre Complex, Subramanyanagar, Malleshwaram West, Bangalore. The loan is repayable in 22 quarterly installments, commencing from 31st December 2010.	1,621.57	6,434.31	10,000.00	369.76
b. Corporation Bank	Secured by EMG / first charge on the residential buildings, viz., B Block (Altair at Brigade Gateway) and J, K, L Blocks at Brigade Metropolis, Bangalore. The loan is further secured by the personal guarantee of, Mr M. R. Jaishankar—Chairman and Managing Director, Mr M. R. Shivram—relative of director and Mr M. R. Krishna Kumar—relative of director and to the extent of Rs 15,500 Lakhs only. The loan is repayable in 5 quarterly installments commencing from 30th June 2012.	2,446.49	0.00	1,260.00	11,224.73
c. State Bank of India	Secured by first charge on pari-passu basis with State Bank of Mysore and State Bank of Patiala on land and building of the Sheraton Hotel at Brigade Gateway, Subramanyanagar, Malleshwaram West, Bangalore. The loan has been further secured by personal guarantee of, Mr M. R. Jaishankar—Chairman and Managing Director and Mr M. R. Shivram—Non-executive director. The loan is repayable in 28 quarterly installments, commencing from 30th June 2011.	873.00	5,066.50	1,622.72	12,851.16
d. State Bank of Patiala	Secured by first charge on pari-passu basis with State Bank of Mysore and State Bank of India on land and building of the Sheraton Hotel at Brigade Gateway, Subramanyanagar, Malleshwaram West, Bangalore. The loan has been further secured by personal guarantee of, Mr M. R. Jaishankar—Chairman and Managing Director and Mr M. R. Shivram—Non-executive director. The loan is repayable in 28 quarterly installments, commencing from 30th June 2011.	364.00	2,107.20	676.14	2,161.34
e. Bank of Baroda	Secured by equitable mortgage of land and building of the Brigade International School @ Whitefield, Devasandra Industrial Area Phase I, K. R. Puram Hobli, Bangalore. The loan is repayable in 27 quarterly installments, commencing from 31st March 2011.	444.00	2,002.46	444.44	2,480.28
f. Bank of Baroda	Secured by exclusive first charge of portions owned by the Company at Summit 1 & 2 and the adjoining 7-level MLCP building including car parking space at Brigade Metropolis, Mahadevapura, K. R. Puram Hobli, Bangalore. The loan is repayable in 108 monthly installments, commencing from 31st October 2011.	409.00	10,915.40	1,814.39	7,181.14



# Notes to Financial Statements

## for the year ended 31st March 2012

(Rupees in Lakhs)

Particulars	Terms of repayment and security	Loans repayable within one year 31.03.2012	Long-term payables 31.03.2012	Loans repayable within one year 31.03.2011	Long-term payables 31.03.2011
g. State Bank of Mysore	Secured by first charge on pari-passu basis with State Bank of India and State Bank of Patiala on land and building of the Sheraton Hotel at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of, Mr M. R. Jaishankar—Chairman and Managing Director and Mr M. R. Shivram—Non-executive director. The loan is repayable in 28 quarterly installments, commencing from 30th June 2011.	364.00	2,109.15	676.14	2,162.23
h. Bank of Baroda	Secured by Equitable Mortgage of land and proposed building of Brigade Exotica @ Bandapura Village, Bidarahalli Hobli, Hoskote Taluk, Bangalore and the personal guarantee of directors Mr M. R. Jaishankar and Ms Githa Shankar. The loan is repayable in 11 quarterly installments, commencing from October 2014.	-	2,949.69	-	-
i. Bank of India	Secured by Equitable Mortgage of land and building of The Brigade School @ Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan is repayable in 23 quarterly installments, commencing from March 2012.	280.00	1,202.23	210.00	1,490.00
j. Bank of India	Secured by Equitable Mortgage of land along with proposed building Brigade Rubix in HMT Main Road, Peenya Plantation, Bangalore North Taluk, Bangalore. The loan is repayable in 6 quarterly installments, commencing from 31st March 2013.	-	1,798.48	-	-
k. Bank of India	Secured by Equitable Mortgage of land along with the building Orion Mall at Banaswadi Main Road, Banaswadi layout, Maruti Seva Nagar, Bangalore. The loan is repayable in 120 monthly installments, commencing from 31st March 2014.	750.00	948.02	-	-
l. Lakshmi Vilas Bank	Secured by equitable mortgage / hypothecation of land and building of MLR Convention Center and Woodrose Club situated at Brigade Millennium at Puttenahalli, JP Nagar, 7th Phase, Bangalore and Regent Club at Doddhanekundi Industrial Area, II Phase, Mahadevapura Village, K. R. Puram Hobli, Bangalore and the Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 36 installments, commencing from 31st January 2012.	2,500.00	1,164.65	1,875.00	219.62
m. Lakshmi Vilas Bank	Secured by equitable mortgage / hypothecation of land and building of MLR Convention Center and Woodrose Club situated at Brigade Millennium at Puttenahalli, J. P. Nagar, 7th Phase, Bangalore and Regent Club at Doddhanekundi Industrial Area, II Phase, Mahadevapura Village K. R. Puram Hobli, Bangalore and the Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 24 monthly installments commencing from 31st July 2011.	1,333.00	1,790.06	333.33	2,201.07

(Rupees in Lakhs)

Particulars	Terms of repayment and security	Loans repayable within one year 31.03.2012	Long-term payables 31.03.2012	Loans repayable within one year 31.03.2011	Long-term payables 31.03.2011
n. Allahabad Bank	Secured by Assignment of Lease rentals from: Cisco Systems India Pvt. Ltd, Encora Technologies Pvt. Ltd, Quintiles Data Processing Center (India) Pvt. Ltd and Quintiles Technologies (India) Pvt. Ltd with Collateral security of exclusive equitable mortgage of plot of Land situated at Sy No. 6/1, 7/1, 6/2, 6/3, 6/4, 7/2, 7/3, 7/4, 5 in Kurubarakunte Village, Kasaba Hobli, Devanahalli Taluk, Bangalore Rural Dist., which is under Joint Development Agreement between Mr M. R. Jaishankar and M/s. Brigade Enterprises Limited and the personal guarantee of director Mr M. R. Jaishankar. The loan is repayable in 95 monthly installments, commencing from 31st October 2010.	386.00	2,325.01	317.47	2,719.45
o. Allahabad Bank	Secured by equitable mortgage of land and building of Orion Mall Project at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loans is further secured by personal guarantee of director Mr M. R. Jaishankar. The loan is repayable in 120 monthly installments, commencing from 30th April 2012.	1,443.00	13,519.58	321.32	6,039.74
p. Allahabad Bank	Secured by Assignment of entire cash flow of Grand Mercure Hotel including credit card receivables along with Collateral security of mortgage of Leasehold rights on the land and building located at 12th main, Koramangala, 3rd Block, Bangalore along with property falling under Sy No. 24/8-A of Jakkasandra Village, Begur Hobli, Bangalore South Taluk, Bangalore and hypothecation of current assets and movable fixed assets of Grand Mercure Hotel along with Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 84 monthly installments, commencing from 31st October 2011.	943.00	5,182.64	-	-
q. Indian Overseas Bank	Secured by Equitable Mortgage of land along with proposed buildings the Brigade Sparkle situated at Vishveswara Nagar, Khilli Mohalla, Mysore South and Brigade Horizon situated at T Narsipura-Mysore Road, Chamundi Vihar Complex, Mysore and Brigade Crescent located at Benson Cross road, Municipal Ward 92, Bangalore. The loan is repayable in 15 monthly installments, commencing from 31st January 2013.	1,050.00	2,645.24	-	-
r. Punjab National Bank	Secured on pari-passu basis with Corporation Bank on land, building and Multi Level Car Parking of Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan is repayable in 5 quarterly installments, commencing from 31st December 2011.	550.00	3,890.89	-	-
s. ICICI Bank	Secured by exclusive mortgage on land and building of the Homestead-2 at Jayanagar, Bangalore. The loan has been repaid in June 2011. The loan was further secured by personal guarantee of, Mr M. R. Jaishankar—Director and Mr M. R. Shivaram—Non-executive director.	-	-	175.00	400.00
t. Indian Bank	Secured by first charge on pari-passu basis with Corporation Bank on land, building and Multi Level Car Parking of Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been repaid in Dec 2011. The loan was further secured by personal guarantee of, Mr M. R. Jaishankar—Chairman and Managing Director and Mr M. R. Shivaram—Non-executive director.	-	-	760.00	4,906.35
u. Corporation Bank	Loans repayable on demand	-	-	-	1,154.22
v. Corporation Bank	Secured by lien on fixed deposit with Corporation Bank.	-	2,295.45	-	-
		<b>15,757.06</b>	<b>68,346.98</b>	<b>20,485.95</b>	<b>57,561.07</b>

# Notes to Financial Statements

## for the year ended 31st March 2012

### Note 6—Other long-term liabilities

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Security deposits	7,437.34	4803.94
Trade payables	4,807.88	576.17
<b>Total</b>	<b>12,245.22</b>	<b>5,380.11</b>

### Note 7—Long-term provisions

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Provision for employee benefits		
Provision for leave encashment	181.48	-
Provision for taxation	-	2,233.03
Provision for gratuity	55.07	-
Provision for other benefits	3.78	-
Provision for Ex-gratia	146.25	-
<b>Total</b>	<b>386.58</b>	<b>2,233.03</b>

### Note 8—Short-term borrowings

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Secured		
a) Loans repayable on demand: – from banks	998.07	-
<b>Total</b>	<b>998.07</b>	<b>-</b>

#### Corporation Bank:

Overdraft loan of Rs 998.07 Lakhs as against the facility of Rs 2000 Lakhs (31 March 2011: Rs 1,154.22 Lakhs) is secured by the property of Augusta Club and EMG of Hulkul Brigade Center to the Extent of Rs 17140 sft situated at No. 82, Lavelle Road, Ward No. 76, Bangalore (Third party property) owned by Director Mr M. R. Jaishankar and his family members.

### Note 9—Trade Payables

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Trade payables	11,111.60	9,975.12
Dues to micro, small and medium enterprises (refer note 2.6 for details of dues to micro, small and medium enterprises)	8.90	-
<b>Total</b>	<b>11,120.50</b>	<b>9,975.12</b>

### Note 10—Other current liabilities

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Interest accrued and due on borrowings	29.36	-
Advances received from clients	28518.34	27,602.11
Provision for expenses	1,166.56	-
Other payables	3374.80	149.78
Dues to Micro, Small and Medium Enterprises (refer note 2.6 for details of dues to micro, small and medium enterprises)	-	15.70
Current maturities of long-term borrowings*	15,757.06	20,485.95
<b>Total</b>	<b>48,846.12</b>	<b>48,253.53</b>

\* Please refer Note no. 5 for detailed notes on borrowings.

### Note 11—Short-term provisions

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Provision for income-tax	3,422.41	-
Provision for Leave Travel allowance	50.00	-
Provision for wealth-tax	0.94	-
Dividend/wealth tax	6.53	-
Provision for proposed dividend	1,683.78	-
Provision for tax on proposed dividend	273.15	-
<b>Total</b>	<b>5,436.81</b>	<b>-</b>

**NOTE 12 — FIXED ASSETS**

(Rupees in Lakhs)

Sl No.	Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK	
		Balance as at 1st April, 2011	Additions	Disposals	Balance as at 31st March, 2012	Balance as at 1st April, 2011	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
<b>A.</b>	<b>Tangible Assets</b>										
<b>1</b>	<b>Land</b>										
	LEASED	137.43	—	—	137.43	—	—	—	—	137.43	137.43
	OWN	1,816.03	2,205.80	522.94	3,498.88	—	—	-	-	3,498.88	1,816.03
<b>2</b>	<b>Building</b>										
	LEASED	1,747.98	—	—	1,747.98	768.35	120.70	—	889.06	858.93	979.63
	OWN	23,093.38	10,740.07	2,805.88	31,027.58	1,026.81	1,386.97	278.72	2,135.06	28,892.51	22,066.57
<b>3</b>	<b>Furniture, Fixtures and Interiors</b>										
	LEASED	1,300.28	0.23	—	1,300.52	1,005.88	146.82	—	1,152.71	147.81	294.40
	OWN	8,020.37	1,857.70	401.53	9,476.54	1,448.35	1,533.12	331.46	2,650.01	6,826.53	6,572.02
<b>4</b>	<b>Office Equipments, Plant and Machinery</b>										
	LEASED	207.83	3.66	—	211.49	144.09	16.70	—	160.79	50.70	63.74
	OWN	3,570.89	933.85	182.09	4,322.66	639.36	590.13	142.12	1,087.37	3,235.29	2,931.54
<b>5</b>	<b>Computer Hardware</b>	475.32	97.63	1.41	571.54	280.43	95.68	1.34	374.76	196.77	194.89
<b>6</b>	<b>Vehicles</b>	240.04	174.80	—	414.83	176.06	41.86	—	217.91	196.92	63.99
	<b>Total</b>	40,609.55	16,013.74	3,913.85	52,709.44	5,489.31	3,932.00	753.64	8,667.67	44,041.77	35,120.24
<b>B.</b>	<b>Intangible Assets</b>										
<b>1</b>	Computer software	262.45	280.91	—	543.35	162.08	69.39	—	231.46	311.89	100.38
<b>2</b>	Transferable development rights	541.13	—	—	541.13	—	—	—	—	541.13	541.13
	<b>Total</b>	803.58	280.91	—	1,084.48	162.08	69.39	—	231.46	853.02	641.51
<b>C.</b>	<b>Capital Work-in-progress</b>	82,018.17	50,761.10	40,279.57	92,499.70	—	—	—	—	92,499.70	82,018.17
	<b>Grand Total</b>	123,431.30	67,055.75	44,193.42	146,293.63	5,651.39	4,001.39	753.64	8,899.13	137,394.49	117,779.91
	Previous year	110,638.16	65,424.40	40,588.00	122,890.17	5,587.33	1,726.58	1,662.53	5,651.38	117,238.79	105,050.83



# Notes to Financial Statements

## for the year ended 31st March 2012

### Note 13—Non-current investments

(Rupees in Lakhs)

Sl No.	Name of the body corporate	Subsidiary / associate / joint venture	No. of shares		Quoted / unquoted	Partly paid / fully paid	Extent of holding		Amount (Rupees in Lakhs)		Whether stated at cost yes / no
			2012	2011			2012	2011	2012	2011	
<b>A</b>	<b>Investment in Subsidiary Companies</b>										
	Brigade Hospitality Services Ltd.	Subsidiary	10,000,000	10,000,000	Unquoted	Fully paid	100%	100%	1,000.00	1,000.00	Yes
	Brigade Properties Pvt. Ltd	Subsidiary	50,000	50,000	Unquoted	Fully paid	100%	100%	5.00	5.00	Yes
	Brigade Infrastructure and Power Pvt. Ltd	Subsidiary	50,000	50,000	Unquoted	Fully paid	100%	100%	5.00	5.00	Yes
	Brigade Estates and Projects Pvt. Ltd	Subsidiary	50,000	50,000	Unquoted	Fully paid	100%	100%	5.00	5.00	Yes
	Brigade Tetrarch Pvt. Ltd	Subsidiary	100,200	100,200	Unquoted	Fully paid	100%	100%	38.35	38.35	Yes
	WTC Trades and Projects Pvt. Ltd	Subsidiary	1,000,000	10,000	Unquoted	Fully paid	100%	100%	466.20	367.20	Yes
	Orion Mall Management Company Ltd	Subsidiary	50,000	-	Unquoted	Fully paid	100%	100%	5.00	-	Yes
									<b>1,524.55</b>	<b>1,420.55</b>	
	<b>Investment in Joint Venture Companies</b>										
	BCV Developers Pvt. Ltd	Joint venture	10,000,000	10,000,000	Unquoted	Fully paid	50%	50%	1,000.00	1,000.00	Yes
	BCV Estates Pvt. Ltd	Joint venture	1,750,000	1,750,000	Unquoted	Fully paid	50%	50%	175.00	175.00	Yes
									<b>1,175.00</b>	<b>1,175.00</b>	
	<b>Investment in Associate Companies</b>										
	Diagnostic Research Pvt. Ltd	Associate	5,000	5,000	-	-	-	-	0.50	0.50	-
	AEC Promag Pvt. Ltd	Associate	239,406	239,406	-	-	11.66%	11.66%	23.94	23.94	-
	Tandem Allied Services Pvt. Ltd	Associate	370,000	370,000	-	-	37%	37%	7.40	7.40	-
									<b>31.84</b>	<b>31.84</b>	
<b>B</b>	<b>Other investments</b>										
<b>I</b>	Investment in Government securities	-	-	-	-	-	-	-	-	-	-
<b>i.</b>	National savings certificate	-	-	-	-	-	-	-	2.38	7.88	-
									<b>2.38</b>	<b>7.88</b>	
	<b>Total</b>	-	-	-	-	-	-	-	<b>2,733.77</b>	<b>2,635.27</b>	-
<b>III</b>	<b>Less: Diminution in value of investment</b>										
	Brigade Hospitality Services Ltd	-	-	-	-	-	-	-	602.21	602.21	-
	Brigade Tetrarch Pvt. Ltd	-	-	-	-	-	-	-	38.35	38.35	
	Brigade Properties Pvt. Ltd	-	-	-	-	-	-	-	1.11	0.62	
	Brigade Infrastructure and Power Pvt. Ltd	-	-	-	-	-	-	-	4.99	3.02	
	Brigade Estates and Projects Pvt. Ltd	-	-	-	-	-	-	-	0.71	0.71	-
	AEC Promag Pvt. Ltd	-	-	-	-	-	-	-	21.03	20.54	-
	<b>Total</b>	-	-	-	-	-	-	-	<b>668.40</b>	<b>665.45</b>	-
	<b>Net Investment</b>	-	-	-	-	-	-	-	<b>2,065.37</b>	<b>1,969.82</b>	-

#### Note 14—Long-term loans and advances

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
a. Other loans and advances Unsecured, considered good (includes loans given to Subsidiaries, Associates and Joint Ventures amounting to Rs 15,671.88 Lakhs as per Note No. 30.5)	37,095.06	34,776.75
<b>Total</b>	<b>37,095.06</b>	<b>34,776.75</b>

#### Note 15—Other non-current assets

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Land held for development	15,107.21	15,033.14
Initial public offer expenses	-	790.06
Preliminary expenses	-	19.80
Sheraton Hotel pre-operative expenses	337.31	563.43
Trade Receivable - non current	-	688.71
<b>Total</b>	<b>15,444.52</b>	<b>17,095.14</b>

#### Note 17—Inventories

(At lower of cost and net realisable value)

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Inventory		
Stock of Materials at Sites/with sub contractors	1,942.39	3,733.51
Work-in-progress (As Certified by Management)	19,050.36	16,672.74
Closing stock of unsold units (At lower of Cost or Net Realisable Value)	29,610.88	28,041.63
Inventory held at Sheraton Bangalore, Angsana Spa	152.21	-
<b>Total</b>	<b>50,755.84</b>	<b>48,447.88</b>

#### Note 18—Trade Receivables

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Trade receivable</b>		
Unsecured, considered good (Less than 6 months)	3,325.45	1,216.48
Less: Provision for doubtful trade receivables	(8.19)	(55.87)
<b>Total</b>	<b>3,317.26</b>	<b>1,160.61</b>

#### Note 19—Cash and cash equivalents

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Cash and cash equivalents</b>		
<b>Balance with banks:</b>		
On current accounts	612.77	544.58
On other accounts	3,247.77	3,013.35
Cash on hand	70.61	32.53
<b>Total</b>	<b>3,931.15</b>	<b>3,590.46</b>

#### Deposits:

Balance with banks on other accounts comprises of items such as balance with banks to the extent held as margin money or security against borrowings etc., and bank deposits with more than three months maturity.

#### Note 20—Short-term Loan & Advances

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Other short-term advances</b>		
Advances to suppliers, contractors and others	6,558.97	4,186.03
Prepaid expenses	113.40	-
Balances with Government authorities and Other Advances (Includes loans given to subsidiaries, associates and joint ventures amounting to Rs 361.40 Lakhs as per Note No. 30.5)	8,866.54	8,014.24
<b>Total</b>	<b>15,538.91</b>	<b>12,200.27</b>

#### Note 21—Other Current Assets

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Other deposits	-	1,203.62
Current portion of Pre-operative expenses—Sheraton Bangalore	112.44	-
<b>Total</b>	<b>112.44</b>	<b>1,203.62</b>

#### Note 22—Revenue from operations

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Contract receipts</b>		
Revenue from residential projects	10,769.48	30,527.44
Revenue from Commercial projects	36,746.12	11,205.10
Revenue from Hospitality	6,042.42	-
Revenue from rentals	3,616.72	3,328.71
<b>Total</b>	<b>57,174.74</b>	<b>45,061.25</b>

# Notes to Financial Statements

## for the year ended 31st March 2012

### Note 23—Other Income

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Dividend / income from investment	9.28	25.23
Interest received	811.76	217.89
Creditors written back	101.44	-
Profit on sale of assets	1,750.31	2.92
Commission received	59.62	84.15
Prior Period Income	947.32	1,190.73
Miscellaneous income	77.23	355.20
<b>Total</b>	<b>3,756.96</b>	<b>1,876.12</b>

### Other expenses

### Note 24A—Project & Direct Expenses

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Construction material</b>		
Steel	2,032.65	1,882.43
Cement	308.18	348.29
Granite/marble (flooring material)	1,494.88	1,931.37
Hardware materials	631.04	601.20
<b>Total-(A)</b>	<b>4,466.75</b>	<b>4,763.29</b>
<b>Land and construction expenses</b>		
Construction expenses	23,074.40	31,725.43
Architect & Consultancy Fees	840.33	797.71
Electrical Work and Power charges	11,315.83	9,488.85
Interiors—projects	6,767.40	5,234.41
Miscellaneous Expenses Construction	36.96	305.07
Land cost	989.85	-
Rates & Taxes—Projects	4,688.33	1,968.74
Direct expenses—Sheraton Bangalore	2,676.52	-
Consumption of Equipments Sheraton	-	13.33
<b>Other Direct Project Expenses</b>		
Interest—Projects	5,951.07	8,192.60
Employee cost	1,181.84	769.47
Other expenses	3,195.06	1,636.03
<b>Total-(B)</b>	<b>65,184.34</b>	<b>64,894.93</b>

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Increase / Decrease in Stock and WIP</b>		
Opening Work-in-Progress— Projects-(a)	16,672.74	20,867.37
Opening Work-in-Progress— Capital-(b)	82,018.17	89,816.46
Less: Cost of Projects Sold / Capitalised-(c)	15,826.18	46,971.96
<b>Total-C=(a+b-c)</b>	<b>82,864.73</b>	<b>63,711.87</b>
Closing Work-in-Progress— Projects-(a)	19,050.36	16,672.74
Closing Work-in-Progress— Capital-(b)	92,499.70	82,018.17
<b>Total-D=(a+b)</b>	<b>111,550.06</b>	<b>98,690.91</b>
(Increase) / Decrease in value-E=(C-D)	(28,685.33)	(34,979.04)
<b>Total of Project Expenses F = (B+E)</b>	<b>36,499.01</b>	<b>29,915.89</b>

### Note 25—Employee Benefit Expenses

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Salaries, allowances and bonus	5,599.08	3,335.30
Contribution to provident and other funds	124.08	117.91
Staff welfare expenses	205.30	214.84
Training and recruitment expenses	48.26	46.64
Less: Transferred to project Expenses*	1,181.84	769.47
<b>Total</b>	<b>4,794.88</b>	<b>2,945.22</b>

\* Employee expenses directly attributable to specific projects have been transferred to project expenses.

### Note 26—Finance costs

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Interest expense	11,694.14	9,599.49
Other borrowing costs	296.21	271.80
Less: Transferred to project Expenses*	5,951.07	8,192.60
<b>Total</b>	<b>6,039.28</b>	<b>1,678.69</b>

\*Finance costs directly attributable to specific projects have been transferred to project expenses.

## Note 27—Other Expenses

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Advertising and sales promotion	1,650.86	943.99
Agency commission	1,181.10	1,172.83
Discount	31.36	114.43
Legal and professional fees	719.33	702.17
Power and fuel	48.46	41.04
Rent	1,269.23	351.67
Repairs		
building	189.68	134.80
machinery	14.77	3.07
Others	39.34	50.99
Insurance	90.63	50.10
Rates and taxes	244.15	267.90
Travelling and conveyance	325.71	211.07
Communication costs	93.29	74.03
Bad debts	1.28	6.12
Loss on investment	-	17.93
Printing and stationery	111.51	56.82
Security charges	249.68	232.74
Donation	242.60	74.35
Director's sitting fees	7.21	6.26
Loss on foreign exchange fluctuations, net	61.13	12.16
Provision for diminution in the value of investment in subsidiary company	2.95	-
Loss on sale of fixed assets	-	33.87
Miscellaneous expenses	179.59	87.55
Less: Inter Segment Expenses	130.93	-
Less: Transferred to project Expenses*	3,195.06	1,636.03
<b>Total</b>	<b>3,427.89</b>	<b>3,009.86</b>

\*Other expenses directly attributable to specific projects has been transferred to project expenses.



# Notes to Financial Statements

## for the year ended 31st March 2012

### 1. Company overview:

Brigade Enterprises Limited (BEL) was incorporated on 8th November, 1995 and is listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company is carrying on the business of real estate development primarily focussed on the development of residential, commercial & hospitality properties in South India. BEL has completed over 100 residential, commercial, retail and hospitality projects, covering over 20 million sft of developable area. The residential properties developed by BEL include integrated lifestyle enclaves & apartment buildings. The commercial properties developed by BEL include state of the art office spaces, software & IT Parks, SEZs, Malls with entertainment facilities, such as multiplexes. The properties in the hospitality sector developed by BEL include serviced residences, hotels, resorts, spas, recreational clubs & convention centres in Bangalore & other parts of South India. The Company has income from Real Estate development; Rentals from properties let out and income from Hospitality.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis for Preparation of Financial Statements:

The Financial Statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with generally accepted accounting principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules 2006, to the extent applicable and in accordance with the Provisions of the Companies Act, 1956. The Accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2. Use of Estimates:

Preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires Company Management to make estimates and assumptions that affect reported balance of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of Financials and reported amounts of income and expenses during the period. Examples of such estimate include Revenues and Profits expected to be earned on projects carried on by the Company, contract costs expected to be incurred for completion of project, provision for doubtful debts, income taxes, etc. Actual results could differ from these estimates. Differences, if any, between the actual results and estimates are recognised in the period in which the results are known or materialised.

#### 2.3. Expenditure

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

#### 2.4. Valuation of Inventories and Construction Work-in-Progress:

- a) Valuation of Inventories, representing stock of materials at project site/with contractors, has been done after providing for obsolescence, if any, at lower of Cost or Net Realisable Value. The cost is generally calculated on FIFO basis.
- b) Valuation of inventories, representing food and beverages, held at Brigade Sheraton at Gateway has been done after providing for obsolescence, if any, at lower of Cost or Net Realisable Value. The cost is generally calculated on Weighted Average basis.
- c) The value of construction Work-in-Progress during the period is determined as follows:
  - The aggregate of opening Work-in-Progress, cost of construction, and construction overheads incurred during the year as reduced by cost of completed contract transferred to income and closing stock of materials, if any.
  - The value of completed projects intended for sale is considered as inventory and value of completed projects/units intended to be retained/leased is considered as fixed asset.
  - Land held for development, Work-in-Progress and Closing Stock of unsold units is valued at Cost or Net Realisable Value, whichever is lower.

#### 2.5. Cash Flow Statement:

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating; financing and investing activities of the Company are segregated.

#### 2.6. Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are taken into cognisance.

#### 2.7. Depreciation:

Depreciation in respect of fixed assets, is provided adopting Written down Value Method at the rates provided under Schedule XIV to the Companies Act, 1956, except,

- On assets held for the purpose of sale, on which no depreciation is charged.

- On the following assets leased out, depreciation is charged on Straight Line Method over the period of the lease as shown below.

Project Name	Building	Furniture, Fixture and Interiors	Office Equipment and Plant and Machinery
Brigade Mane Court	25 Years	5 Years	5 Years
Augusta Club	25 Years	5 Years	5 Years
Brigade MLR Convention Centre	25 Years	5 Years	5 Years
Woodrose Club	25 Years	5 Years	5 Years
Brigade Business Suites (Formerly known as Homestead 2)	25 Years	5 Years	5 Years
Grand Mercure Residences (Formerly known as Homestead 3)	25 Years	5 Years	5 Years
Brigade Plaza	25 Years	5 Years	Not Applicable
Brigade South Parade	14 Years	5 Years	Not Applicable
Brigade Tech Park B-Block 4th & 5th Floor	Not Applicable	5 Years	5 Years
Hulkul Brigade Centre 1st Floor	Not Applicable	3 Years	3 Years
Hulkul Brigade Centre 3rd Floor	Not Applicable	4 Years	4 Years

Depreciation is charged on a pro-rata basis for assets purchased / put to use / sold during the year. Individual assets costing less than Rs 5,000/- is charged off in the year of purchase.

## 2.8. Revenue Recognition:

- Income from operations is determined and recognised, based on the percentage of completion method, as the aggregate of the profits earned on the projects completed/under completion and the value of construction work done during the period.
- a) Profit so recognised in respect of individual projects is adjusted to ensure that it does not exceed the estimated overall profit margin. Loss on projects, if any, is fully provided for.

Stage of completion of projects in progress is determined on the basis of the proportion of the

contract costs incurred, in respect of individual projects for work performed up to the period of the financial statements, bear to the estimated total project cost. Income recognised as contract revenue during the period is based on the lower of stage of completion as determined above and percentage of actual amount received on sale (pursuant to agreements entered into by the Company) of the estimated contract value of these projects. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level, which is estimated to be at least 25%.

The estimates for sale value and contract costs are reviewed by Management periodically and the cumulative effect of the changes in these estimates, if any, are recognised in the period in which these changes may be reliably measured.

- In respect of sale of completed units, revenue is recognised when the significant risks and rewards of ownership of the units in real estate have been passed on to the buyer.
- Interest income is recognised on time basis and is determined by the amount outstanding and rate applicable.
  - Dividend income is recognised as and when right to receive payment is established.
  - Rental income / lease rentals are recognised on accrual basis in accordance with the terms of agreement.
  - Differential income arising on account of any charges collected including Deposits and the related expenses incurred are recognised in the year of completion of the project / handing over of the flats to the customers.
  - In respect of Hospitality operations comprising of, revenue from rooms, restaurants, banquets and other services comprise of renting of rooms, sale of food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the services.

## 2.9. Tangible Fixed Assets:

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation and impairment losses, if any. Capital Work in Progress comprises the cost of fixed assets under construction and not yet ready for their intended use. Capital Work in Progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest.

# Notes to Financial Statements

## for the year ended 31st March 2012

### 2.10 Intangible assets:

Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. The Cost of Intangible asset comprises its purchase cost and directly attributable expenditure.

### 2.11. Foreign currency transaction and translations:

Foreign currency transactions are restated at the rates ruling at the time of receipt/payment and all exchange losses/gains arising there from are adjusted to the respective accounts. All monetary items denominated in foreign currency are converted at the rates prevailing on the date of the Financial Statement.

### 2.12. Investments:

Investments are classified as Current Investments and Long Term Investments. Long Term Investments are carried at the cost, unless there is a permanent diminution in value of the investments and Current Investments are carried at the lower of cost or market value.

### 2.13. Employee Benefits:

#### a) Short-Term Employee Benefits:

The employee benefits payable only within 12 months of rendering the services are classified as Short Term Employee Benefits. Benefits such as salaries, leave travel allowance, short term compensated absences, etc., and the expected cost of bonus are recognised in the period in which the employee renders the related service.

#### b) Post Employment Benefits:

##### i. Defined Contribution Plans:

The Company has contributed to state governed Provident Fund Scheme, Employee State Insurance Scheme, and Employee Pension Scheme which are Defined Contribution Plans. Contribution paid or payable under the Schemes is recognised during the period in which the employee renders the related service.

##### ii. Defined Benefit Plans:

The Employees' Gratuity is a Defined Benefit Plan. The present value of the obligation under such plan is determined based on the actuarial valuation using the projected unit credit method which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company has an Employee Gratuity Fund managed by Life Insurance Corporation of India (LIC). Actuarial gains or losses are charged to Profit and Loss Account.

- iii. Liability in respect of leave encashment is provided for on actuarial basis using the projected unit credit method (same as above).

### 2.14. Borrowing Costs:

Cost of funds borrowed for acquisition of fixed assets up to the date the asset is put to use is added to the value of the assets.

### 2.15. Segment reporting:

The company identifies primary segments based on the dominant source, nature of risks and returns and internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the management. The Accounting policies adopted for the segment reporting are in line with the accounting policies of the company.

### 2.16. Earnings per Share:

Basic Earnings per Share is computed by dividing net income by the weighted average number of common stock outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e., the average market value of the outstanding shares). Diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### 2.17. Provision for Taxation:

Deferred Tax is recognised, subject to the consideration of prudence, in respect of deferred tax assets or liabilities, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period, and are reversible in one or more subsequent periods.

The provision for taxation is made on Taxes Payable Method as determined in accordance with the provisions of the Income-tax Act, 1961.

### 2.18. Impairment of Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed

assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard-28 "Impairment of Assets" prescribed under the Companies (Accounting Standards) Rules 2006, where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

#### 2.19. Provisions and Contingent Liabilities:

Provision is recognised when an enterprise has a present obligation as a result of past event and is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 2.20. Amortisation of Miscellaneous Expenditure:

Expenses incurred towards Initial Public Offer and other deferred expenses (being operational expenses in respect of certain projects incurred till commencement of commercial operation) classified under Miscellaneous Expenditure are written off equally over a period of 5 years.

In case of Sheraton Hotel Bangalore at Brigade Gateway, Pre-operative expenses incurred till commencement of commercial operations, classified under Miscellaneous Expenditure are written off equally over a period of 5 years.

#### 2.21. Provision for Warranty:

No estimation of liability for warranties is given by the company in respect of its development since such warranties of the company are fully covered with a back to back liability with the Company's contractors and service providers.

#### 2.22. Political Contribution:

The company has not made any political contribution (previous year Rs 5 Lakhs) during the year.

#### 2.23. Quantitative details:

The company is engaged in the business of real estate and property development. Such activity cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and the information as required under Part II of Schedule VI of the Companies Act, 1956.

Note 29—Additional information to the financial statements  
29.1 Contingent liabilities and commitments (to the extent not provided for):

Capital Commitments and Contingent liabilities on account of:

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
(i) Contingent liabilities:		
a. Claims from government departments not acknowledged as debts	1,219.88	153.14
b. Claims from government departments not acknowledged as debts paid under protest and under appeal	1,206.24	1,056.24
(ii) Commitments:		
a. Capital Commitments not provided in the books	71,289.07	28,959.48
b. Towards Letter of Credits and Bank Guarantees	548.87	1,770.55

29.2 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year.	8.90	15.70
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
d. The amount of interest due and payable for the year.	-	-
e. The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

# Notes to Financial Statements

## for the year ended 31st March 2012

29.3 Details of derivatives instruments and unhedged foreign currency exposures

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Receivable	-	-
Payable	108.16	-

29.4 The foreign exchange inflow and outflow:  
The details of Foreign Exchange inflow and outflow during the year are as follows:

(Rupees in Lakhs)

Particulars	2011-12	2010-11
<b>Inflow:</b>		
Advance for Sale of Units, Lease deposits & Rentals	456.81	1,138.91
<b>Outflow:</b>		
i. Professional charges	177.68	137.48
ii. Consultation Fees	6.19	Nil
ii. Others	37.25	148.57

CIF Value of imports and payments during the year ended 31st March 2012 is Rs 3,069.84 Lakhs (previous year Rs 4,636.36 lakhs).

Note 29.5—Remuneration paid to Statutory Auditors debited to Profit and Loss Account:

(Rupees in Lakhs)

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
As auditor	19.85	18.75
For taxation matters	4.72	3.31
For other services	3.94	2.90
For reimbursement of expenses	0.68	-
Total	29.19	24.96

The above includes the applicable service tax on the fees.

Note 30—Disclosures under Accounting Standards

30.1 Details of contract revenue and contract costs

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Contract Revenue recognised during the year	47,515.60	32,157.32
Aggregate amount of contract cost incurred upto the Reporting Date	112,153.41	124,841.05
Recognised profits (less: Recognised Losses) upto the Reporting Date	51,830.94	46,841.42
Advances Received from Customers	28,518.33	22,488.07

30.2 Employee Benefit plans

a. Defined contribution plans:

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 45.02 lakhs (year ended 31st March 2011 Rs 38.29 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

b. Defined Benefit plan with Life Insurance Corporation of India:

The Company offers gratuity benefit to its employees. The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements.



(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Obligations at the beginning of the year</b>	171.36	109.05
Service cost	34.74	22.49
Interest cost	13.71	8.72
Benefits settled	(9.27)	(18.34)
Actuarial (gain) / loss	(10.26)	49.44
<b>Obligations at the end of the year</b>	200.27	171.36
<b>Change in plan assets</b>		
Plan assets at the beginning of the year, at fair value	157.04	117.62
Expected return on plan assets	13.95	12.12
Contributions	Nil	45.64
Benefits settled	(9.27)	(18.34)
Actuarial (gain) / loss	Nil	-
<b>Plan assets at the end of the year, at fair value</b>	161.72	157.04
<b>Reconciliations of present value of the obligation and the fair value of the plan assets</b>		
Present value of the defined benefit obligation at the end of the year	200.27	171.36
Fair value of the plan assets at the beginning of the year	161.72	157.04
Assets / (liability) recognised in the Balance Sheet	38.56	14.32
<b>Gratuity cost for the year</b>		
Service cost	34.74	22.49
Interest cost	13.71	8.72
Expected return on plan assets	(13.95)	(12.12)
Actuarial (gain) / loss	(10.26)	49.44
Net gratuity cost	24.24	68.53
<b>Assumptions</b>		
Interest rate	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%

In case of employees of Sheraton Bangalore at Brigade Gateway, provision for gratuity amounting to Rs 16.52 Lakhs is made based on actuarial valuation on the following assumptions.

Retirement Age	58
Mortality	LIC (94-96) Ultimate Mortality Table
Rate of Interest	8.50% p.a.
Salary increase	6.00% p.a.
Attrition rate	5.00% p.a.
No. of Employees	321
Benefits Payable	As per Gratuity Act 1972, Leave as per company rules

### 30.3 Borrowing cost

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year		
- as fixed assets / capital work-in-progress	4,469.14	4,422.41
- as inventory	1,279.53	1,499.67

### 30.3 Segment information:

The Company has identified real estate development and hospitality services, as primary business segments. Accordingly the segment revenue, results and capital employed attributable to segments are reported under each reportable segment. The geographical location of the projects represents the secondary segment of reporting.

The Company has its operations in India, which makes it a single geographical segment. Hence, providing geographical segment information is not applicable to the Company for the current financial year.

(Rupees in Lakhs)

Particulars	As at 31st March 2012
<b>a. Segment revenue</b>	
Real estate	54,068.46
Hospitality	6,173.46
Less: Inter-segment revenues	131.40
<b>Net income from operations</b>	<b>60,110.52</b>
<b>b. Segment results</b>	
Real estate	11,600.10
Hospitality	433.09
<b>Profit / (Loss) before tax and interest</b>	<b>12,033.19</b>
Less: Interest	6,039.28
Add: Other income	821.04
<b>Profit / (Loss) before tax</b>	<b>6,814.95</b>
<b>c. Capital employed</b>	
Real estate	173,737.00
Hospitality	25,517.00
<b>Total capital employed</b>	<b>199,254.00</b>

Note: Previous year's comparatives are not given since there was only one segment i.e. Real Estate, for the year ended, 31st March 2011.

# Notes to Financial Statements

## for the year ended 31st March 2012

### 30.4. Related Party Disclosure:

Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below:

#### 30.4.1 Relationships:

Holding Company	NIL
Subsidiary Companies	Brigade Hospitality Services Ltd Brigade Tetrarch Pvt. Ltd Brigade Estates and Projects Pvt. Ltd Brigade Properties Pvt. Ltd. Brigade Infrastructure & Power Pvt. Ltd WTC Trades and Projects Pvt. Ltd Orion Mall Management Company Ltd
Associate Companies & Joint Venture	Tandem Allied Services Pvt. Ltd BCV Developers Pvt. Ltd BCV Estates Pvt. Ltd
Other related parties where common control exists	Mysore Holdings Pvt. Ltd Brigade Foundation Mr M. R. Jaishankar (HUF)
Key Managerial Personnel (KMP)	Mr M. R. Jaishankar, Chairman and Managing Director Ms Githa Shankar, Wholetime Director
Relatives of Key Managerial Personnel	Ms Nirupa Shankar (Daughter of KMP) Ms Pavitra Shankar (Daughter of KMP) Mr M. R. Shivram (Relative of KMP)

### 30.5 Related party transactions

Brigade Enterprises Ltd

Key Managerial Personnel, Related Party, Group Concern and Sister Concern transactions for the period 01.04.2011 - 31.03.2012

(Rupees in Lakhs)

Party	Managerial Remuneration	Sale of material / finished goods / services & Reimbursements	Purchase of material / finished goods / services / Other expenses	Sale of Capital Assets	Investment in shares during the year	Outstanding receivables / (payables), as at 31.03.2012
Key Managerial Personnel	453.04	861.11	53.53	-	-	722.23
Relatives of Key Managerial Personnel	-	1,269.42	168.76	-	-	(28.74)
Brigade Hospitality Services Ltd	-	1,468.16	318.63	-	-	602.10
Brigade Estates Pvt. Ltd	-	-	-	-	-	4.05
Brigade Properties Pvt. Ltd	-	-	-	-	-	0.57
Brigade Infrastructure & Power Pvt. Ltd	-	10.65	-	-	-	37.58
WTC Trades & Projects Pvt. Ltd	-	1.03	24.45	-	99.00	(198.50)
Orion Mall Management Co. Ltd	-	-	-	-	5.00	51.98
Tandem Allied Services Pvt. Ltd	-	19.23	0.07	-	-	(29.31)
AEC Promag Consultancy Pvt. Ltd	-	-	63.95	-	-	2.49
Mysore Holdings Pvt. Ltd	-	1,183.86	-	-	-	146.98
Brigade Foundation	-	423.12	-	3,440.00	-	2,049.34
Brigade Tetrach Pvt. Ltd	-	-	0.23	-	-	1,010.47
BCV Estates Pvt. Ltd	-	63.29	-	-	-	1,955.63
BCV Developers Pvt. Ltd	-	76.70	2.18	-	-	12,363.97

### 30.6 Assets under operating lease:

- a. The Company has given certain assets on operating lease. Details of assets given under operating lease are as under:

(Rupees in Lakhs)

Asset Description	Gross value as on 31st March 2012	Depreciation 01 April 2012 to 31st March 2012	Total Depreciation as on 31st March 2012	Impairment
Land	137.43	-	-	-
Building	1,747.98	120.70	889.06	-
Interior & Furniture	1,300.52	146.82	1,152.71	-
Office Equipment & Plant and Machinery	211.49	16.70	160.79	-

- b. The Company has given on non-cancelable operating lease certain assets, the future minimum lease receivables in respect of which, as at 31st March 2012 are as follows:

(Rupees in Lakhs)

Minimum lease receivable	2011-12	2010-11
Receivable not later than 1 year	15,101.17	2,099.10
Receivable later than 1 year and not later than 5 years	65,561.35	2,673.09
Receivable later than 5 years	22,326.07	-

- c. The Company has taken various residential / commercial premises on cancelable / operating leases. These agreements are normally renewed on expiry.
- d. The Company has taken, on non-cancelable operating lease, certain assets (land), the future minimum lease payments in respect of which, as at 31st March 2012 are as follows:

(Rupees in Lakhs)

Minimum lease payable	2011-12	2010-11
Payable not later than 1 year	140.33	130.62
Payable later than 1 year and not later than 5 years	631.71	598.75
Payable later than 5 years	2937.11	3,110.40

- e. There are no exceptional / restrictive covenants in the lease agreements.
- f. The Company has constructed commercial space of 6,80,786 sft in one of its project called Brigade Summit. Till March 31, 2012, the Company has sold 45,080 sft and recognised the income and propor-

tionate cost in its Income Statement. The Company's intention is to sell this stock over a period of two years and accordingly the same is grouped under Inventory. The Company has leased out 5,01,567 sft as on March 31, 2012 to generate revenue out of unsold stock and recognised the rentals as revenue. Since the said property / units are held for sale, depreciation on this stock is not provided. If provided for, the same would have been Rs 10.73 crores (previous year Rs 1.65 crores)

- g. Contingent rent recognised in the Profit and Loss Account is Rs Nil.

### 30.7 Earnings per Share (EPS)

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Equity Share of Face Value Rs 10/- each	—	—
Net profit (Rupees in Lakhs)	5,809.35	11,927.58
Number of Shares used in computing Earnings per Share	112,251,940	112,251,940
Basic & Diluted (in Rupees)	5.18	10.63

### Computation of net profit

(Rupees in Lakhs)

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Net Profit after Tax	5,809.35	8,040.40
Add / (Less): Prior Period Adjustments	-	3,887.18
Net Profit considered for Earnings Per Share	5,809.35	11,927.58

### 30.8 Deferred Tax Liability / (Asset)

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Deferred tax (liability) / asset		
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	(2,084.81)	(2,374.25)
<b>Tax effect of items constituting deferred tax asset</b>		
Disallowances under Section 40(a) (i), 43B of the Income-tax Act, 1961	65.98	55.48
<b>Net deferred tax (liability) / asset</b>	<b>(2,018.83)</b>	<b>(2,318.77)</b>

# Notes to Financial Statements

## for the year ended 31st March 2012

### 30.9 Joint ventures

- a) BCV Developers Private Limited ("BCV Developers")  
In July 2008, the Company and certain Landowners formed a Joint Venture Company called BCV Developers in Bangalore. BCV Developers envisages the development of an Integrated Township Project in Devanahalli, Bangalore. As at 31st March 2012, the Company and the Landowners each hold 50% of the equity in BCV Developers.

The Company's proportionate share in assets, liabilities, income and expense of the Joint Venture is detailed below.

(Rupees in Lakhs)

Particulars	BCV Developers Pvt. Ltd	
	2011-12	2010-11
Assets	16,318.80	15,497.35
Liabilities	16,318.80	15,497.35
Contingent assets	NIL	NIL
Contingent liabilities	NIL	NIL
Capital commitments	NIL	NIL
Income	6.71	13.08
Expenses	11.41	8.61
Tax	0.46	1.18

- b) BCV Estates Private Limited ("BCV Estates")

In September 2010, the Company and certain Landowners formed a Joint Venture Company called BCV Estates in Bangalore. BCV Estates envisages

the development of an Integrated Township Project in Devanahalli, Bangalore. As at 31st March 2012, the Company and the Landowners each hold 50% of the equity in BCV Estates.

The Company's proportionate share in assets, liabilities, income and expense of the Joint Venture is detailed below.

(Rupees in Lakhs)

Particulars	BCV Estates Pvt. Ltd	
	2011-12	2010-11
Assets	3,466.13	3,462.36
Liabilities	3,466.13	3,462.36
Contingent assets	NIL	NIL
Contingent liabilities	NIL	NIL
Capital commitments	NIL	NIL
Income	NIL	NIL
Expenses	0.29	0.28
Tax	NIL	NIL

- 30.10 Balances of debtors, creditors and loans and advances are subject to reconciliation and confirmation.

### 30.11. Previous year amounts

The figures of the previous year have been regrouped / reclassified and restated wherever necessary.

As per our report of even date  
for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

### for Brigade Enterprises Limited

**M. R. Jaishankar**  
Chairman & Managing Director

**Suresh K.**  
Chief Financial Officer

**M. R. Shivram**  
Director

**P. Om Prakash**  
Company Secretary

## Statement relating to subsidiaries pursuant to exemption under section 212 of the Companies Act, 1956

Sl. No.	Particulars	Brigade Hospitality Services Ltd	Brigade Tetrarch Pvt. Ltd	Brigade Estates & Projects Pvt. Ltd	Brigade Properties Pvt. Ltd	Brigade Infrastructure & Power Pvt. Ltd	WTC Trades & Projects Pvt. Ltd.	Orion Mall Management Company
1	The financial period of the Subsidiary Company ended on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
2	Date from which they became Subsidiary Company	1st June, 2004	22nd December, 2005	16th December, 2006	21st May, 2007	24th January, 2009	21st July, 2010	7th September, 2011
3	a. Number of Shares held by the Holding Company with its nominees in the Subsidiary at the end of the Financial Year of the Subsidiary Company	10,000,000.00	100,200.00	50,000.00	50,000.00	50,000.00	1,000,000.00	50,000.00
	b. Extent of interest of Holding Company at the end of the Financial Year of the Subsidiary Company	100%	100%	100%	100%	100%	100%	100%
4	The Net Aggregate amount of the Subsidiary Companies' Profit / Loss so far as it concerns the members of the Holding Company							
	a. Not dealt with in the Holding Company's Accounts							
	i) For the Financial Year ended 31.03.2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii) For the previous Financial Years of the Subsidiary Company since they became the Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	b. Dealt with in Holding Company's Accounts (Rs in Lakhs)							
	i) For the Financial Year ended 31.03.2012	(41.41)	(0.12)	(0.24)	(0.24)	(5.35)	0.12	(58.13)
	ii) For the previous Financial Years of the Subsidiary Company since they became the Holding Company's Subsidiary	136.30	(14.36)	(0.25)	(0.25)	(0.27)	(22.79)	—

## Statement relating to subsidiaries pursuant to exemption under section 212(8) of the Companies Act, 1956

(Rupees in Lakhs)

Sl. No.	Particulars	Brigade Hospitality Services Ltd	Brigade Tetrarch Pvt. Ltd	Brigade Estates & Projects Pvt. Ltd	Brigade Properties Pvt. Ltd	Brigade Infrastructure & Power Pvt. Ltd	WTC Trades & Projects Pvt. Ltd.	Orion Mall Management Company
a)	Share Capital	1,000.00	10.02	5.00	5.00	5.00	100.00	5.00
b)	Reserves	(390.10)	(36.94)	(1.20)	(1.11)	(8.64)	(22.66)	(58.13)
c)	Total Assets	7,422.87	986.15	7.93	4.54	34.09	517.87	168.61
d)	Total Liabilities	7,422.87	986.15	7.93	4.54	34.09	517.87	168.61
e)	Details of Investment (except in case of investment in the subsidiaries)	0.15	—	—	—	—	—	—
f)	Turnover	5,210.72	0.29	—	—	—	84.11	16.81
g)	Profit before Taxation	13.98	(0.12)	(0.24)	(0.24)	(5.35)	0.12	(84.85)
h)	Provision for Taxation	55.39	—	—	—	—	—	26.72
i)	Profit after taxation	(41.41)	(0.12)	(0.24)	(0.24)	(5.35)	0.12	(58.13)
j)	Proposed Dividend	—	—	—	—	—	—	—
Note:1	There is variation between PBT & PAT where taxes are not applicable, because prior period income/ expenses have been adjusted	—	—	—	—	—	—	—
Note:2	Provisions for taxation includes FBT	—	—	—	—	—	—	—



# Consolidated Financial Statements

# Auditors' Report

To the Board of Directors on the Consolidated Financial Statements of **Brigade Enterprises Limited** and its subsidiaries and joint ventures:

1. We have examined the attached consolidated balance sheet of Brigade Enterprises Limited and its subsidiaries and Joint Ventures (together referred to as 'the Group' as described in Note.1) as at 31st March, 2012 and the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date, prepared in accordance with accounting principles generally accepted in India.
2. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain of the subsidiary companies and of the Joint Ventures included herein, whose financial statements reflect total assets of Rs 27,725.67 Lakhs and total liabilities of Rs 27,725.67 Lakhs as at 31st March 2012 and the total revenue of Rs 5,308.26 Lakhs and total expenditure of Rs 5,304.11 Lakhs and cash outflows, net amounting to Rs 35.62 Lakhs for the year ended on that date. These financial statements and other financial information

have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standard) Rules, 2006 issued by the Institute of Chartered Accountants of India and on the basis of separate financial statements of Brigade Enterprises Limited and its subsidiaries and joint ventures included in the Financial Statements.

4. We report that, on the basis of the best of our information and according to the explanation given to us, and based on our audit and on consideration of the reports, as available, of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, we are of the opinion that the said consolidated financial statements, read together with the significant accounting policies and notes appearing thereon, subject to note numbers 4.4 and 4.11 of the said notes, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In case of the consolidated Balance Sheet, of the state of affairs of the Brigade Group as at March 31, 2012;
  - b) In case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Brigade Group for the year ended on that date; and
  - c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Brigade Group for the year ended on that date.

Place: Bangalore  
Date: May 07, 2012

for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

# Consolidated Balance Sheet

(Rupees in Lakhs)

PARTICULARS	NOTE	As at 31st March 2012	As at 31st March 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	3	11,225.19	11,225.19
Reserves and Surplus	4	104,956.00	101,230.18
		116,181.19	112,455.37
<b>Non-current liabilities</b>			
Long-term borrowings	5	68,346.99	70,400.53
Deferred tax liabilities (net)	30	2,044.50	2,318.77
Long-term provisions	6	3,557.18	2,801.57
Other long-term liabilities	7	18,112.90	13,076.56
<b>Current liabilities</b>			
Short-term borrowings	8	998.07	1,154.22
Trade payables	9	11,639.95	16,728.30
Other current liabilities	10	49,890.23	40,201.42
Short-term provisions	11	5,478.06	4,652.73
Total		276,249.07	263,789.47
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12-A	49,524.19	39,000.82
Intangible assets	12-B	906.15	541.13
Capital Work-in-progress	-	92,499.70	83,385.02
Non-current investments	13	181.28	111.44
Long-term loans and advances	14	24,516.99	30,758.33
Other Non-current assets	15	18,594.52	20,833.02
<b>Current assets</b>			
Current Investments	16	—	—
Inventories	17	66,889.05	61,169.39
Trade receivables	18	3,557.32	1,628.47
Cash and cash equivalents	19	4,890.44	4,512.39
Short-term loans and advances	20	14,391.59	20,081.36
Other current assets	21	297.84	1,768.10
Total		276,249.07	263,789.47

Summary of significant accounting policies. 2  
The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

**for Brigade Enterprises Limited**

**M. R. Jaishankar**  
Chairman & Managing Director

**Suresh K.**  
Chief Financial Officer

**M. R. Shivram**  
Director

**P. Om Prakash**  
Company Secretary

# Consolidated Statement of Profit & Loss

(Rupees in Lakhs)

PARTICULARS	NOTE	For the year ended 31st March 2012	For the year ended 31st March 2011
Revenue from operations	22	61,020.55	48,203.56
Other income	23	4,082.74	4,788.15
<b>Total revenue</b>		<b>65,103.29</b>	<b>52,991.71</b>
<b>Expenses:</b>			
Project and direct expenses	24	37,144.15	31,107.55
(Increase) / decrease in closing stock of units	—	(1,569.25)	(6,603.14)
Employee benefit expenses	25	5,950.23	3,866.12
Other expenses	27	5,487.19	3,848.92
Miscellaneous expenses written off	—	923.93	815.14
<b>Total expenses</b>		<b>47,936.25</b>	<b>33,034.59</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>17,167.04</b>	<b>19,957.12</b>
Depreciation and amortisation expenses	12-C	4,399.15	2,003.66
Finance costs	26	6,039.28	1,681.77
<b>Profit before tax</b>		<b>6,728.61</b>	<b>16,271.69</b>
<b>Tax expense</b>			
Current tax		(1,366.43)	2,686.02
Deferred tax	30	274.27	2,446.87
Wealth tax		(2.44)	1.20
MAT entitlement		59.42	(914.65)
<b>Total tax expense</b>		<b>(1,035.18)</b>	<b>4,219.44</b>
<b>Profit (Loss) for the period</b>		<b>5,693.43</b>	<b>12,052.25</b>
Earnings per Share - Basic & Diluted (in Rupees)		5.07	10.74

Summary of significant accounting policies. 2  
 The accompanying notes are an integral part of the financial statements.

As per our report of even date  
 for **Narayanan, Patil and Ramesh**  
 Chartered Accountants  
 Firm Regn No. 002395S

**Patil Udaya Kumar**  
 Partner  
 Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

**for Brigade Enterprises Limited**

**M. R. Jaishankar**  
 Chairman & Managing Director

**Suresh K.**  
 Chief Financial Officer

**M. R. Shivram**  
 Director

**P. Om Prakash**  
 Company Secretary

# Consolidated Cash Flow Statement

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before extraordinary items and tax	6,733.28	12,390.54
Adjustments for:		
Depreciation and amortisation	4,259.87	2,003.66
Amortisation of share issue expenses and discount on shares	923.82	815.14
(Profit) / loss on sale / write off of assets	(1,735.31)	(9,575.21)
Finance costs	11,694.14	—
Interest income	(847.84)	(242.59)
Dividend income	(9.28)	(25.23)
Liabilities / provisions no longer required written back	—	2,694.97
Provision for losses of subsidiary companies	2.95	(20.54)
Provision for doubtful trade and other receivables, loans and advances	1.28	5.94
Provision for MAT Credit	59.42	—
Prior year income / (expenses)	—	1,183.41
Utilisation of F & FE reserve	—	(5.24)
Interest Paid	—	9,599.49
	14,349.04	6,433.80
Operating profit / (loss) before working capital changes	<b>21,082.32</b>	<b>18,824.34</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(3,065.72)	(16,437.16)
Trade receivables	(2,544.51)	(825.95)
Short-term loans and advances	(2,491.50)	—
Long-term loans and advances	(2,334.48)	(11,294.64)
Other current assets	407.92	—
Other non-current assets	1,650.62	—
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	1,539.69	—
Other current liabilities	1,124.38	16,138.92
Other long-term liabilities	6,865.11	—
Short-term provisions	4,469.08	—
Short-term borrowings	998.07	—
Long-term provisions	(1,846.45)	—
	<b>4,772.20</b>	<b>(12,418.83)</b>
Cash flow from extraordinary items	—	—
Cash generated from operations	<b>25,854.52</b>	<b>6,405.51</b>
Net income tax (paid) / refunds	(1,349.24)	(3,391.49)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>24,505.27</b>	<b>3,014.02</b>



(Rupees in Lakhs)

PARTICULARS	For the year ended 31 March, 2012	For the year ended 31 March, 2012
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on fixed assets, including capital advances	(27,914.84)	(20,546.60)
Proceeds from sale of fixed assets	5,090.57	14,218.59
Bank balances not considered as Cash and cash equivalents		
- Matured	5.50	—
Current investments not considered as Cash and cash equivalents		
- Purchased	(0.02)	—
Purchase of long-term investments		
- Subsidiaries	(104.00)	(327.20)
Interest received		
- Others	847.84	242.59
Dividend received		
- Subsidiaries	—	25.23
- Others	9.28	—
Deferred revenue expenses	(76.48)	—
Utilisation of F & FE Reserve	5.24	—
Preoperative Expenses	—	(631.95)
	(22,136.92)	(7,019.34)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(22,136.92)</b>	<b>(7,019.34)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	5.00	—
Proceeds from long-term borrowings	10,955.44	15,661.76
Repayment of long-term borrowings	500.00	—
Proceeds from new membership	200.31	—
Finance cost	(11,694.14)	(9,599.49)
Dividends paid	(1,683.78)	(1,347.02)
Tax on dividend	(273.15)	(228.93)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,990.31)</b>	<b>4,486.31</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>378.05</b>	<b>480.99</b>
Cash and cash equivalents at the beginning of the year	4,512.39	4,031.40
<b>Cash and cash equivalents at the end of the year</b>	<b>4,890.44</b>	<b>4,512.39</b>

**Notes:**

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinued operations.

 As per our report of even date  
 for **Narayanan, Patil and Ramesh**  
 Chartered Accountants  
 Firm Regn No. 002395S

**Patil Udaya Kumar**  
 Partner  
 Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

**for Brigade Enterprises Limited**
**M. R. Jaishankar**  
 Chairman & Managing Director

**Suresh K.**  
 Chief Financial Officer

**M. R. Shivram**  
 Director

**P. Om Prakash**  
 Company Secretary

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
<b>NOTE 3 — Share Capital</b>		
Authorised		
15,00,00,000 (Previous Year 15,00,00,000) Equity Shares of Rs 10/- each	15,000.00	15,000.00
Issued, Subscribed & Paid Up		
11,22,51,940 (Previous Year 11,22,51,940) Equity Shares of Rs 10/- each	11,225.19	11,225.19
<b>Total</b>	<b>11,225.19</b>	<b>11,225.19</b>
<b>NOTE 4 — Reserves &amp; Surplus</b>		
<b>Securities Premium Account</b>		
Opening Balance	68,205.58	68,574.49
Add / (less): Adjustments	5.15	(368.91)
Closing Balance (A)	68,210.73	68,205.58
<b>General Reserve</b>		
Opening Balance	5,838.30	4,882.12
Add: Transfers during the Year from P&L A/c	510.35	961.40
Less: Utilised	31.55	5.22
Closing Balance (B)	6,317.10	<b>5,838.30</b>
<b>Profit &amp; Loss A/c</b>		
Opening Balance	27,186.30	18,207.29
Add: Profit for the year	5,693.43	9,127.31
Add / (less): Adjustments	(2,451.56)	(148.30)
Closing Balance (C)	30,428.17	<b>27,186.30</b>
<b>Total (A+B+C)</b>	<b>104,956.00</b>	<b>101,230.18</b>
<b>NOTE 5 — Long term borrowings</b>		
<b>Secured</b>		
From Banks	68,346.99	56,124.98
Other Long term borrowings	—	14,275.55
<b>Total</b>	<b>68,346.99</b>	<b>70,400.53</b>

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
<b>NOTE 6 — Long term provision</b>		
Provision for employee benefits	407.18	201.57
Provision for future tax liability	3,150.00	2,600.00
<b>Total</b>	<b>3,557.18</b>	<b>2,801.57</b>
<b>NOTE 7— Other long term liabilities</b>		
Security and other deposits	7,985.66	4,803.94
Trade payables	4,822.59	3,380.11
Club Membership fees received in advance	5,304.65	4,892.51
<b>Total</b>	<b>18,112.90</b>	<b>13,076.56</b>
<b>NOTE 8 — Short term borrowings</b>		
Loans repayable on demand		
-from banks	998.07	1,154.22
<b>Total</b>	<b>998.07</b>	<b>1,154.22</b>
<b>NOTE 9 — Trade payables</b>		
<b>Sundry Creditors:</b>		
Micro, Small & Medium Scale Industries [Note (i) below]	8.90	15.69
Contractors, Suppliers & Others		
Others	11,631.05	16,712.61
Note (i): Information provided by the Company		
<b>Total</b>	<b>11,639.95</b>	<b>16,728.30</b>
<b>NOTE 10 — Other current liabilities</b>		
Interest accrued and due on borrowings	29.36	28,187.00
Advances Received from Customers	28,929.56	18,366.84
Provision for expenses	1,166.56	811.53
Current maturities—club membership fee received in advance	168.10	105.45
Current maturities—long term borrowings	15,757.06	20,485.95
Other current liabilities	3,839.59	149.78
<b>Total</b>	<b>49,890.23</b>	<b>40,201.42</b>
<b>NOTE 11 — Short term provisions</b>		
Provision for taxes	3,722.51	2,968.95
Provision for proposed dividend	1,683.78	1,683.78
Provision for employee benefits	71.77	—
<b>Total</b>	<b>5,478.06</b>	<b>4,652.73</b>

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

### NOTE 12 — FIXED ASSETS

(Rupees in Lakhs)

Sl No.	Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK
		Balance as at 1st April 2011	Additions	Disposals	Balance as at 31st March 2012	Balance as at 1st April 2011	Charge for the year	On disposals	Balance as at 31st March 2012	Balance as at 31st March 2012
<b>a.</b>	<b>Tangible assets</b>									
1	Land	3,134.93	2,205.80	522.94	4,817.79	—	—	—	—	4,817.79
2	Building	25,980.02	12,283.15	2,805.88	35,457.29	1,823.55	1,592.67	279.12	3,137.10	32,320.19
3	Furniture, Fixtures and Interiors	10,091.58	2,232.77	421.92	11,902.43	2,653.32	1,786.12	344.22	4,095.22	7,807.21
4	Office Equipments, Plant and Machinery	4,832.48	1,141.95	204.85	5,769.58	1,050.70	707.35	154.58	1,603.47	4,166.11
5	Computer and Hardware	813.43	124.91	1.41	936.94	499.22	179.68	1.79	677.10	259.83
6	Vehicles	277.58	181.76	—	459.34	200.02	50.18	—	250.20	209.14
7	Low Value Asset	4.49	—	—	4.49	4.49	—	—	4.49	—
8	Lease hold improvements	121.67	—	119.71	1.96	120.60	0.19	120.06	0.73	1.23
	Sub Total	45,256.18	18,170.34	4,076.71	59,349.82	6,351.90	4,316.19	899.77	9,768.31	49,581.50
<b>b.</b>	<b>Intangible assets</b>									
	Computer software	262.45	280.91	—	543.35	162.07	69.39	—	231.47	311.89
	Transferable development rights	541.13	—	—	541.13	—	—	—	—	541.13
	Sub Total	803.58	280.91	—	1,084.48	162.07	69.39	—	231.47	853.02
	Capital Work-in-progress	83,385.02	50,761.09	41,650.59	92,495.52	—	—	—	—	92,495.52
	Grand Total	129,444.78	69,212.34	45,727.30	152,929.82	6,513.97	4,385.58	899.77	9,999.78	142,930.04

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
<b>NOTE 13 — Investments (Long Term)</b>		
A. Investment in Government Securities		
National Savings Certificate	2.53	8.01
B. Unquoted Shares		
5,000 Shares of Diagnostic Research (P) Ltd	0.50	0.50
Face Value of Rs 10/- each		
3,80,000 Shares of AEC Promag Consultancy (P) Ltd	23.94	23.94
Face Value of Rs 10/- each		
1,85,000 shares of Tandem Allied Services (P) Ltd	7.40	7.40
Face Value of Rs 10/- each		
Add / (Less): Accumulated Share in Profit / (Loss)	92.13	68.94
of Associate Companies at the beginning of the year		
Add / (Less): Change in the share of networth	75.81	23.19
Pursuant to Profit / (Loss) for the year		
Add / (Less): Diminution in value of investment in		
AEC Promag Consultancy (P) Ltd	(21.03)	(20.54)
Total	<b>181.28</b>	<b>111.44</b>
<b>NOTE 14 — Long term loans and advances</b>		
Input service tax receivable	3,453.75	3,906.97
Advances with government authorities	905.38	943.92
Security deposits	127.79	157.94
Other long term loans and advances (Unsecured, considered good)	20,030.07	25,749.50
Total	<b>24,516.99</b>	<b>30,758.33</b>
<b>NOTE 15 — Other non current assets</b>		
Amount recoverable from promoters towards future tax liability	3,150.00	3,150.00
Land held for development	15,107.21	17,683.02
Pre-Operative expenses—Sheraton Bangalore	337.31	—
Total	<b>18,594.52</b>	<b>20,833.02</b>
<b>NOTE 17 — Inventories (At lower of Cost or Net Realisable Value)</b>		
Stock of Materials at sites		
-As Certified by Management	1,942.39	3,733.52
Work in Progress		
-As Certified by Management	35,123.29	29,394.25
Closing stock of unsold units	29,671.16	28,041.62
Inventory held at Sheraton Bangalore / Angasana Spa	152.21	—
Total	<b>66,889.05</b>	<b>61,169.39</b>



# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
<b>NOTE 18 — Trade receivable</b>		
Secured, Considered Good		
-Trade receivable exceeding 6 months	—	14.18
- Others	18.34	—
Unsecured, Considered Good		
-Trade receivable exceeding 6 months	—	377.18
- Others	3,548.93	1,294.75
Less: Provision for doubtful debts	(9.96)	(57.64)
<b>Total</b>	<b>3,557.32</b>	<b>1,628.47</b>
<b>NOTE 19 — Cash &amp; bank balances</b>		
Bank Balances with Scheduled Banks		
- in Current Accounts	791.86	1,045.00
- in Deposit Accounts	3,911.00	3,233.66
Cheques, drafts on hand	0.04	53.77
Cash on hand	80.25	41.44
<b>Other bank balances</b>		
Balances with banks		
- in margin money, security for borrowings, guarantees and other commitments	107.29	138.52
<b>Total</b>	<b>4,890.44</b>	<b>4,512.39</b>
<b>NOTE 20 — Short term advances</b>		
Advances to suppliers, contractors and others	4,771.48	4,167.96
Deposits with government authorities	8,100.19	7,261.54
Other short term advances and receivables	1,519.92	8,651.86
<b>Total</b>	<b>14,391.59</b>	<b>20,081.36</b>
<b>NOTE 21 — Other current assets</b>		
Preliminary expenses to the extent not written off	151.65	1,756.67
Building maintenance charges recoverable	128.47	—
Others	17.72	11.43
<b>Total</b>	<b>297.84</b>	<b>1,768.10</b>

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>NOTE 22 — Revenue from Operations</b>		
Contract receipts	100.68	30,531.54
Revenue from residential projects	10,769.48	1,629.89
Revenue from Commercial projects	36,746.12	9,575.21
Revenue from Hospitality	6,584.35	4,344.82
Revenue from rentals	6,819.92	2,122.10
<b>Total</b>	<b>61,020.55</b>	<b>48,203.56</b>
<b>NOTE 23 — Other income</b>		
Dividend / income from investment	9.28	25.23
Interest received	858.08	242.59
Creditors written back	101.44	—
Profit on sale of assets	1,750.31	2.92
Commission Received	59.62	84.15
Prior period income	947.32	3,881.03
Miscellaneous income	356.69	552.23
<b>Total</b>	<b>4,082.74</b>	<b>4,788.15</b>
<b>NOTE 24 — Project and Direct Expenses</b>		
Construction material	1.51	—
Steel	2,044.14	1,882.43
Cement	308.63	348.29
Granite / marble (flooring material)	1,494.88	1,931.36
Hardware materials	631.04	601.20
<b>Total-(A)</b>	<b>4,480.20</b>	<b>4,763.28</b>
Land and construction expenses		
Construction expenses	23,334.15	23,262.50
Architect & Consultancy Fees	965.32	797.71
Electrical Work and Power charges	11,340.49	9,488.87
Interiors—projects	6,830.55	5,234.41
Miscellaneous Expenses Construction	66.70	305.07
Land cost	989.85	—
Rates & Taxes—Projects	4,797.46	1,968.74
Less: Expenses capitalised	624.87	—
Consumption of Equipments Sheraton	2,676.52	13.32
<b>Other Direct Project Expenses</b>		
Interest—Projects	5,951.07	8,192.60
Employee cost	1,181.84	769.47
Selling and administrative expense—projects	—	1,636.03
Other expenses	3,195.06	4.13
<b>Total-(B)</b>	<b>65,184.34</b>	<b>56,436.13</b>

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>Increase / Decrease in Stock and WIP</b>		
Opening Stock		
Opening Work in Progress—Projects	16,672.73	20,867.37
Opening Work in Progress—Capital	82,018.17	89,816.46
Less: Cost of Projects capitalised	15,826.18	46,971.96
<b>Total</b>	<b>82,864.73</b>	<b>63,711.87</b>
Closing Stock		
Closing Work in Progress—Projects	19,050.36	8,268.76
Closing Work in Progress—Capital	92,499.70	82,018.17
<b>Total</b>	<b>111,550.06</b>	<b>90,286.93</b>
<b>(Increase) / Decrease in value</b>	<b>(28,685.33)</b>	<b>(26,575.06)</b>
Operating	—	632.44
Materials consumed	645.14	614.04
<b>Total of Project Expenses</b>	<b>37,144.15</b>	<b>31,107.55</b>
<b>NOTE 25 — Personnel Expenses</b>		
Salaries, allowances and bonus	6,779.27	4,152.39
Contribution to provident and other funds	197.51	176.54
Staff welfare expenses	294.21	260.02
Training and recruitment expenses	55.03	46.64
Less: Transferred to project Expenses	1,375.80	769.47
<b>Total of Personnel Expenses</b>	<b>5,950.23</b>	<b>3,866.12</b>
<b>NOTE 26 — Interest and Financial Charges</b>		
a. interest expense on borrowings	11,694.14	9,599.49
b. Other borrowing costs	296.21	274.88
Less: Transferred to project Expenses	5,951.07	8,192.60
<b>Total of Interest &amp; Financial Charges</b>	<b>6,039.28</b>	<b>1,681.77</b>
<b>NOTE 27 — Other expenses</b>		
Operating expenses	171.81	—
Advertising and sales promotion	1,963.88	1,171.58
Agency commission	1,181.10	1,238.41
Annual membership fee	4.79	—
Discount	31.36	114.43
Legal and professional fees	1,058.70	823.04
Power and fuel	413.22	41.04
Rent	1,422.74	452.36
Repairs and maintenance—Buildings	244.04	134.80
Repairs and maintenance—Machinery	256.72	102.47
Repairs and maintenance—Others	54.47	28.64
Insurance	116.41	74.06
Rates and taxes	329.76	200.95

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
Travelling and conveyance	363.96	309.24
Communication costs	203.75	184.02
Bad debts	4.06	6.37
Printing and stationery	112.96	87.74
Security charges	285.46	233.74
Donation	247.75	74.40
Director's sitting fees	7.41	7.16
Loss on foreign exchange fluctuations, net	61.13	—
Provision for diminution in the value of investment in subsidiary company	2.95	17.93
Loss on sale of fixed assets	15.00	—
Miscellaneous expenses	365.50	182.56
Less: Inter Segment expenses	130.93	—
Less: Transferred to project Expenses	3,300.82	1,636.03
<b>Total of Administrative &amp; Selling Expenses</b>	<b>5,487.19</b>	<b>3,848.92</b>

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

### NOTE 30 — Deferred tax liabilities

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
<b>Tax effect on items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	2,194.93	2,338.14
Others	33.52	—
<b>Total tax effect on items constituting deferred tax liability</b>	<b>2,228.45</b>	<b>2,338.14</b>
<b>Tax effect on items constituting deferred tax asset</b>		
Provision for compensated absences, Gratuity and other employee benefits	65.98	—
Disallowances under section 40(a)(i), 43B of the Income tax Act, 1961	23.93	19.37
On the difference between book balance and tax balance of Fixed Assets	0.50	—
Unabsorbed depreciation carried forward	67.31	—
Brought forward business loss	26.22	—
<b>Total tax effect on items constituting deferred tax asset</b>	<b>183.95</b>	<b>19.37</b>
<b>Total</b>	<b>2,044.50</b>	<b>2318.77</b>



## 1. BACKGROUND:

Brigade Enterprises Limited (referred to as “BEL”, “Parent” or “the Company”) was incorporated in 1995. The Company is carrying on the business of real estate development. BEL has the following subsidiary / associates as on 31st March 2012:

### 100% Subsidiaries

- Brigade Hospitality Services Limited (referred to as “BHSL”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of running and managing clubs, service apartments, and convention centres.
- Brigade Estates and Projects Private Limited (referred to as “Brigade Estates”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of real estate development.
- Brigade Tetrarch Private Limited (formerly known as Tetrarch Holding Private Ltd referred to as “Tetrarch”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business in the field of sports related activities.
- Brigade Properties Private Limited (referred to as “Brigade Properties”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of real estate development.
- Brigade Infrastructure and Power Private Limited (referred to as “Brigade infrastructure”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of power generation and infrastructure development.
- WTC Trades and Projects Private Limited (referred to as “WTC”), a company incorporated in India, is a 100% subsidiary of the Company and holds the World Trade Center License for the city of Bangalore issued by the World Trade Centers Association, USA. The company is carrying on the business of promotion of Trade and Commerce.
- Orion Mall Management Company Ltd, a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of Mall Management.

### Joint Venture

- BCV Developers Private Limited (referred to as “BCV Developers”), a company incorporated in India is a Joint Venture wherein the company owns 50% of its shares and is carrying on the business of real estate development.
- BCV Estates Private Limited (referred to as “BCV Estates”), a company incorporated in India is a Joint Venture wherein the company owns 50% of its

shares and is carrying on the business of real estate development.

### Other Associates

- Tandem Allied Services Private Limited (referred to as “Tandem”), a company incorporated in India, is an associate company wherein 37.00% of its shares is held by the Company and is carrying on the business of realty, property management services and related financial services.

The Company together with its subsidiaries and associates is hereinafter referred to as “Brigade Group”.

## 2. PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard (AS 21) on “Consolidated Financial Statements”, issued by the Institute of Chartered Accountants of India (ICAI).

Consolidated Financial Statements normally include Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Notes, other statements and explanatory material that form an integral part thereof. “Consolidated Cash Flow Statement” is presented in case the parent presents its own Cash Flow Statement. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for its separate financial statements.

The Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries which are more than 50 per cent owned or controlled as at 31st March 2012. Investments in entities that were not more than 50 per cent owned or controlled as at 31st March 2012 have been accounted for in accordance with the provisions of Accounting Standard 13 “Accounting for Investments”, or Accounting Standard 23 “Accounting for Associates” or Accounting Standard 27 “Accounting for Joint Venture”, as applicable which are prescribed by the Companies (Accounting Standard) Rules 2006.

The Financial Statements of the Parent Company, BHSL, Tetrarch, Brigade Estates, Brigade Properties, Brigade Infrastructure, Orion Mall and WTC. BCV Developers and BCV Estates—have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

increase in the relevant reserves of the entities consolidated. The financial statements of the Joint venture companies BCV Developers and BCV Estate have been considered on the basis of proportionate consolidation. Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate.

Minority interest, if any, represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

### 3. SIGNIFICANT ACCOUNTING POLICIES:

#### 3.1. Basis for Preparation of Financial Statements:

The Financial Statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the company. All income and expenditure having a material impact / bearing on the financial statements are recognised on the accrual basis.

#### 3.2. Use of Estimates:

Preparation of financial statements in conformity with Generally Accepted Accounting Principles requires company management to make estimates and assumptions that affect reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as of the date of Financials and reported amounts of income & expenses during the period. Examples of such estimate include Revenues and Profits expected to be earned on projects carried on by the company, contract costs expected to be incurred to completion of project, provision for doubtful debts, income taxes, etc. Actual results could differ from these estimates. Differences, if any, between the actual results and estimates are recognised in the period in which the results are known or materialised.

#### 3.3. Expenditure:

Expenses are accounted on the accrual basis and provi-

sions are made for all known losses and liabilities.

#### 3.4. Valuation of Inventories & Construction Work-in-Progress:

- a. Valuation of Inventories, representing stock of materials at project site, has been done after providing for obsolescence, if any, at lower of Cost or Net Realisable Value.

Inventories representing food and beverages held at Sheraton and Angsana Spa at Brigade Gateway are valued at cost determined on first in first out basis / weighted average basis or net realisable value whichever is lower after providing for obsolescence, if any.

Inventories of BHSL are valued at cost determined on first in first out basis / weighted average basis or net realisable value whichever is lower. Initial expenses on soft furnishing, linen, cutlery and crockery are amortised over 24 months.

- b. The value of Construction Work-in-Progress during the period is determined as follows:
  - The aggregate of opening stock, opening work in progress, cost of construction and construction overheads incurred during the year as reduced by cost of completed contract transferred to income and closing stock of materials, if any.
  - The value of completed projects intended for immediate sale is considered as an inventory and value of completed projects / units intended to be retained / leased is considered as fixed asset.
  - Land held for development, Work-in-Progress and Closing Stock of unsold units is valued at Cost or Net Realisable Value whichever is lower.
  - Land owned by BCV Estates has been treated as stock and classified under current assets.

#### 3.5. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating; financing and investing activities of the company are segregated.

#### 3.6. Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are taken into cognisance.

### 3.7. Depreciation:

Depreciation in respect of fixed assets, is provided adopting Written Down Value Method at the rates provided under Schedule XIV to the Companies Act, 1956, except:

- On assets held for the purpose of sale, no depreciation is charged.
- On assets leased out, depreciation is charged on Straight Line Method over the period of the lease as shown below.

Project Name	Building	Furniture, Fixture and Interiors	Office Equipment and Plant and Machinery
Brigade Manae Court	25 Years	5 Years	5 Years
Augusta Club	25 Years	5 Years	5 Years
Brigade MLR Convention Centre	25 Years	5 Years	5 Years
Woodrose Club	25 Years	5 Years	5 Years
Brigade Business Suites (Formerly known as Homestead 2)	25 Years	5 Years	5 Years
Grand Mercure Residences (Formerly known as Homestead 3)	25 Years	5 Years	5 Years
Brigade Plaza	25 Years	5 Years	Not Applicable
Brigade South Parade	14 Years	5 Years	Not Applicable
Brigade Tech Park B-Block 4th & 5th Floor	Not Applicable	5 Years	5 Years
Hulkul Brigade Centre 1st Floor	Not Applicable	3 Years	3 Years
Hulkul Brigade Centre 3rd Floor	Not Applicable	4 Years	4 Years

Depreciation is charged on a pro-rata basis for assets purchased / sold during the year. Individual assets costing less than Rs 5,000/- is charged off in the year of purchase.

In case of BHSL, depreciation is provided on assets purchased upto 31st March 2005 on the Written Down Value Method at the rates specified in schedule XIV to the Companies Act, 1956. In respect of additions to fixed asset from April 1, 2005 and depreciation is provided on the Straight Line Method applying the following rates which are more than the corresponding rates specified in schedule XIV to the Companies Act, 1956.

Nature of Asset	Rate of Depreciation
Buildings	5.00%
Plant and Machinery	9.50%
Electric & Electronic Equipments	9.50%
Office & Other Equipments	9.50%
Motor Vehicles	20.00%
Computers & Software	33.33%
Furniture & Fittings	12.00%
Lease Hold Improvements	
a. Borewell	Over a period of 10 Years
b. Others	Over a period of 36 Months

### 3.8. Revenue Recognition:

- Income from operations is determined and recognised, based on the percentage of completion method, as the aggregate of the profits earned on the projects completed / under completion and the value of construction work done during the period.

Profit so recognised in respect of individual projects is adjusted to ensure that it does not exceed the estimated overall profit margin. Loss on projects, if any, is fully provided for.

Stage of completion of projects in progress is determined on the basis of the proportion of the contract costs incurred, in respect of individual projects for work performed up to the period of the financial statements, bear to the estimated total project cost. Income recognised as contract revenue during the period is based on the lower of stage of completion as determined above and percentage of actual amount received on sale (pursuant to agreements entered into by the company) of the estimated contract value of these projects. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level, which is estimated to be at least 25%.

The estimates for sale value and contract costs are reviewed by management periodically and the cumulative effect of the changes in these estimates, if any, are recognised in the period in which these changes may be reliably measured.

- In respect of sale of completed units, revenue is recognised when the significant risks and rewards of ownership of the units in real estate have been passed on to the buyer.

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

- Interest income is recognised on time basis and is determined by the amount outstanding and rate applicable.
- Differential income arising on account of any charges collected including Deposits and the related expenses incurred are recognised in the year of handing over of the flats to the customers.
- Dividend income is recognised as and when right to receive payment is established.
- Rental income / lease rentals are recognised on accrual basis in accordance with the terms of agreement.
- In respect of Brigade Sheraton operation, revenue from rooms, restaurants, banquets and other services comprise of renting of rooms, sale of food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the said services.
- Income from operation of The Brigade School at Brigade Gateway is recognised on accrual basis in accordance with the terms of agreement.

### **In case of Brigade Hospitality Services Limited:**

- a) Revenue from room rent and facilities is recognised on usage basis.
- b) Subscription received for membership of club(s) is recognised as income on a straight line basis by amortising the amount received from the year of admission up to the period of expiry of the relevant membership. The balance unamortised amount received as well as the membership fees received for clubs which are not operational has been shown as a liability. If the membership is terminated, the unamortised membership fees will be recognised as income in the year of termination.
- c) Subscription charges for facility usage have been accounted on monthly basis for usage of clubs.
- d) Sale of food and beverages are accounted net of VAT.
- e) Interest received is accounted on accrual basis.

### **In case of WTC Trades and Projects Pvt. Ltd:**

- a) Facility management fees has been accounted on accrual basis.
- b) Royalty fees is accounted on accrual basis.
- c) Income from business centre is accounted on accrual basis.

### **In case of Orion Mall Management Company Ltd:**

- a) Common Area Maintenance (CAM) charges is recognised on accrual basis in accordance with the terms of agreement.
- b) Interest income is recognised on time basis and is determined by the amount outstanding and rate applicable.

### **In case of BCV Developers Pvt. Ltd:**

- a) The revenue and consequent income derived will be recognised by the company based on the nature of the development to be decided and undertaken by the company.
- b) Income from agriculture has been accounted in Profit and loss account as and when the sale is effected.

### **3.9. Fixed Assets:**

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation. Capital Work in Progress comprises the cost of fixed assets under construction and not yet ready for their intended use.

### **3.10. Foreign Currency Transaction:**

Foreign currency transactions are restated at the rates ruling at the time of receipt / payment and all exchange losses / gains arising there from are adjusted to the respective accounts. All monetary items denominated in foreign currency are converted at the rates prevailing on the date of the financial statement.

### **3.11. Investments:**

Investments are classified as Current Investments and Long Term Investments. Long Term Investments are carried at the cost, unless there is a permanent diminution in value of the investments and Current Investments are carried at the lower of cost or market value.

### **3.12. Employee Benefits:**

- a) **Short-Term Employee Benefits:**  
The employee benefits payable only within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus is recognised in the period in which the employee renders the related services.

- b) **Post-Employment Benefits:**
- i. **Defined Contribution Plans:**  
The Company has contributed to state governed provident fund scheme, employee state insurance scheme and employee pension scheme which are defined contribution plans. Contribution paid or payable under the schemes is recognised during the period in which employee renders the related service.
- ii. **Defined Benefit Plans:**  
The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined based on the actuarial valuation using the projected unit credit method which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company (BEL) has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). Actuarial gains or losses are charged to Profit and Loss Account.
- The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Account.
- c) **Long Term Employee Benefits:**  
The obligation for long term employee benefits such as long term compensated absences is recognised in the same manner as in the case of defined benefit plans as mentioned in (b)(ii) above.
- Liability in respect of leave encashment is provided for on actuarial basis using the projected unit credit method same as above.

### 3.13. Borrowing Costs:

Cost of funds borrowed for acquisition of fixed assets up to the date the asset is put to use is added to the value of the assets.

### 3.14. Earnings per Share:

Basic earnings per share is computed by dividing net income by the weighted average number of common stock outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also

the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e., the average market value of the outstanding shares). Diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### 3.15. Provision for Taxation:

Deferred tax is recognised, subject to the consideration of prudence, in respect of deferred tax assets or liabilities, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period, and are reversible in one or more subsequent periods.

The provision for taxation is made on Taxes payable method after considering the effect of deduction under Section 80IB and Section 115JB of the Income Tax Act, 1961, wherever applicable.

Long term provision includes sum of Rs 3,150 lakhs being provision for future tax liability made by Joint Venture Companies.

### 3.16. Impairment of Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India, where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

### 3.17. Provisions and Contingent Liabilities:

Provision is recognised when an enterprise has a present obligation as a result of past event and is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability will also be made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

### 3.18. Amortisation of Miscellaneous Expenditure:

Expenses incurred towards Initial Public Offer and other deferred expenses classified under Miscellaneous Expenditure are written off equally over a period of 5 years.

Further, operational expenses incurred till commencement of commercial operation of Sheraton Bangalore at Brigade Gateway, classified under Pre-operative expenses and written off equally over a period of 5 years.

### 3.19. Deferred Revenue Expenditure:

Commission incurred for procurement of memberships at the clubs is amortised and recognised as expense over the same period as the corresponding membership fees amortised as income.

## 4. NOTES TO ACCOUNTS (forming an integral part of Accounts)

### 4.1. Share Capital

Issued, Subscribed, and Paid up Capital is Rs 11,22,51,940 and there is no change during the year.

### 4.2. Disclosure pursuant to Accounting Standard 7 (Revised):

(Rupees in Lakhs)

Particulars	2011-12	2010-11
Contract Revenue recognised as Revenue in the year	47,515.60	32,157.32
Aggregate amount of contract cost incurred upto the Reporting Date	1,12,153.41	1,24,841.05
Recognised Profits (less Recognised Losses) upto the Reporting Date	51,830.94	46,841.42
Advances Received from Customers	28,518.33	22,488.07

### 4.3. Warranty Costs:

The parent Company has not recognised warranty cost relating to sale of unit / property, since such costs, if any, are covered by a corresponding warranty from the company's contractors / vendors. This cost, if any, is recognised as and when incurred by the company.

### 4.4. Gratuity Plan:

The following table spells out the status of the gratuity plan as required under AS -15 (revised).

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Obligations at the beginning of the year</b>	206.93	140.49
Service Cost	42.34	26.3
Interest Cost	16.63	10.37
Benefits Settled	(11.64)	(18.34)
Actuarial (Gain) / Loss	(18.56)	48.12
<b>Obligations at the end of the year</b>	235.71	206.93
<b>Change in Plan Assets</b>		
Plan Assets at the beginning of the year, at Fair Value	194.84	139.53
Difference in opening balance	0.12	7.21
Expected return on plan assets	16.89	14.69
Contributions	—	51.59
Benefits Settled	(11.64)	(18.34)
Actuarial Gain / (Loss)	0.18	0.16
Plan Assets at the end of the year, at Fair Value	200.39	194.84



Particulars	As at 31st March 2012	As at 31st March 2011		
<b>Reconciliation of Present Value of the Obligation and the Fair Value of the Planned Assets</b>				
Fair Value of Plan Assets at the end of the year	200.39	194.84		
Present Value of the defined benefit obligation at the end of the year	235.71	206.93		
Asset / (Liability) recognised in the balance sheet	(35.32)	(12.1)		
<b>Gratuity Cost for the year</b>				
Service Cost	42.34	26.3		
Interest Cost	16.63	10.37		
Expected return on plan assets	(16.89)	(14.69)		
Actuarial (Gain) / Loss	(18.56)	47.96		
Net Gratuity Cost	23.53	69.94		
Assumptions	BEL	BHSL	BEL	BHSL
Interest rate	8.00%	8.00%	7.50%	8.00%
Expected rate of return on plan assets	8.00%	8.00%	7.50%	8.00%

In case of employees of Sheraton Bangalore at Brigade Gateway, the provision for gratuity amounting to Rs 16.52 lakhs is made based on actuarial valuation on the following assumptions.

1. Retirement Age	58
2. Mortality	LIC (94-96) Ultimate Mortality Table
3. Rate of Interest	8.50% p.a
4. Salary increase	6.00% p.a
5. Attrition rate	5.00% p.a
6. No. of employees	321
7. Benefits payable	As per Gratuity Act, 1972.
	Leave as per Company rules

The above figures do not represent the gratuity plan in respect of Brigade Estate and Projects Pvt. Ltd, Tetrach Holdings Pvt. Ltd, Brigade Properties Pvt. Ltd, Brigade Infrastructure & Power Pvt Ltd, which are the subsidiary Companies, and M/s. BCV Developers Private limited and BCV Estates Pvt. Ltd., a joint venture company, as actuarial calculations were not carried out. The assumptions used by BHSL, a subsidiary company, for the year ended 31st March 2012, being different is shown separately. WTC has not made any provision towards gratuity.

4.5. A sum of Rs 11,990.35 Lakhs (Previous Year Rs 1527.91), being borrowing cost incurred by the company in respect of Assets/Projects, was capitalised during the year. Sum of Rs1,279.53 Lakhs (Previous Year Rs 1499.67), being borrowing cost incurred by the company in respect of Assets/Projects, is carried forward as Stock in Trade. A sum of Rs 4,469.14 Lakhs (Previous Year Rs 4,422.41 Lakhs), being borrowing cost incurred by the company in respect of Assets/Projects under Construction is carried forward as Capital Work-in-Progress..

#### 4.6. Related Party Disclosure:

Related party disclosures, as required by AS-18, "Related Party Disclosures" are given below:

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

### 4.6.1. Relationships:

Associated Companies and Joint Ventures	Tandem Allied Services Private Limited BCV Developers Private Limited BCV Estates Private Limited
Other related parties where common control exists	Mysore Holdings Private Limited Brigade Foundation Mr M. R. Jaishankar (HUF)
Key Managerial Personnel (KMP)	Mr M. R. Jaishankar, Chairman and Managing Director Ms Githa Shankar, Wholetime Director
Relatives of Key Managerial Personnel	Ms Nirupa Shankar (Daughter of KMP) Ms Pavitra Shankar (Daughter of KMP) Mr M. R. Shivram (Relative of KMP)

### 4.6.2. The following transactions were carried out with the related parties in the ordinary course of business.

(Rupees in Lakhs)

Particulars	Associate Concerns	Key Managerial Personnel	Relatives of Key managerial personnel
Sale of materials / finished goods / services	1,626.60	864.82	1,269.42
Purchase of material / finished goods / services / Other expenses	64.03	69.68	168.76
Outstanding receivables / (payables), as at 31.03.2012	2,169.51	762.17	(28.74)
Reimbursement of Expenses	4.51	—	—
Sale of capital Assets	3,440.00	—	—
Remuneration paid to Executive Directors	—	477.04	14.73

### 4.7. Assets under Operating Leases:

The Parent Company has given certain Assets on Operating Lease. Details of assets given under Operating Lease are as under:

(Rupees in Lakhs)

Asset Description	Gross Value as on 31st March 2012	Depreciation 01st April 2011 to 31st March 2012	Total Depreciation as on 31st March 2012	Impairment
Land	137.43	—	—	NIL
Building	1,747.98	120.70	889.06	NIL
Interior and Furniture	1,300.52	146.82	1,152.71	NIL
Office Equipment & Plant and Machinery	211.49	16.70	160.79	NIL

The parent Company has given on non-cancelable operating lease certain assets the future minimum lease receivables in respect of which, as at 31st March 2012, are as follows:

(Rupees in Lakhs)

Minimum Lease Receivable	2011-2012	2010-2011
Receivable not later than 1 year	15,101.17	2,099.10
Receivable later than 1 year and not later than 5 years	65,561.35	2,673.09
Receivable later than 5 years	22,326.07	—

The Group has taken various residential / commercial premises on cancelable operating leases. These agreements are normally renewed on expiry.

The parent Company has taken on non-cancelable operating lease certain assets (lands) the future minimum lease payments in respect of which, as at March 31, 2012, are as follows:

(Rupees in Lakhs)

Minimum Lease Payables	2011-2012	2010-2011
Payable not later than 1 year	181.96	173.38
Payable later than 1 year and not later than 5 years	649.25	699.00
Payable later than 5 years	2,937.11	3,110.40

There are no exceptional / restrictive covenants in the lease agreements.

Contingent rent recognised in the Profit and Loss account is Rs Nil

#### 4.8. Earnings per Share (EPS)

Particulars	Earnings per Share	
	2011-12	2010-11
Equity Share of Face Value Rs 10/- each		
Net profit (Rupees in Lakhs)	5,687.14	12,052.13
Number of Shares used in computing Earnings per Share	11,22,51,940	11,22,51,940
Basic & Diluted (in Rupees)	5.07	10.74

(Rupees in Lakhs)

Particulars	2011-12	2010-11
Net Profit Available for Appropriation	5,687.14	8,171.09
Add/(Less): Prior Period Adjustments	0.00	3881.04
Net Profit considered for Earnings Per Share	5,687.14	12,052.13

#### 4.9. Deferred Taxation:

During the year, the Company has accounted for Rs 2044.50 Lakhs (Previous Year Rs 2446.87 lakhs) towards Deferred Tax Liability.

(Rupees in Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
Deferred tax (liability) / asset Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2,228.45	2,413.03
Tax effect of items constituting deferred tax asset		
Disallowances u/s 40(a)(i), 43B of the Income Tax act, 1961	183.95	33.84
<b>Total</b>	<b>2,044.50</b>	<b>2,446.87</b>

and the same has been debited to Profit and Loss Account of the Current Year

#### 4.10. Contingent Liabilities:

Capital commitments and Contingent liabilities on account of:

(Rupees in Lakhs)

Particulars	2011-2012	2010-2011
Capital Commitments not provided in the books	71,289.07	28,959.48
Towards Letter of Credits and Bank Guarantees	548.87	1,906.67
Claims from government departments not acknowledged as debts	1,219.88	153.14
Claims from government departments not acknowledged as debts but paid under protest	1206.24	1056.24
Contingent liability—Custom Duty	—	93.62

# Notes to Consolidated Financial Statements

## for the year ended 31st March 2012

### 4.11. Non Adjustment Items:

#### 4.11.1 Disclosure pursuant to AS-23:

##### Depreciation:

The depreciation policy adopted by Tandem (an associated company) is straight line basis as per the rates prescribed in Schedule XIV. This differs from the depreciation policy adopted by the Company as indicated in Clause 3.7 of the Accounting Policies given above.

##### Gratuity and Leave Encashment:

Gratuity liability of Tandem is based on actual basis, whereas the company follows actuarial method for the purpose of gratuity liability calculation. Tandem (associated company) has not provided leave encashment liability and expenses are considered on cash basis. This differs from the Policy on Employee Benefits adopted by the Company as indicated in Clause 3.12 of the Accounting Policies given above.

#### 4.11.2. Disclosure pursuant to AS-21:

##### Depreciation:

Depreciation in respect of assets of BHSL, wholly owned subsidiary of BEL is computed on straight line method as against written down value method which is followed by the Company. However no adjustments have been made for any periods since such depreciation is not for like transactions or other events in similar circumstances as those of the Company. The written down value of fixed assets amounting to Rs 1,094.16 Lakhs out of Fixed Assets amounting to Rs 142,930.37 lakhs and depreciation for the year amounting to Rs 380.55 Lakhs out of total depreciation amounting to Rs 4,383.88 Lakhs relates to BHSL.

#### 4.12. The Foreign Exchange Inflow & Outflow:

The details of Foreign Exchange inflow and outflow during the year are as follows:

(Rupees in Lakhs)

Particulars	2011-12	2010-11
<b>Inflow:</b>		
Advance for Sale of Units, Lease Deposits & Rentals	2757.29	3626.83
<b>Outflows:</b>		
i. Professional charges	198.01	145.77
ii. Consultation Fees	6.19	Nil
iii. Others	37.25	129.16

CIF Value of imports during the year ended March 31, 2012, is Rs 3120.44 Lakhs.

4.13. Balances of Debtors and Creditors and Loans and Advances are subject to confirmation.

4.14 As per the information available with the parent company, the principal amount payable to Micro, Small and Medium Enterprises falling under the provisions of Micro, Small and Medium Enterprises Development Act, 2006, Rs 8.90 Lakhs.

In case of Brigade Hospitality Service Limited (a 100% Subsidiary Company), and Tandem Allied Services Private Limited (an Associated Company), companies are in the process of compiling necessary data regarding the status of creditors under the Micro, Small and Medium Enterprises Development Act 2006. Consequently, the disclosure under the Act has not been furnished.

#### 4.15. Previous year Amounts:

The figures of previous year have been regrouped and reclassified wherever necessary.

As per our report of even date  
for **Narayanan, Patil and Ramesh**  
Chartered Accountants  
Firm Regn No. 002395S

**Patil Udaya Kumar**  
Partner  
Membership No: 200/25589

Place: Bangalore Date: May 07, 2012

#### for Brigade Enterprises Limited

**M. R. Jaishankar**  
Chairman & Managing Director

**Suresh K.**  
Chief Financial Officer

**M. R. Shivram**  
Director

**P. Om Prakash**  
Company Secretary

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BRIGADE ENTERPRISES LIMITED

Regd off.: 29th & 30th Floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560 055

17TH ANNUAL GENERAL MEETING—7th August 2012 at 10.30 a.m.

PROXY FORM

CLID/ Folio No. :

DPID :

No. of Shares held :

I/We ..... of ..... in the district of ..... being Member(s) of Brigade Enterprises Limited hereby appoint ..... of ..... in the district of ..... or failing him/her appoint ..... of ..... in the district of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on Tuesday, 7th August, 2012 at 10:30 a.m. at Chowdiah Memorial Hall, Gayathri Devi Park Extension, 16th Cross, Malleswaram, Vyalikaval, Bangalore 560 003 and at any adjournment thereof.

Date: .....

Place: .....

Signature

**Note: This proxy form duly completed must be received at the Company's Registered Office at least 48 hours before the meeting.**

Affix  
Revenue  
Stamp  
here



BRIGADE ENTERPRISES LIMITED

Regd off.: 29th & 30th Floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560 055

17TH ANNUAL GENERAL MEETING—7th August 2012 at 10.30 a.m.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

CLID/ Folio No. :

DPID :

No. of Shares held :

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 17th Annual General Meeting of the Company being held on Tuesday, 7th August, 2012 at 10:30 a.m. at Chowdiah Memorial Hall, Gayathri Devi Park Extension, 16th Cross, Malleswaram, Vyalikaval, Bangalore 560 003.

Name of Member / Proxy (in BLOCK letters)

Signature of Member / Proxy

**Note: A member/proxy wishing to attend the meeting must fill up this Attendance Slip and hand it over at the entrance. If you intend to appoint a proxy, please complete the proxy form above and deposit it at the Company's Registered Office at least 48 hours before the meeting.**



BRIGADE ENTERPRISES LIMITED  
Regd off.: 29th & 30th Floors, World Trade Center, Brigade Gateway Campus,  
26/1, Dr Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560055.

*For a better quality of life, upgrade to Brigade!*

*Your opportunity to own a Brigade home at an attractive price.*

*Avail 5% off on any of our Residential Projects.*

Please fill in the details required below and send it to our Corp. HQ:  
**Brigade Enterprises Limited, 29th & 30th Floors, World Trade Center, Brigade Gateway Campus  
26/1, Dr Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560055.**

Get in touch with us at: Toll free no.: **1800 102 9977** salesenquiry@brigadegroup.com www.BrigadeGroup.com



**PRIVILEGE COUPON**

SERIAL NO:

PROJECT NAME AND SFT AREA : .....

NAME OF THE SHAREHOLDER : .....

CLIENT ID (CLID) : .....

DEPOSITORY PARTICIPANT ID (DPID) : .....

GIFTED TO (OPTIONAL) : .....

RESIDENTIAL ADDRESS : .....

.....

.....

TELEPHONE / MOBILE NO : .....

EMAIL ID : .....

## **CONDITIONS**

- 1) Discount will be based on the list price on the date of booking.
- 2) The offer is valid up to 30th June 2013.
- 3) Shareholders can avail the discount only for a single booking.
- 4) The privilege coupon can be gifted. In case it is gifted, the shareholder needs to fill in the details of the person to whom it is being gifted apart from providing his details.
- 5) This scheme cannot be availed in conjunction with any other promotional offer prevailing and may be offered in future.
- 6) The discount will be on the listed price of the project (excluding car park and statutory expenses).
- 7) This won't apply for Pre-launch Registrations.

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## Our new corporate headquarters at the iconic World Trade Center Bangalore

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**W**ORLD Trade Center buildings define the skylines of cities around the world. Our 30 storey office facility, located in the Brigade Gateway enclave, was awarded the privilege of joining this stellar galaxy. Today, WTC Bangalore is one of Bangalore's most iconic buildings and a premier business address. On 8 February 2012, it became our new corporate headquarters. We now occupy 50,000 sft of space on the 29th and 30th floors—marking another milestone in our corporate history.



*A view from the reception lounge on the 29th floor.*



*Brigadiers at work on the 30th floor.*

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## Creating more office spaces in more places ...



**O**UR maiden project was a commercial building: Brigade Towers on Brigade Road, Bangalore. Over the ensuing years, we have emerged as a major developer of commercial properties and have added many office spaces to the city's skyline and business-scape. Today, our commercial portfolio includes offices, software facilities, retail spaces and SEZs. Our clients include some of the world's leading MNCs, IT companies and professional services organisations.

## ... and promoting business relationships and trade

**T**HE WTC brand comes with two components. The first concerns the building, which assumes the status of a signature real estate project and a premier business address. The second component has to do with the World Trade Centers Association, a not-for-profit, non-political association. The WTCA functions as an unofficial umbrella trade association with facilities and services, local and reciprocal, that it offers its members and tenants. The WTCA, USA, awarded the license for World Trade Center for the city of Bangalore to WTC Trades & Projects Private Limited, a subsidiary of Brigade Group.



*Reception at the World Trade Center Bangalore office.*

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## Brigade's growing retail footprint

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**O**UR flagship retail venture—Orion Mall & Multiplex, designed by H.O.K., New York—exemplifies all that is expected of a world-class retail environment. Located on the rim of the Brigade Gateway enclave, spread across 800,000 sft, Orion features a mix of illustrious global and national brands, across categories; a great range of dining options and unmatched entertainment. Quite apart from Orion Mall, which has been drawing attention and footfalls ever since it opened, Brigade Group's retail footprint appears poised to make a mark in Bangalore, Mysore and Chennai through both its stand-alone retail facilities and those located within star hotels.



Noel N. Tata, Chairman, Trent, inaugurates Orion Mall.



Orion Mall, seen from across the lake at Brigade Gateway.

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## A rapidly expanding range of hospitality projects

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**B**RIGADE Group entered the hospitality industry with Brigade Homestead Serviced Residences—and, in the process, pioneered the concept of professionally managed serviced residences in Bangalore. Brigade Hospitality Services Limited (BHSL) was born in 2004, as a subsidiary company to manage a rapidly expanding range of hospitality

projects—hotels (in Bangalore, Mysore and Chennai), convention centres, clubs, resorts and spas—and the services they required. While many of our projects are independently managed by our hospitality team, we also partner with world-class organisations like Starwood, InterContinental and Accor under the Sheraton, Holiday Inn and Mercure brands.



A view of Sheraton Bangalore Hotel from the lakeside. Sky-bridges connect World Trade Center, Sheraton and Orion Mall.



Grand Mercure Bangalore.



## Making a difference

Brigade Group established the Dr T.N. Subba Rao-Brigade Group Chair at the Department of Civil Engineering, IIT Madras, in honour of the late Dr Subba Rao, former CMD of Gammon India, who had been an Independent Director of Brigade Group. In the photo (l to r): Roshin Mathew, President-Engineering, Brigade Group; M. R. Shivram, Non-Executive Director, Brigade Group; M. R. Jaishankar, CMD, Brigade Group; Dr Ananth, Director, IIT Madras; Harshvardhan Subba Rao; A. Ramakrishna, Independent Director, Brigade Group; Dr Rajagopal, H.O.D.—Civil Engineering, IIT Madras.



**I**N the last few years, we have put into motion a series of initiatives and activities that meaningfully expand our world and bring us closer to the community around us.

In 2003, we established a not-for-profit trust, Brigade Foundation, whose major thrust, so far, has been on education at the school level. To date, it has set up three schools in Bangalore: at J.P. Nagar, Mahadevapura and Malleswaram. We founded the Young

Achiever Award, in association with Rotary Bangalore Midtown: a state-wide search to identify, applaud and encourage the efforts of outstanding young people in different spheres of activity. We have run this programme for six consecutive years. Amongst other involvements we include student scholarships, renovation of government buildings, city beautification efforts—of which our revamping of an existing park is one example—and, entering

another world altogether, the adoption of birds and animals at Bangalore's Bannerghatta Biological Park.

Through a not-for-profit trust company we are setting up, we will also be putting into motion another social service initiative with roots in our area of expertise: social housing projects for the urban poor. At an appropriate time, we also plan to initiate vocational training and management development programmes in the construction field.



Another Brigade Group initiative is remodeling the Subramanyanagar Public Park and Playground at Malleswaram. In the photo are (l to r) M. R. Jaishankar, CMD, Brigade Group, with R. Ashoka, Minister for Home and Transport, GOK, at the foundation-laying ceremony.



Brigade Group presents Merit Awards and Scholarships to Civil Engineering students at the R.V. College of Engineering, Bangalore. Seen in top row, l to r: Priyaa S., Roshin Mathew, President-Engineering, Brigade Group; Jagan Mohan, VP-HR & A, Brigade Group; Dr Udayashankar and Prof. Shivakumar of RVCE and Sreenivasa Reddy of Brigade Group; Bottom row, l to r: Md. Naseeruddin, Mahip Singh Baid, Jayantip, Prithviraj.





A quarter century in property development has seen Brigade Group grow from a team of five—operating out of a small site office of their first project—to a large, professionally managed organisation headquartered in Bangalore, with branch offices in several cities in South India and a representative office in Dubai. Our portfolio covers residential, commercial, hospitality and

education domains. We have completed over 100 buildings and, in the process, have earned important certifications, won prestigious awards and created urban landmarks.

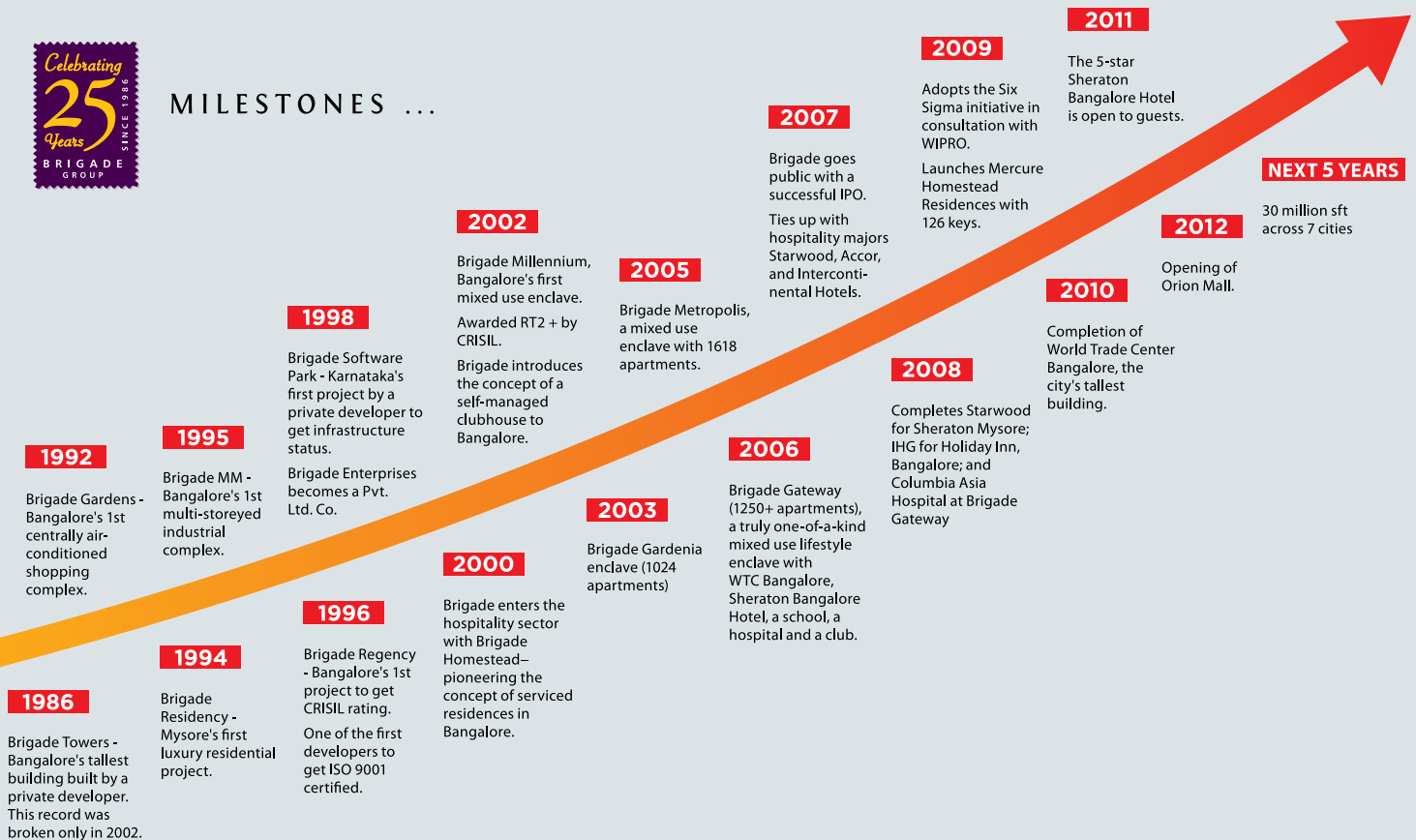
Our silver anniversary has been a time of celebration, with a variety of events and programmes scheduled through the year at different venues.



M. R. Jaishankar, CMD, Brigade Group, addressing the gathering as the Directors look on.



## MILESTONES ...



A PIONEERING 1ST DECADE

AN AMBITIOUS 2ND DECADE

WAY FORWARD

# Appreciation and awards

Some of the significant awards we have received recently include ...



## Best Commercial Developer 2011 in South India

(l to r) R. Ashoka, Honourable Minister for Home and Transport, Karnataka, presenting the award to M. R. Jaishankar, CMD, Brigade Group. Roshin Mathew, President-Engineering, Brigade Group, and Manjunath Prasad, COO, Projects, are also seen.



## Jaishankar honoured with 'Eminent Developer' Award 2012

(l to r) Padma Bhushan S. C. Visvesvariah, Former VC of Rourkee University, M. R. Jaishankar, CMD, Brigade Group, and Dr C. S. Vishwanatha, Chairman, Civil Aid Technoclinic Pvt Ltd.



## India's Top Ten Builders Award 2011

(l to r) Pratap Vijay Padode, Managing Director and Editor-in-Chief, ASAPP Media; Guest of Honour, Dr S. V. Pattivar, Additional Municipal Commissioner, Navi Mumbai Municipal Corporation; Keynote Speaker, Karuna Gopal, President, Foundation of Futuristic Cities, and M. R. Jaishankar, CMD, Brigade Group.



**Best Hospitality Architecture 2011:**  
Galaxy Club @ Brigade Gateway



Brigade Group receives the **Developer of the Year-Commercial & Integrated Township of the Year 2012 awards.**

(l to r) M.N. Balasubramanian, Manjunath Prasad, Roshin Mathew of Brigade Group.



## CII-EXIM Bank Award for Business Excellence 2011

(l to r) Roshin Mathew, President-Engineering, and Prabhakar Jadhav, Head-Planning, Quality & Systems and Change Leader, Brigade Group, receiving the award from T. V. Rao, CGM EXIMIUS (centre).



## WTC-Best Commercial Project of the Year 2010

(l to r) Subesh Ray, JMD, Lemongrass Advisors; Manjunath Prasad and M. N. Balasubramanian of Brigade Group.





**Brigade Enterprises Limited**

29th & 30th Floors, World Trade Center, Brigade Gateway Campus  
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