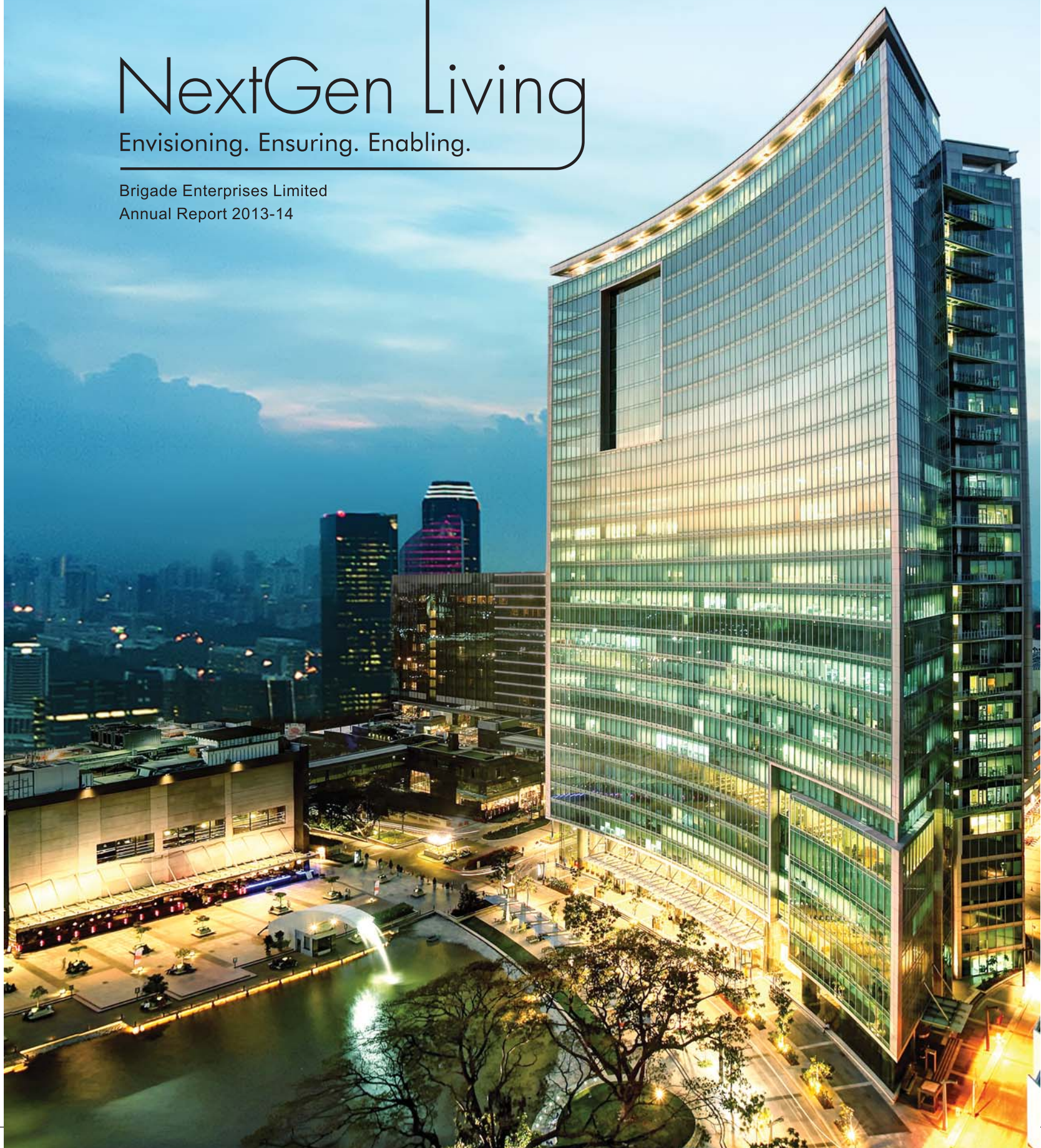


NextGen Living

Envisioning. Ensuring. Enabling.

Brigade Enterprises Limited
Annual Report 2013-14



Forward-looking Statements

Statements in the Annual 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 because we are using 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.

Across the pages

Corporate Overview

Business Overview	02
The world of Brigade	08
Business Highlights	10
Chairman's Letter	12
Profile of Directors	14

Management Reports

Management Discussion and Analysis	16
Directors' Report	33
Corporate Governance Report	39

Financial Statements

Standalone Financial Statements	48
Consolidated Financial Statements	79

World Trade Center - Bangalore



NextGen Living

Envisioning. Ensuring. Enabling.

Aspiration quotient of today's urban Indians is no less cosmopolitan than any global city. Consistent rise in their disposable income is getting coupled with their rising exposure to global living and lifestyles. Appreciating finesse and value-adds in what they aspire to own and consume, they are increasingly becoming willing to pay the premium. While this trend is widespread across their entire realm of purchase, it gets intensified in case of quality real estate, be it their home, workplace or shopping.

In the city of Bangalore or elsewhere in Mysore, Hyderabad, Chennai, Kochi and Mangalore; they look upto Brigade for the next level of real estate benchmarks. Creating landmarks for nearly three decades, we at Brigade Enterprises, keep strengthening our design, development and management capabilities in line with rising expectations of our customers. At Brigade Enterprises, we keep envisioning, ensuring and enabling the next of nextgen living.



Envisioning

The Next of NextGen Living

Every landmark structure or monument in this world was made twice. First in someone's imagination before being translated in brick and mortar splendor eventually. In delivering first-of-its-kind modern experiences through people's homes, work places and market places, imagination and planning hold the key. At Brigade Enterprises, we lead the pack in envisioning the next of ultra modern and enabled real estate destinations. Our innovative approach to spot the location, seize the futuristic development plan, and develop the blueprint to its finest details has always remained the mainstay of a superlative customer experience. Having brought many such master sketches to reality including Brigade Towers, Brigade Millennium, Brigade Gateway & Brigade Metropolis enclaves, we are busy sketching, detailing and coloring over 30 million sft of developable area across projects that will define the future of modern living in residential, commercial, retail and hotel destinations in the next 3-5 years. Our teams of project planners are working with some of the best globally renowned architects, defining breakthrough technological interventions and material compositions to shape these future landmarks. Yes, like always, Brigade's project planners are busy envisioning the next of Nextgen living.

Brigade Exotica



At the corporate level, we are busy sharpening the growth strategy for a medium term of three-five years. Three driving principles of our immediate growth strategy include geographic diversification across major cities in South India, strengthening the revenue contribution from lease rentals and increasing the portfolio of hospitality assets.

Key Projects to be launched

Location	Project	Project SBA (mn sft)	Type
Bangalore	Brigade Exotica-Tower Burgundy	0.72	Residential
Bangalore	Wisteria at Brigade Meadows	0.88	
Bangalore	Brigade Panorama	1.28	
Mysore	Brigade Mountain View	0.40	
Chennai	Brigade Metropolis (Phase 1)	0.77	
Bangalore	Brigade Golden Triangle Signature Tower	0.55	Office
Bangalore	Brigade Lakeshore	0.84	
Bangalore	Brigade Bhuwalka Icon	0.08	Retail
Bangalore	Brigade Golden Triangle	0.35	



Brigade Rubix



Ensuring

The Next of NextGen Living

As the folklore goes, Ravana – the mythological king of Lanka – would have leveraged his capability to build a direct staircase to heaven but for his laxity in execution. Quite rightly, execution is the better half of strategy. At Brigade, our execution teams leave no stone unturned in realizing the best potential across key functions like project execution, sales & marketing, resource optimization, timely development and deliveries across various projects. They are steadfastly developing 21 real estate (19 residential & 2 office spaces for sale), 5 lease rental & 2 hospitality projects. Leveraging best-in-class construction techniques and methodologies such as precast and cast-in-situ they are not only reducing the time of construction and also taking the end quality up by a couple of notches. Our sales & marketing teams are staying focused on achieving unparalleled customer engagement through a slew of informative and experiential events and promotions. All this is leading to further strengthening of brand 'Brigade' that would have a cascading effect in our newer markets such as Hyderabad, Chennai and Kochi. The execution teams at Brigade are passionately ***ensuring the next of Nextgen Living***.

At the corporate level, we are staying focused on maximizing the stakeholders' value every single day. Operational priorities at Brigade include continued progress on operational efficiency, customer relations, brand salience and cost management.

Key Ongoing Projects

Location	Project	Project SBA (mn sft)	Type
Bangalore	Brigade Meadows (Phase 1)	1.80	Residential
Bangalore	Brigade Lakefront	1.88	
Mangalore	Brigade Pinnacle	0.51	
Bangalore	Brigade IRV Centre	0.37	Office
Bangalore	Brigade Magnum	0.53	
Bangalore	Brigade Orion East	0.25	Retail
Mysore	Brigade Vantage	0.13	
Chennai	Brigade Vantage	0.13	Hospitality
Mysore	Mercure	0.10	



Brigade Orchards

Enabling

The Next of NextGen Living

The essence of a valuable relationship multiplies with the passage of time. In the business of real estate, where transaction-based relationships are easy to keep, Brigade endeavors to take customer relationships to eternity. In residential asset class, where the ownership gets transferred completely to the end customers becoming the owners of the title deed, Brigade, through its property management services, fosters a relationship with its future brand ambassadors – the residents of our housing marvels in the initial years. In asset classes of commercial and retail, a sizeable portion of retained usable area is leased to our long-term tenants for office or retail shops. Through our property management services, we take care of administrative and back-end aspects freeing them to stay focused on carrying out their business operations profitably. In the sphere of hospitality, we entrust the global hospitality brands to deploy their deep domain capabilities in delivering an ultimate hospitality experience to all our valued guests. In doing so, our day-to-day experience enhancers are ***enabling the next of Nextgen living.***

Tomorrow's successes rest on the shoulders of today's perseverance and sacrifices. Communities that corporates operate within are the vital incubators of their business successes. It is with this sense of gratitude towards community that we approach our social responsibilities.

Brigade Enterprises over the years has undertaken many initiatives in Bangalore as corporate citizens. We strongly believe in our philosophy of providing a better quality of life for people within our projects as well as in the neighbourhood. Some of our works include the Redevelopment of the Sangolli Rayanna Park and the Sri. Nadaprabhu Kempegowda Playground in Malleswaram and now the redevelopment of the Sitarampalya lake in Whitefield

Recently Completed Projects

Location	Project	Project SBA (mn sft)	Type
Bangalore	Brigade Gateway	2.20	Residential
Mysore	Brigade Horizon	0.17	
	Brigade Sparkle	0.24	
Bangalore	WTC at Brigade Gateway	1.13	Office
	Orion Mall @ Brigade Gateway	0.83	Retail
	Sheraton Bangalore Hotel at Brigade Gateway	0.32	Hospitality

The world of Brigade

Incorporated in 1995, Brigade Enterprises Limited is a leading real estate developer in South India. Brigade is headquartered at Bangalore with branch offices across south India, a representative office in Dubai and an accredited agent in the USA. Its diverse business portfolio spreads across residential, offices, retail and hospitality domains

Brigade pioneered the concept of integrated lifestyle enclaves in Bangalore. The integrated enclaves by Brigade are designed to be self-contained, communities with homes, offices and shopping spaces, entertainment facilities, recreational clubs, parks, school and convention centre that substantially enhance one's quality of life. Apartments in various budget ranges, penthouses, villas, value homes & retirement homes complete the bouquet of Brigade's residential offerings. Brigade is among the few developers who also enjoy a reputation of developing Grade A commercial properties. The World Trade Center, Bangalore, Software and IT parks, SEZ's and stand alone offices have reputed international clients operating from them. Brigade's retail projects include Orion Mall, India's first Lifestyle Mall, exclusive shopping areas in star hotels and large format hypermarkets. Our malls also offer a host of entertainment facilities including multiplex.

Brigade introduced the concept of Serviced Apartments to Bangalore in 2001. Today, the Group has strengthened & diversified its hospitality portfolio to 5 star hotels – including the Sheraton Bangalore Hotel @ Brigade Gateway and Grand Mercure, clubs and convention centres in Bangalore and other parts of South India.

The Brigade School was established to further Brigade's corporate philosophy of 'for a better quality of life' to the realm of education and operates from 3 locations in Bangalore.

The Brigade stamp of innovation, quality and trust speak of a standard that has been established, and is consistently being upgraded by our continual efforts to provide a better quality of life.

Vision

To be a world class organization in our products, processes, people and performance.

Mission

To constantly endeavour to be the preferred developer of residential, commercial and hospitality spaces in the markets in which we operate, without compromising on our core values, for the benefit of all our stakeholders.

Core Values

QC First

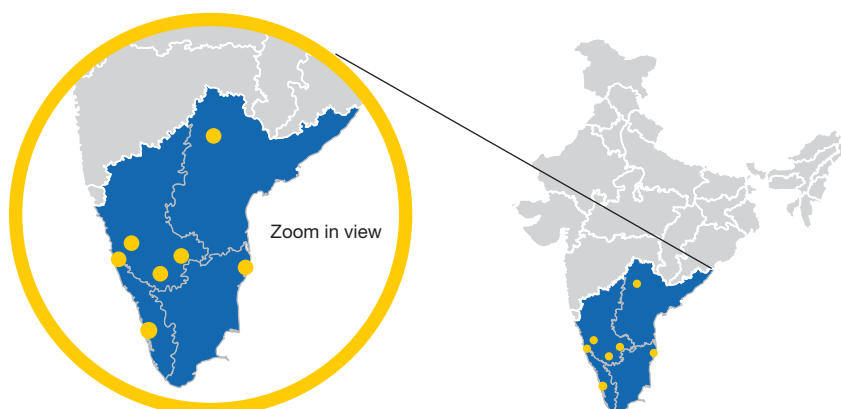
Quality & Customer	<ul style="list-style-type: none"> • Fair • Innovative • Responsible Socially • Trustworthy
--------------------------	---

Business Segments

- **Real Estate Segments**
 - Residential Spaces
 - Office Space on outright sale
- **Lease rental**
 - Office Spaces
 - Retail Spaces
- **Hospitality Segment**
 - Hotels under leading global brands such as Sheraton, Grand Mercure, Holiday Inn,
 - Clubs & Conventional centres
 - Serviced apartments

Business Geographies

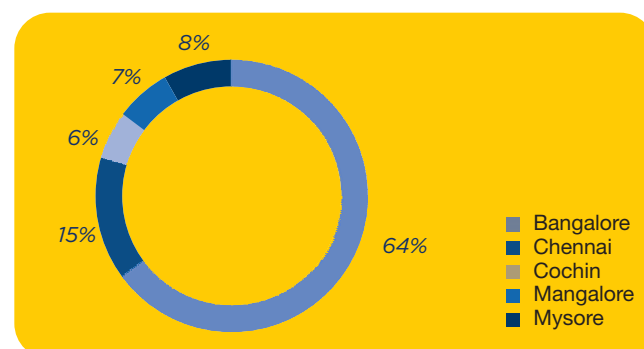
- Bangalore, Karnataka
- Mangalore, Karnataka
- Mysore, Karnataka
- Chikmagalur, Karnataka
- Hyderabad, Andhra Pradesh
- Chennai, Tamil Nadu
- Kochi, Kerala



Globally Renowned Partners

- **Architects**
HOK, New York; NBBJ, Seattle; RTKL, London; Bentel, South Africa; Ricardo Bofill, Spain
- **Hospitality**
Starwood, InterContinental Hotel Group, Accor

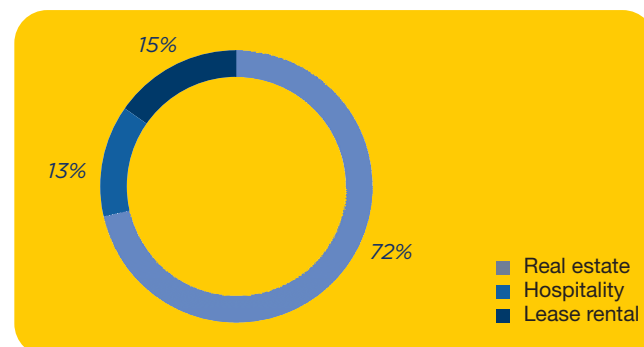
Land Bank: 373 acres



Key Differentiators

- Pioneers in development of integrated lifestyle enclaves (residential, office, retail and hospitality)
- Impeccable brand equity and salience, brand synonymous with quality, trust and delivery
- Balanced revenue mix with increasing component of rental income
- Highly experienced professional leadership across functions and asset classes
- Strong execution capabilities
- Diverse geographic footprints across south India

Revenue Mix



Business Highlights

Key Figures (Consolidated)

(₹ Crores)

Particulars	FY14	FY13	FY12	FY11	FY10
Net Sales	962.7	834.6	651.0	491.1	391.4
EBITDA	291.5	220.8	180.9	168.9	84.7
EBIT	208.7	143.5	127.7	140.7	56.0
Interest	88.2	89.8	60.4	16.8	9.0
PBT	123.5	53.7	67.3	123.9	47.0
PAT	120.5	60.0	56.9	120.5	47.4
Net Worth	1,268.0	1,213.9	1,156.9	1,130.2	1,008.2
Debt	932.2	1,048.1	693.5	923.2	766.6
Net Fixed asset	1,477.8	1,441.7	2,326.4	1,223.9	1,084.9
Inventory	1,132.0	909.9	668.9	793.9	629.6
Debtors	37.4	19.8	35.6	16.3	8.1
Cash	50.7	47.0	48.9	45.1	40.3
Per Share Ratio, ₹					
EPS	8.0	5.5	5.1	10.7	4.2
DPS	2.0	1.5	1.5	1.5	1.2
BVPS	113.0	108.2	103.1	100.7	89.9
Growth Ratio (%)					
Sales Growth	15.3	28.2	32.6	25.5	-4.2
EBITDA Growth	32.0	22.1	7.1	99.4	3.3
PAT Growth	100.8	5.4	-52.8	154.2	-45.4
Growth in BVPS	4.5	4.9	2.4	12.1	4.1
Inventory Growth	24.4	36.0	-15.7	26.1	4.2
Margin Ratios (%)					
EBITDA Margin	30.3	26.5	27.8	34.4	21.6
EBIT Margin	21.7	17.2	19.6	28.7	14.3
Net Profit Margin	12.5	7.2	8.7	24.5	12.1
Other Key Ratios (%)					
RoE	9.5	4.9	4.9	10.7	4.7
RoCE	9.5	6.3	6.9	6.9	3.2
Dividend Payout	25.0	27.5	29.6	14.0	28.4
D/E, x	0.7	0.9	0.6	0.8	0.8
Interest Coverage Ratio, x	2.4	1.6	2.1	8.4	6.2

Snapshot FY14

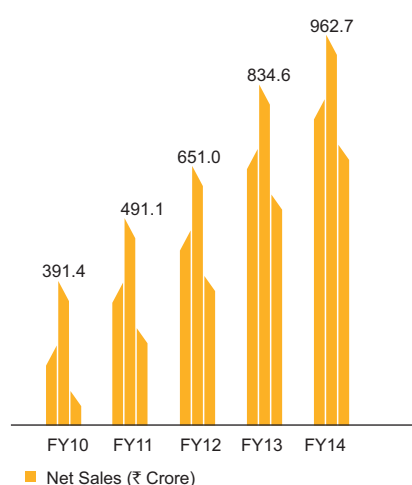
- Launched a premium residential project, Brigade Cosmopolis, in partnership with GIC Singapore
- Signed an MOU with InterContinental Hotel Group to open 10 Holiday Inn express hotels in South India
- Started construction of Holiday INN Express Race Course, a 3 star hotel in Bangalore
- Acquired 2.25 acres of prime land in Bangalore
- Received credit rating upgrade from ICRA – from BBB+ to A-

Update on Projects

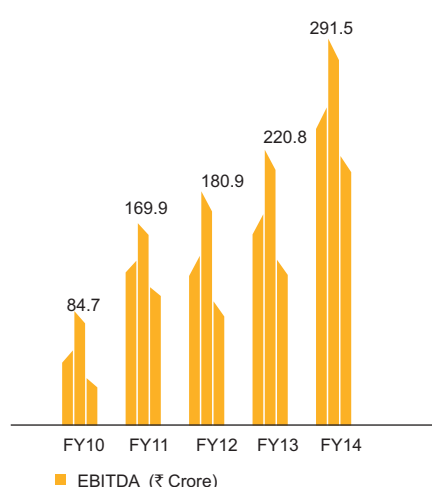
Launches	7 Projects	4.93 mn. sft.
Completion	5 Projects	0.68 mn. sft.

Key Performance Indicators (Consolidated)

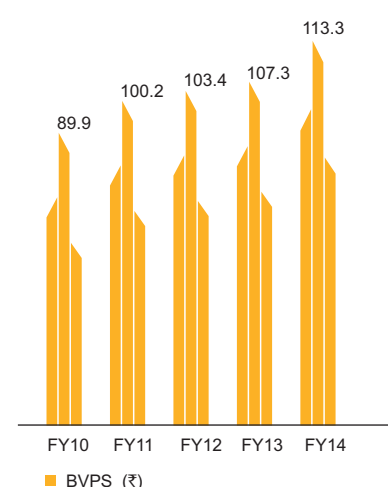
Net Sales



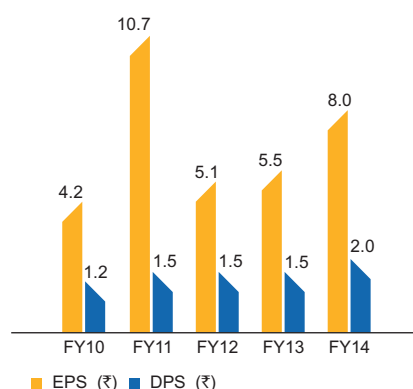
EBITDA



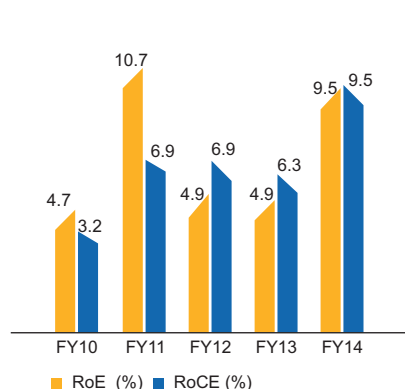
Book Value Per Share



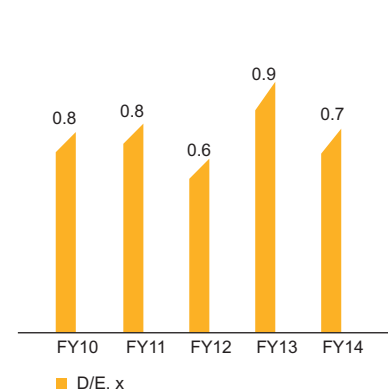
EPS and DPS



Return on Equity and Return on Capital Employed



Debt Equity Ratio





Chairman's Letter

The year 2013-14 was a challenging one, what with huge political uncertainties and the Indian economic growth taking a dip. The growth of most sectors, barring IT, Pharmacy & few others took a hit. In such a bleak scenario, your company posted reasonably good topline growth of 16% and a substantially better post tax bottom line growth of 50% over the previous year.

The year that passed by saw the company stabilizing its operations in Office, Retail & Hospitality business segments. Number of new projects were launched in the residential segment which should help in meeting revenue targets of the company.

The real estate sector continues to face huge deficit in the availability of skilled labour, who are mostly migrant in nature. This also makes it very difficult to impart training and development on an ongoing basis. While your company has pioneered the concept of precast construction in Bangalore city, it will take a few more years for precast construction method to be widely accepted and to become a norm - similar to the use of

aluminium shuttering in case of large scale projects. While the construction activity is increasing, the sector needs to meet the challenge of improving the speed of construction and meeting the ever increasing customer expectations.

The organisations effort to recruit, train, develop and retain talent has been recognized by the Great Place to Work Institute by ranking Brigade amongst the top 2 companies in Real Estate field and within the top 100 amongst all companies in India.

In the financial year under consideration, your company introduced ESOP - Employee Stock Option Scheme to middle & senior management staff, which was well received. Brigade is one of the very few companies in the real estate sector to have given ESOPs to the staff.

Thankfully, the result of the parliamentary elections bringing single party government is a blessing to the country in general, and a relief to business & industry, in particular. With a visionary leader at the helm, the country seems to be in the cusp of transformation. With our country expected to become the 3rd largest economy in the world by 2030, it offers tremendous growth potential for all businesses. Naturally, the opportunities come with challenges that any fast growing business demands.

With Indian demography fast changing for the better - we have 2/3rds population under 35 years of age - the demand for most goods and services will be better for decades to come. With the Central Government's desire to build 100 new cities and the noble initiative of 'Housing for All' by 2022, which is the 75th year of Indian independence, the demand for housing is expected to

be robust. Your company intends to be part of this exciting journey and make use of available opportunities in the years ahead.

Regards,

M . R. Jaishankar
Chairman & Managing Director

“

The organisations effort to recruit, train, develop and retain talent has been recognized by the Great Place to Work Institute by ranking Brigade amongst the top 2 companies in Real Estate field and within the top 100 amongst all companies in India.

”

Board of Directors

M.R. Shivram

P.M. Thampi

Dr. Srinivasa Murthy



Githa Shankar

P.V. Maiya

Aroon Raman

M.R. Gurumurthy



M.R. Jaishankar

Profile of Directors



M.R. Jaishankar

Chairman & Managing Director

He holds a Bachelor of Science degree in agriculture and a Master of Business Administration. His commitment to quality and passion for innovation has seen Brigade Group grow from a single-building, small-scale private enterprise to a diverse multi-domain Company which is into all verticals of Real Estate. Under his leadership Brigade Group has scaled new heights and this has been recognised by the many awards Brigade Group has received over the years.



M.R. Gurumurthy

Director

He holds a Bachelor of Science degree. He has over 40 years of business experience. He manages coffee estates and is a past President of the Rotary Club of Chikmagalur.



Githa Shankar

Wholetime Director

She holds a Bachelor of Arts degree, Bachelors in Library Science and a Masters in Business Administration. She has over 30 years of experience in the fields of advertising, stock broking, insurance, education and real estate. She is the Managing Trustee of Brigade Foundation which started and runs The Brigade Schools in Bangalore.



M.R. Shivram

Director

He holds a Bachelors degree in engineering and a Master of Science degree in electronics from New York University. He has over 30 years of business experience and is also the Managing Director of Capronics Private Limited.



P.M. Thampi

Independent Director

He holds Bachelor of Science degree and Post Graduate Diploma in Chemical Engineering. He is a Fellow of the Institution of Chemical Engineers and Chartered Engineer, U.K. He has over 44 years of experience in the chemical industry. He is a former Chairman and Managing Director of BASF and presently on the Board of HDFC Asset Management Company Limited and Strides Arcolab Limited.



Aroon Raman

Independent Director

He holds a post-graduate degree in Economics and an MBA from The Wharton School. He has promoted Raman FibreScience, a research & innovation company in the area of technical non-wovens and composites. He specializes in conducting due diligence to assess companies for their competencies in term of technology, process, people capabilities and also on strategic interventions. He has held several senior positions with the Confederation of Indian Industry (CII), and was the Chairman of CII, Karnataka State Council for 2010-11. He is a recipient of the State's highest civilian honour - the Karnataka Rajyotsava Award for 2010 for his contribution to the industrial development of the State. He also serves on several corporate boards and charitable trusts.



P.V. Maiya

Independent Director

He holds a Masters in Arts degree and is also a Certified Associate of the Indian Institute of Bankers from the Institute of Banking and Finance. He has over 40 years of experience in banking industry. He is a former Chairman and Managing director of ICICI Banking Corporation Limited. He is the founding managing director of Central Depository Services (India) Limited from 1998 to 1999. He is former Director of Canara Bank and is a Director of Neuland Laboratories Limited.



Dr. Srinivasa Murthy

Independent Director

He holds a Masters in Management from Sloan School of Management, M.I.T., and a Doctorate in Business Administration from the Harvard Business School, Boston, U.S.A. He has rich experience in teaching in business institutes like Indian Institute of Management, Ahmedabad and Bangalore. He is a former director of the Indian Institute of Management, Bangalore. He was a member of the Disinvestment Commission of the Government of India from 2000 to 2006. Dr. Murthy is currently on the Board of Directors CMC Ltd., National Stock Exchange of India Ltd. and Himatsingka Seide Ltd.

Management Discussion and Analysis



Brigade IRV Centre

Economic overview

As per IMF's World Economic Outlook 2014, the global GDP growth in the year 2013 has slightly moderated to 3.0% from 3.2% last year. The growth in the first half of the year was sluggish at around 2.67%. However, in the second half, backed by developed economies in general and US economy in particular, the global GDP growth recovered significantly to 3.66%. The developed economy's GDP growth in 2013 has come down to 1.3% vs 1.4% (Y-o-Y), whereas the developing economy's GDP growth moderated to 4.7% from 5.0% in 2012. The world's largest economy, U.S., in the year 2014 is expected to significantly improve post a growth of 2.8% in 2014 as against 1.9% in 2013. This would have a positive impact on global economy, which is expected to grow at 3.6% in 2014 and further inch up to 3.9% in 2015.

India's GDP growth is continuously moving in the downward trajectory for over last three years (Exhibit 1: India GDP Growth Y-o-Y, %). With CSO's provisional estimate of 4.7% GDP growth for 2013-14, this would be the second consecutive year of sub 5% GDP growth for India. The constraints for economic growth in India in recent times have shifted from global to more local. The logjam in infrastructure and mining were the two main factors that had taken a toll on the country's total GDP growth. The IIP for the period April 2013 to March 2014 has been (0.1)% as against 0.9% in corresponding period last year.

The year FY14 has been one of the worst years for the Indian currency, which hit a new low of ₹ 69.225 as against USD (a fall of 27.5% from the start of the year). However, by the end of the year it recovered by 13% and closed the year at ₹ 60.125. The main reason for the recovery has been the renewed confidence of FIIs in India's equity market growth and the significant fall in Current Account Deficit.

Exhibit 1: India GDP growth Y-o-Y (%)

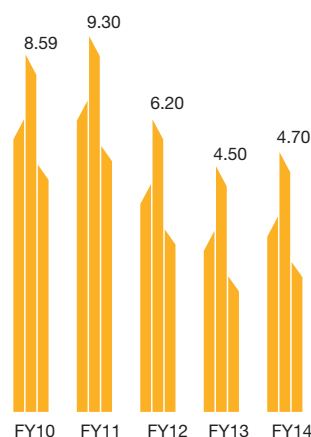
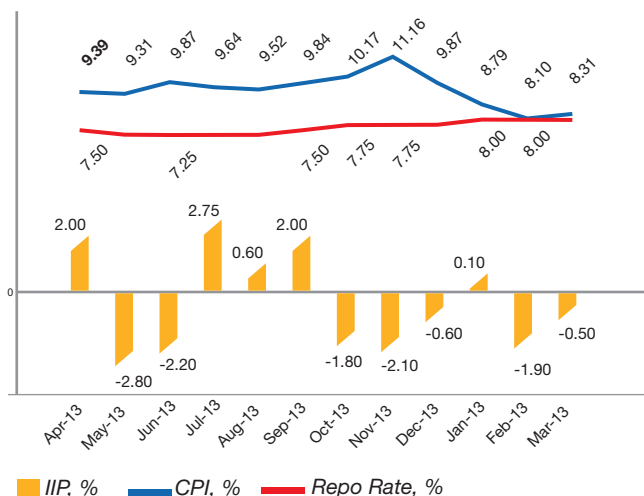


Exhibit 2: IIP & CPI Monthly Y-o-Y growth and Repo Rate (%)



Source: CSO, RBI

Inflation continues to remain a pain point for India. With significantly high food inflation, the CPI for most part of the year has been sticky near the double digit number (Exhibit 2: CPI & IIP monthly y-o-y growth, Repo rate %). However, with proactive monetary policy by RBI it is showing initial signs of cooling off. But RBI's measures had lead to an increased cost of borrowing in the system with higher repo-rate.

With a new and strong government at the centre, India's GDP growth is expected to improve from the current levels. As per IMF's projections, India would grow at 5.4% in 2014, which would further improve to 6.4% in 2015.

Real estate industry in India

The real estate sector in India is one of the most important sectors for India's GDP growth. It contributes to around 6.3% to the total GDP. The Indian real estate market is currently one of the fastest growing markets in the world. This has led to increased keenness among many foreign investors that are investing in many big projects. The estimated market size was USD 78 billion in 2012, which is expected to almost double and become USD 140 billion by 2017. Changing demographics, rising income level and rapid urbanization would be the key factors in fueling this significant growth. As per CREDAI estimates, the real estate sector alone would have generated close to 7.6 million jobs during the year 2013. CREDAI has also projected that the real estate sector would generate more than 17 million employment opportunities for India by 2025.

The real estate sector in India is largely fragmented and is highly unorganized. However, with increased foreign investment, entry of international real estate players and a number of corporate entering this sector the industry is getting more organized. The phenomenal growth in India's real estate sector in the past decade can be credited to factors like opening of the sector for Foreign Direct Investment (FDI), rapid urbanization, and rising income levels of the people. From being a supplier of residential and commercial space; new age concepts like luxury homes, senior citizen homes, student housing and education institute are fast catching pace.

Real estate in South India

With growing organized players entering the market, increased transparency and opportunities; the real estate market in Southern India (Karnataka, Andhra Pradesh, Tamil Nadu and Kerala) is growing rapidly and continuously. With this transformation Bangalore, Chennai, Hyderabad and Kochi are well poised to become the mega cities of tomorrow. The increased number of service-class with better income level, new age entrepreneurs and higher foreign and domestic investments are some of the key demand drivers in the region. This along with strong IT/ITES boom has led to 45% of the total office space in India been located in the four southern states. Also 64% of the total IT/ITES space of the country is located in South India.

Due to higher literacy rate, the states already fair well on some of the key economic and social indicators. Where Tamil Nadu

has become a strong manufacturing base, especially for auto and auto ancillary, Karnataka has become the IT hub of India. Andhra Pradesh is flourishing with the growth of biotechnology and pharmaceutical industry, whereas the famous tourist destination Kerala is becoming one of the key states for general engineering and auto ancillary. The growth of the various industries in these four states has been a consistent supplier of buyers for real estate sector fueling the demand for better homes, office space as well as industrial estates.

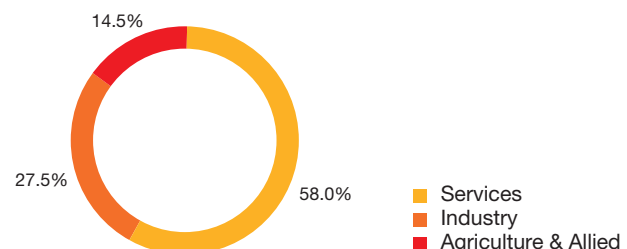
The government has also made consistent efforts to improve the connectivity of the states internally as well as with the world outside. All the major cities are well-connected through state-of-the-art international airports, rail and road infrastructure. Further, the government has heightened its steps by increasing the reach of Metro trains, doubling of railway tracks and increased electrification of trains for faster transit. One of the key factors in the growth of the real estate sector in Southern market has been that even after being comparable with India's major Metros the property prices are reasonably priced, making it a good investment option and destination.

Karnataka

The total population of Karnataka has grown at a CAGR of 2.5% over 2001 to 2011, as per 2011 census. Whereas, its population density increased by 15.7% from 276 in 2001 to 319 in 2011. The service sector that contributes close to 58% of its Gross State Domestic Product (GSDP) has grown by 8.9% in 2012-13. Some of the key service sectors in the State are Real estate, ownership of dwellings and business services, hotels and restaurants. With close to 47 IT & ITES Special Economic Zones, 3 IT Software Technology Parks and dedicated IT investment regions, IT is one of the key focus sector for Karnataka. The State Government has launched the Information and Communications Technology Policy and the Karnataka Electronics Hardware Policy for the growth of the industry in the State. Karnataka is the leading state in electronics and computer software exports, accounting for 38.76% of India's total exports in 2011-12.

With the flourishing IT sector there has been a phenomenal growth in the real estate sector where Bangalore and Mysore are two important real estate markets.

Exhibit 3: Karnataka Composition of GSDP (2012-13) (AE) (%)



Source: Karnataka Economic Survey 2012-13



Artist's Impression

Brigade Sonata- Swimming Pool

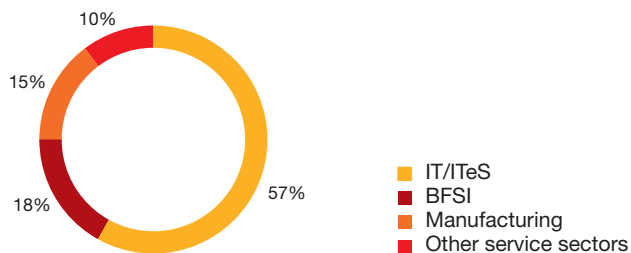
Bangalore

The Capital of Karnataka, Bangalore has fast emerged as the Silicon Valley of India. As per the consensus of 2011, with total population of 95.9 lakh, Bangalore is the third most populous city in India after Mumbai and NCR. Due to a significant increase in inhabitants in Bangalore due to immigration propelled by the growth of IT/ITES sector, it has become a hot cake for real estate investment. Well-planned infrastructure, investments by multinational companies and upcoming new age entrepreneurs are expected to drive the real estate market in Bangalore, going forward.

IT/ITES sector has been the major contributor of significant demand for office space and accounts for close to 57% of the total office space absorbed in Bangalore. BFSI and manufacturing are the next big absorbers with 18% and 15% share, respectively. New age entrepreneurs that have conceptualized internet retail businesses such as Flipkart, Snapdeal etc., have also lead to the growth in demand for office space. As per Knight Frank, the vacancy level in office space in Bangalore has been continuously on a downward trajectory since 2009 from 23% to around 13% currently. The total available office space in Bangalore, at present, is around 99.3 million sft of which 86.3 million sft is occupied. This augers well for the commercial real estate developers, where the organized players of the city have a strong hold.

According to Jones Lang LaSalle, Bangalore is fast emerging as a top ranking luxury homes market. It has also projected that due to limited supply in this segment the premium locations in Bangalore have great prospects of a good capital appreciation.

Exhibit 4: Industry-wise split of Bangalore's office space absorption



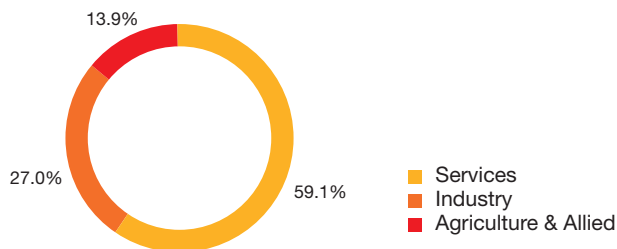
Source: Knight Frank

Tamil nadu

Tamil Nadu (TN), the seventh largest state of India in terms of population, is one of the most urbanized states in the region. With urbanization rate of 49% according to 2011 census, TN accounts for 9.3% of the total urbanized population of India. With rapid industrialization of the state TN is the fourth largest contributor to India's total GDP. Tamil Nadu is also the most industrialized state of South India and is an important hub for manufacturing industries, especially automotive, textiles and software. As per EY report Tamil Nadu has 35% share in Indian automotive industry and holds 46.1% of the country's spinning capacity.

High and growing urbanization, industrial growth, increased service sectors and presence of two large ports has led to a stable and consistent growth for real estate market in Tamil Nadu.

Exhibit 5: Tamil Nadu Composition of GSDP (2011-12) (%)



Source: TN Mid-year economic analysis 2012-13



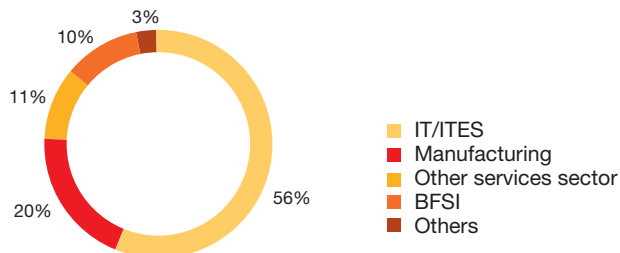
Brigade Palmgrove

Chennai

Chennai is fast emerging as the country's largest automotive and auto components manufacturing hub in terms of volume and investment. Industry-friendly government policies, proximity to the port, a traditional engineering base are factors that have made the city the 'Auto Hub' of India. In terms of real estate, Chennai is majorly an end-user industry where the salaried class followed by self-employed drives the demand of the industry. Predominantly an apartment market it has recently started witnessing an increase in demand for Villas. Due to a steady rise in demand, the residential property market is shifting towards southern and western suburbs. The city is also witnessing integrated township concept and is fast evolving in certain pockets.

Apart from industrial revolution, the IT/ITES boom has also pushed the demand for office spaces. Availability of talent pool, infrastructure and better government policies have been the key drivers of IT/ITES in this region. Due to availability of land and emerging demand many sub urban regions have emerged as ideal location for office spaces. As per Colliers International, there was a significant jump of 18% in new supply, which stood at 4.14 million sft of new Grade A office space in 2013 and the overall vacancy rates stood at 22% for the year. Knight Frank has projected that over the next five years IT/ITeS would continue to drive demand for office space followed by manufacturing and other services sectors.

Exhibit 6: Industry-wise split of Chennai's office space absorption



Source: Knight Frank

Andhra Pradesh

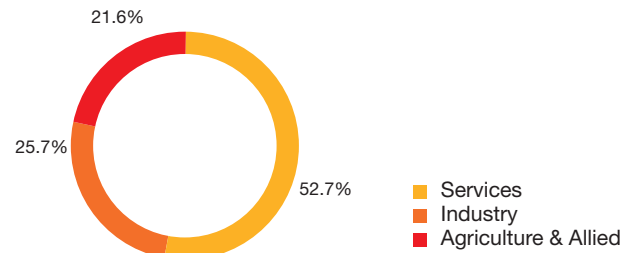
Andhra Pradesh (AP), also known as the rice bowl of South India, had a GSDP growth of 5.0% in the year 2012-13. The per capita income of Andhra Pradesh in 2012-13 was higher by 13% than nation's per capita income. Besides, agriculture, the key sectors in the state are Information Technology (IT), Biopharmaceuticals, Power, Automobile, Tourism, Textiles, Retail, Leather, Mining and Religious Tourism. AP is the fourth largest state in terms of IT/ITES export from India and in 2012-13 had 12% share of total exports.

The real estate market, which has contributed to around 12% to the states GSDP, has grown in tandem with the state's economy. Being the first state to launch a single window clearance policy in 2002, in February 2014, it has moved one step ahead with the launch of a beta version of the eBiz portal under single window clearance policy. Of the 13 services under it, constructing building is one. With the increased corporate interest the real estate sector of AP is poised to grow.



Brigade Crescent

Exhibit 7: Andhra Pradesh Composition of GSDP (2012-13) (%)



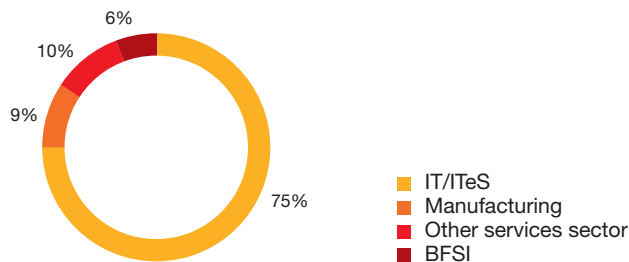
www.apfinance.gov.in

Hyderabad

Hyderabad is considered as one of the most important economic hub of India, with the growth of many engineering based industries, textiles, apparel, bulk drugs and pharmaceuticals. However, over the last decade, there has been a drastic change due to the IT boom. Hyderabad has emerged as one of India's central Information Technology and IT enabled service hubs. The development of HITEC City, a township prepped with state-of-the-art technologies and facilities, also helped prompt several IT and ITES companies to set up operations in the city.

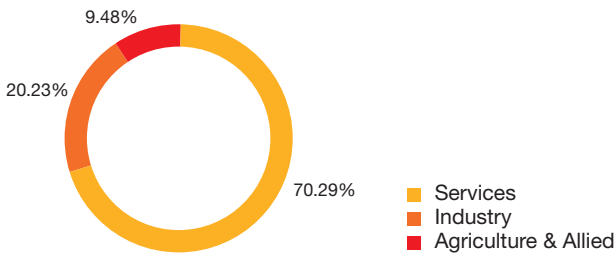
The real estate sector has been impacted in the last few quarters due to agitation for separate statehood with most potential purchasers postponing their decision. However, with the uncertainty now put behind, the real estate players have expedited their work as things are expected to be better for realtors and also for buyers. As per Knight Frank research, the total available office area in Hyderabad is around 49.1 million sft of which 6.7 million sft is vacant, which makes a vacancy of 13.6%. With increased development, the vacancy levels are expected to move higher. However, with the sedating political turmoil the demand supply dynamics are expected to stabilize in 2015.

Exhibit 8: Andhra Pradesh Composition of GSDP (2012-13) (%)



Source: Knight Frank

Exhibit 9: Kerala Composition of GSDP (2011-12) (%)



Kerala Economic review 2012

Kerala

As per Kerala's economic review 2013, the state's GSDP grew at 8.24% marginally higher from 2011-12. Driven by service sector, which holds more than 70% share, the key growth areas are Tourism, Health & Wellness and IT/ITeS. The state in the recent time has become a destination for software development, e-commerce and e-business activities. Also, with the increased investments by multinationals in the IT sector, IT has become a major source of income. With increased prospects of income growth the real estate market has also flourished over the last few years and is expected to grow further at a steady state.

Kochi

Kochi is known as the commercial capital of Kerala and is an important port city. It is has recently emerged as a hub for Information Technology and related services. Kochi's real estate market has earlier largely been driven by repatriation of funds by Non-Resident Indians (NRIs). However, with increased focus on business with the Cochin Export Processing Zone and projects like 'Smart City' (a 246 acre IT township) the real estate market has witnessed a great boom. The opening of Lulu shopping mall, Metro Rail and Smart City are some of the major positive factors which will boost the sector.



Brigade Caladium - Aerial view

Opportunities and Strengths

- Pioneers in development of integrated enclaves (residential, commercial, retail and hospitality)
- Good mix of residential, commercial & retail and hospitality projects
- Steady annuity income from Lease Rental & Hospitality Segments
- Strong brand Equity in South India more specifically in Karnataka
- Strong Project Management Team
- Use of advanced technology in construction
- Good financial discipline
- Dedicated and experienced senior management team across segments
- Upgradation of credit rating by ICRA from BBB+ to A-
- Increasing demand due to increase in IT and ITeS segment employment

Threats and Weakness

- Delay in getting statutory clearances
- Non availability of skilled labour for contractors
- Higher inflation
- Concentration only in South India
- Non availability of Land with clear titles
- Higher interest rates on home loans
- Bigger project size with longer gestation period increase the project cost

Segment review

Real Estate Segment

During the year, Brigade performed extremely well in the real estate segment. The total sale in terms of volume was 2.63 million sft, which is a growth of 40.6% over the previous year's sale of 1.87 million sft. The residential segment with total sale of 2.26 million sft in 2013-14 holds 86% share in the total sale and has grown by 60.9% over the sale of 1.41 million sft in the previous year. The commercial sale was 0.366 million sft, down by 21% over 0.46 million sft in 2012-13. The average realization for residential and commercial combined has posted a significant jump of 22% to ₹ 5,119 per sft in 2013-14 from ₹ 4,209 per sft in 2012-13.

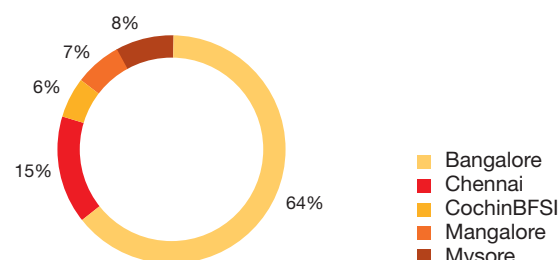
Brigade Group currently has a very strong pipeline of 38 projects, which include ongoing as well as projects to be launched soon. Of this, 32 projects are residential projects whereas 6 projects are commercial for sale projects. Some of the key residential projects launched during the year are:

Name of the Project	Area (in Million sft)	Type of Project
Brigade Golden Triangle	0.68	Residential
Brigade Lakefront	1.46	Residential
Brigade Symphony	0.53	Residential
Brigade Cosmopolis	0.42	Residential
Parkside at Brigade Orchards	0.10	Residential

The saleable area for the ongoing residential projects for the group is 10.19 million sft, with Brigade's share pegged at 7.57 million sft. The total saleable area of the residential projects scheduled to be launched in 2014-15 is 6.96 million sft, of which Brigade's share would be 5.08 million sft. The commercial projects to be launched in 2014-15 would have 1.80 million sft of saleable area, where Brigade's share would stand at 1.11 million sft. Hence, Brigade has planned to launch a total saleable area of 6.19 million sft in 2014-15.

At the end of 2013-14, Brigade had a total land bank of 373 acres, well-spread across (Exhibit:12) major south Indian cities. This gives Brigade a total developable area visibility of 22.42 million sft in the residential segment, of which Brigade's share would be 16.61 million sft over the next 5 to 6 years. Also in the commercial salable space, Brigade could develop 1.89 million sft, of which Brigade's share will stand at 1.16 million sft.

Exhibit 10: Brigade's land bank regional spread



Source: Company



Brigade Lakefront

During the year, the total revenue of the real estate segment stood at ₹ 655 Crore, which is an increase of 12% from ₹ 584 Crore in 2012-13. This was due to better realization and higher sales volume. However, the high cost of material had taken a toll on the gross profit, which stood at ₹ 170 Crore, flat growth Y-o-Y. With better operating expenditure management the EBITDA grew to ₹ 101 Crore in 2013-14 from ₹ 94 Crore in 2012-13, up by 7.7%. However, the EBITDA margins were marginally down to 15.4% in 2013-14 from 16.0% posted in 2012-13. During the year, Brigade's real estate segment posted a PBT of ₹ 92 Crore, one of the highest PBT in a year, up by 22.2% from ₹ 75 Crore in 2012-13.

Hospitality

Brigade currently owns two main hotel properties, Grand Mercure and Sheraton Bangalore. Both these properties are located at Bangalore and are operated by world leading hotel operators. Where Grand Mercure is managed by Accor Group, Sheraton Bangalore is managed by Starwoods. During the year, occupancy at Grand Mercure further enhanced to 86% in 2013-14 from 82% in 2012-13. At Sheraton Bangalore it has improved to 75% in 2013-14 from 63% in 2012-13. Currently three more hotel properties are under construction; Holiday INN at Chennai & Bangalore and Mercure at Mysore. During the year Brigade signed a MoU with InterContinental Hotel Group, a world renowned hotel operator to open 10 Holiday Inn express hotels by 2020. In the total available land bank, Brigade plans to add 4 hotel properties with total area of 0.7 million sft to its roster.

The year has been a very good year for Brigade's hospitality segment. The total revenue for the year grew by 12.8% from ₹ 107 Crore in 2012-13 to ₹ 121 Crore in 2013-14. Due to improved utilization rate the gross profit jumped to 11% from ₹ 79 Crore in 2012-13 to ₹ 88 Crore in 2013-14. With better operating efficiency, the EBITDA margin marginally enhanced from 39.9% in 2012-13 to 40.6% in 2013-14. EBITDA also jumped to ₹ 49 Crore from ₹ 43 Crore recorded in the previous year, a jump of 15% Y-o-Y. During the year, the hospitality business turned to profit and reported PBT of Rs.5 Crore as against a loss of ₹ 14.3 Core in the previous year. Also the hospitality business had the highest EBITDA as a percentage of total capital employed of the three business segments.

Lease rentals

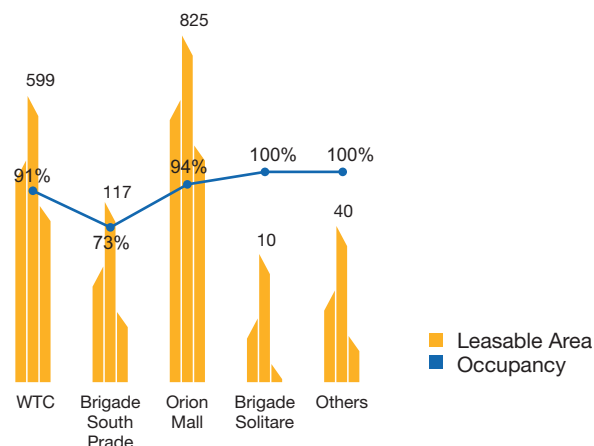
With four major commercial and retail properties, Brigade currently has a total leasable area of 1.59 million sft. During the year, the occupancy levels for all the properties remained very healthy (Exhibit 13). At the end of 2013-14, the occupancy rate stood at 92%, significantly up from 72% in 2012-13. Currently, there are 5 ongoing commercial and retail projects that will add 0.85 million sft to leasable area. In the year 2014-15, Brigade plans to launch total three commercial and retail projects that will add 0.61 million sft to leasable area.



Artist's Impression

Brigade Caladium

Exhibit 11: Leasable area ('000 sft) and occupancy



During the year, the lease rental segment of Brigade performed outstandingly. Due to the higher utilization the total revenue for the segment posted a growth of 45% from ₹ 96 Crore in 2012-13 to ₹ 140 Crore in 2013-14. The gross profit for the year stood at ₹ 135 Crore as against ₹ 96 Crore the previous year. During the year, Brigade was able to further improve its EBITDA margins, which were enhanced to 85% in 2013-14 from 81.6% in 2012-13. EBITDA for the year 2013-14 has jumped by 52% to ₹ 119 Crore from ₹ 79 Crore in 2012-13. The share of lease rentals in Brigade's overall EBITDA increased from 36.6% in 2012-13 to 44.3% in 2013-14 and is now the largest contributor to EBITDA. During the year, the lease rental segment posted a robust growth in profitability where the PBT moved up from ₹ (0.9) Crore in 2012-13 to ₹ 26 Crore in 2013-14.

Credit Rating

Credit rating agency ICRA has upgraded the credit rating of the Company from [ICRA] BBB+ to [ICRA] A- for the long term fund based credit facilities of Rs. 1403.79 crores. The outlook on the long term rating is stable. The rating upgradation reflects the financial discipline of the Company.

Financial Performance

Equity Share Capital: The equity share capital of the Company as on 31st March, 2014, stood at Rs. 112.25 Crore. 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, 2014, is at 0.66:1 as against 0.82:1 in the previous financial year. The major portion of debts is towards Office, Retail and Hospitality assets, which are income yielding assets to service their debts.

Revenue: The total revenue of the Company has increased from ₹ 778.71 Crore in the financial year 2012-13 to ₹ 895.24 Crore in the financial year 2013-14, an increase by 15%.

EBITDA: EBITDA margin during the financial year 2013-14 stood at 27.5% as compared to 27% for the previous financial year.

Finance Costs: Interest & Financial Charges for the financial year 2013-14 is ₹ 68.80 Crore as compared to ₹ 82.88 Crore in the previous year, a decrease by 17%, which is predominantly due to the paying off some loan by the Company during the year.

Net Profit: Net profit available for appropriation for the year 2013-14 stood at ₹ 89.80 Crore as compared to ₹ 64.26 Crore in the previous year, an increase of 40%.

Dividend: The Company has proposed a dividend of ₹ 2.00 (20%) per equity share. The total payout on account dividend including corporate dividend tax aggregates to ₹ 26.20 Crore.

Earnings Per Share (EPS): The Company's Earnings Per Share (EPS) during the current year is ₹ 8.00 as compared to ₹ 5.72 in the previous year.



Brigade Meadows

Risk Management

Being a conservative and cautious company assessing every risk beforehand has been Brigade's ethos. With just two years short in completing three decades of business in real estate development the Company has gained huge experience and have learned a lot with the ups and downs of the businesses. Hence, the Company has not only built a very robust but a holistic risk management system. Following are some of the major risk that the Company faces in its business activities and their respective mitigating measures:

Economic risk

- Risk:** The slowdown in economy would hamper the buying capabilities of customers. Also higher inflation and cost of funds would have an impact on profitability.
- Mitigation measure:** This risk would definitely have some bearing impact on the business, however to reduce the intensity the Company follows certain policies such as prudently leveraging of Balance sheet, building projects in an asset light mode and doing good research before selecting an area for development. Also, with great trust in the brand the Company is a preferred developer and has good customer loyalty.

Credit risk

- Risk:** During the execution of a project if sales has not been appropriately booked there could be shortfall in cash management and would hamper the project.
- Mitigation measure:** The Company follows a policy to do its homework well before selecting a project for development. Also with lower leveraged balance sheet the Company is at a very comfortable position to avail credit limit if ever required for short- term.

Political risk

- Risk:** Due to political uncertainty in a particular region the business may be hampered.
- Mitigating measure:** Being cognizant of this fact the Company has diversified its business operations across the four south Indian states and has further intensified its diversification program.

Execution risk

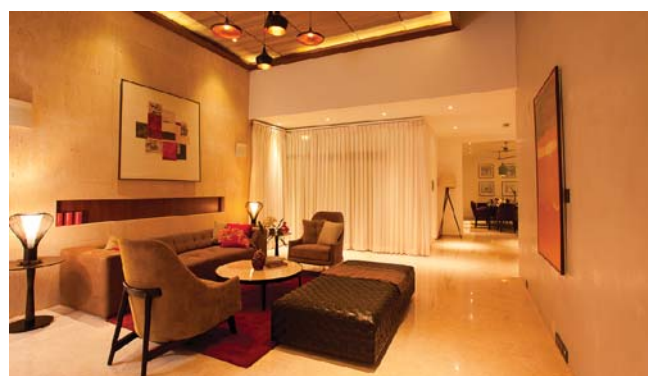
- Risk:** The real estate sector has witnessed a number of projects being stopped in the middle of their execution either due to pending clearances or non-availability of building materials.
- Mitigating measure:** The Company in its history of 28 years has never seen any of its projects ever stopped from construction, as being a conservative developer the Company understands and complies with all the required clearances beforehand. Also, the Company has built a strong network of vendors that are well-equipped to supply the required quantity on schedule.

Ongoing Projects

Location	Project	Project SBA (mn sft)	
Bangalore	Brigade Meadows (Phase 1)	1.80	Residential
	Brigade Lakefront	1.88	
	Brigade Exotica (Tower Azzure)	0.72	
	Brigade Rhapsody	0.04	
	Brigade Golden Triangle (Phase 1)	0.50	
	Brigade Golden Triangle (Phase 2)	0.47	
	Brigade Omega (Tower B)	0.30	
	Brigade Omega (Tower C)	0.24	
	Brigade Altamont	0.32	
	Brigade Caladium	0.24	
Hyderabad	Brigade at No.7	0.21	Retail
Mysore	Brigade Palmgrove (villas)	0.18	
	Brigade Symphony	0.53	
Mangalore	Brigade Pinnacle	0.51	
Chikmagalur	Brigade Serenity	0.09	Office
Bangalore	Brigade IRV Centre	0.37	
	Brigade Magnum	0.53	
Cochin	Brigade Technopolis	0.35	Retail
Bangalore	Brigade Nalapad Center	0.46	
	Brigade Orion East	0.27	
Mysore	Brigade Vantage	0.13	Hospitality
Chennai	Brigade Vantage	0.13	
Mysore	Mercure	0.10	
Total		10.37	



Brigade Orchards Villa



Brigade Orchards - Interior

Launches FY15

Location	Project	Project SBA (mn sft)	
Bangalore	Brigade Exotica (Tower Burgundy)	0.72	Residential
	Brigade Omega (White Mist)	0.31	
	Wisteria at Brigade Meadows	0.88	
	Brigade Northridge	0.61	
	Brigade Oak Tree Place	0.34	
	Brigade Lakeshore	0.36	
	Brigade Panorama	1.28	
Mysore	Brigade Mountain View	0.40	
	Brigade Palmgrove (townhomes)	0.14	
Chennai	Brigade Metropolis (Phase 1)	0.77	
Bangalore	Brigade Golden Triangle Signature Tower	0.55	Office
	Brigade Bhuwalka Icon	0.29	
	Brigade Meadows (Commercial)	0.12	
	Brigade Lakeshore (Commercial)	0.84	
	Brigade Opus	0.32	
Bangalore	Brigade Bhuwalka Icon	0.08	Retail
	Brigade Golden Triangle	0.35	
Total		8.36	



Artist's Impression

Brigade Cosmopolis

Outlook

Even after major headwinds, both local and international, the consumption story of India by far has remained intact. The consumer confidence which has remained somewhat subdued in first half of 2014 due to uncertainties around the general election has started to gain strength. This would bring in renewed interest and investments in the residential real estate market. Also with a strong and able government at the centre, there may be a significant uptick in capital expenditure by major businesses. This would lead to increased absorption of office space. With increased economic activities it would be fair to expect better growth in rental and capital values in 2014 as against the current year. With increased importance of Real Estate Investment Trusts (REITs) as a tool to attract large pools of money into the real estate sector at relatively cheaper cost the pressure on sourcing funds in the industry would also cool to some extent.

Brigade Enterprises Limited, with 9.15 million sft of ongoing projects in key real estate markets of South India, is well poised to tap the rising demand. Also, with 373 acres of available land bank, Brigade has a construction visibility of more than five years with approximate developable area of 24.93 million sft. With increased business activities, Brigade is also very confident on significantly growing its hospitality and rental income in the coming years.



Brigade at No. 7

Human Resources

At Brigade Group, development of Human Resources, is considered as the prime responsibility to build invaluable asset to organisation.

The firm belief is that the Company's growth is dependent on the development of the knowledge and skill of its employees and that the stakeholder satisfaction is reliant on the professionalism displayed by the employees.

With this as its primary objective the HUMAN RESOURCES department plays a critical role in the Company. The financial year 2013-14 was dedicated to further the initiatives undertaken in the previous financial and consolidating them for effective deployment. However many new initiatives were also started to build a strong bond of employee engagement.

The Company was awarded the Great Place to Work Award for the third consecutive year. Brigade Group was rated as the 52nd Best Company to work in India by the GPTWI from more than 500 Companies who participated in the survey. Further, Brigade Group was ranked as the 2nd Best Company in the Real Estate industry. This is a testimony of our commitment to our employees and their wellbeing.

Some of the unique initiatives which were started in the last financial saw a great level of consolidation this year.

"Under 35 Think Tank" – U35TT, a panel of young bright and highly talented youngsters were actively involved in conducting Brigade Business Case competition at the IIM-Bangalore. The Think Tank has developed a comprehensive manual for Quality workmanship in (Projects) finishing works. It also conducted a six week campaign on celebrating the tenets of the Culture Code of Brigade Group aptly called EVOLVE, it had an overwhelming response with more than 300 employees actively taking part.

The Suggestions scheme saw its solid consolidation with more number of Brigadiers participating by giving their valuable suggestions. In all during the year, 93 suggestions were received and 23 suggestions were accepted.

The Learning & Development wing of the HR – "PATHSHALA" – this year conducted over 190 training programs on various knowledge, skill & attitude based themes and an average of 39 Man Hours of training was imparted per Brigadier.

The highlights were the regularly conducted Monthly Engineers Meet, which saw many industry stalwarts educate our engineers on a plethora of topical themes and latest development in the Engineering Field.

To effectively bridge the gap between academics and industry's requirement a carefully designed program to fresh Engineers from the college called CAMPUS TO CORPORATE was conducted for the 6th consecutive year. This year we had 31 Graduate Engineers- Trainees who were imparted technical and practical training in Engineering. This program has been acknowledged as a best practice in the industry.

Born to Win (in-house) & Business Leadership Program (conducted by CREDAI & IIM- B) a six weeks training program for the Leadership Team and Effective Sales Training, for the front line sales force, were some of the important training interventions this year.



Artist's Impression

Orion East

In keeping with the tradition of honouring Engineers of repute, Dr B R Sreenivasa Murthy was honoured for his unparalleled contribution to civil industry during the Engineers' Day Celebration.

To maintain a good work-life balance, many Brigadiers participated in the Sports Day – "GAMES BOND – Bonding with games".

All employees and their family members are offered a unique counseling service through a reputed counseling agency which has helped Brigadiers in resolving many challenges in work and personal life.

The Multisource Feedback, an initiative was conducted on 38 senior staff. The intent was to provide employees a clear perspective of their performance and competency strengths and gaps and help them set focused learning goals.

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 the 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.

Strategic Review

Strategy at	BUSINESS LEVEL		
Key Focus	Revenue growth	Margin expansion	Sustainability
Long term vision	<ul style="list-style-type: none"> i. Innovation ii. Expansion iii. Best of the quality and amenities iv. Build trust 	<ul style="list-style-type: none"> i. Premium quality properties ii. Land viability check 	<ul style="list-style-type: none"> i. Adequate land bank ii. Prudent on leveraging balance sheet iii. Business & Geographical diversification
Short term steps	<ul style="list-style-type: none"> i. We are pioneers in introducing a number of new concepts in the city of Bangalore. One of the most successful is our integrated lifestyle enclave's concept. We have successfully completed two of our largest integrated enclaves Brigade Gateway and Brigade Metropolis which are now benchmark for many developers. We are working on two new mega enclaves Brigade Orchards and Brigade Meadows ii. We have prudently selected land parcels to develop residential, commercial and retail project at best of the locations iii. We have gradually expanded our footprints to various other cities in South India and have received an overwhelming response for most of the projects iv. With 28 years of supplying hassle free properties and that too in the prescribed time limit, Brigade is now one of the most trusted real estate brand in South India. Trust & Quality are the core principles of the Company and would continue to fortify them 	<ul style="list-style-type: none"> i. We have built some of the best in class commercial infrastructure that not only have good utilization rate but also attract high rentals ii. We do not go for very aggressive bidding for acquiring land but with the help of our experience spot the right land parcel at the right price iii. Use advanced technologies for early execution and cost rationalization 	<ul style="list-style-type: none"> i. We have currently built a land bank of 373 acres. As a policy we believe in keeping a land bank that gives us good visibility of five to six years. Land Bank is held through combination of JV/JD and outright purchase model. ii. We have a good mix of JV/JD for most of our properties. This lead to lower leveraging of balance sheet and enhance return on capital employed iii. We were earlier a pure real estate company but we have diversified into hospitality income and lease rental income and the share would further increase gradually iv. Currently Bangalore holds more than 90% share in our total ongoing projects but its share in total available land bank is 64%. Hence for long term sustainability we have diversified into different geographical locations in South India

PEOPLE LEVEL

Employee focus

- i. Skill Development
- ii. Motivation
- iii. Team Work

Society Focus

- i. Education
- ii. Community Development

- i. Recruit best accessible talent. Empower with continual education and training.
- ii. Cultural activities, bonding, cause volunteering, internal communications.
- iii. HR policies aimed at aligning individual and team goals/targets with company's corporate objectives.
- iv. Employee Initiatives are crafted with great efforts to align company and employee goals and chart a growth path for every employee. Our continuous endeavours have borne fruit as we have moved from 3rd to 2nd best company to work for in the real estate sector in India this year, as per the study by an US institute Great Places to work.

- i. Educational activities carried out under the group's Trust, Brigade Foundation. Brigade Foundation a not for profit trust runs 3 schools in Bangalore – At JP Nagar, Malleswaram and Mahadevapura
- ii. The Centre for Indian Music Experience (IME)
- iii. Redevelopment of Parks, Play Ground & Lakes
- iv. Renovation of Police Station and Fire Station

Artist's Impression



Brigade Altamount



Artist's Impression

Brigade Omega- Aerial View

Corporate Information

BOARD OF DIRECTORS

M. R. Jaishankar
Chairman & Managing Director

Githa Shankar
Wholetime Director

M. R. Gurumurthy
Director

M. R. Shivram
Director

P.M Thampi
Independent Director

P. V. Maiya
Independent Director

Dr. Srinivasa Murthy
Independent Director

Aroon Raman
Independent Director

COMPANY SECRETARY

P. Om Prakash

INTERNAL AUDITORS

Grant Thornton
Wings, First Floor, 16/1
Cambridge Road, Halasuru
Bangalore - 560008, India

AUDITORS

Messrs. Narayanan, Patil & Ramesh
No.1, 11th Floor, North Block
World Trade Centre
Malleswaram-Rajajinagar
Bangalore – 560055

EQUITY SHARES LISTED AT

National Stock Exchange of India Ltd (NSE)
BSE Ltd

REGISTRAR & 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 Id.: raju.sv@karvy.com

BANKERS

Allahabad Bank
Bank of Baroda
Bank of India
Corporation Bank
Indian Overseas Bank
Karur Vysya Bank
Punjab National Bank
State Bank of India
United Bank of India

Directors' Report

Dear Member,

We have pleasure in presenting the Nineteenth Annual Report on business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2014.

Financial Highlights:

Particulars	₹ in Lakhs)			
	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Total Revenue	91,577	78,812	96,268	83,461
Operating Expenditure	64,923	57,298	67,121	61,380
Earnings before Interest, Depreciation and Amortisation	26,654	21,514	29,147	22,081
Depreciation and Amortisation	7,767	7,224	8,273	7,733
Finance Costs	6,880	8,288	8,821	8,982
Extraordinary Items	291		293	(8)
Profit Before Tax	12,298	6,004	12,346	5,358
Tax Expenses				
Current Tax	2,414	1,201	2,539	1,209
Deferred tax charge/ (credit)	904	627	977	398
MAT credit entitlement		(2,250)	(65)	(2,250)
Profit after Tax	8,980	6,426	8,895	6,002
Minority Interest		-	(203)	(11)
Share of profit from Associate		-	99	131
Profit for the year	8,980	6,426	8,994	6,133

Financial Overview

Performance

During the financial year 2013-14, the Company has on a standalone basis, registered total revenue of ₹ 91,577 Lakhs as compared to ₹ 78,812 Lakhs in the previous year, showing a Y-O-Y increase of 16%, EBITDA has increased from ₹ 21,515 Lakhs to ₹ 26,654 Lakhs, an increase of 24%.

The consolidated revenue of the Company for the financial year 2013-14 was ₹ 96,268 Lakhs, a growth of 15% from previous year. EBITDA has increased from ₹ 22,081 Lakhs to ₹ 29,147 Lakhs, an increase of 32%.

Transfer to reserves

An amount of ₹ 673 Lakhs has been transferred out of the current year's profits to General Reserve.

Dividend

The Board of Directors of the Company have recommended a dividend of ₹ 2.00 (Rupees Two only) (20%) per Equity Share of ₹ 10 each 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 ₹ 2,620 Lakhs.

Share Capital

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

ESOP

The Employee Stock Option scheme "Employees Stock Option Plan 2011" was rolled out to eligible employees during the financial year. The Compensation Committee issued a total of 23,24,300 options to eligible employees of the Company and its subsidiaries. The eligible employees can exercise the option for equity shares at ₹ 50 per share for every option held in four equal tranches within a period of five years from the date of vesting.

The disclosures pursuant to Securities and Exchange Board of India (Employees Stock Option) Guidelines, 1999 are contained in Annexure A of this report.

Debentures

During the year under review, the Company has not issued any debentures. As on date, the Company does not have any outstanding debentures.

Operational Overview

Completed Projects

During the year under review, the Company has completed residential projects measuring 0.49 mn. Sft and commercial projects measuring 0.19 mn Sft.

Ongoing Projects

The Company currently has 15 ongoing residential projects aggregating to 8.03 million square feet of developable area (Out of which Company's share is about 6.48 million square feet), 7 commercial/retail projects aggregating to 2.22 million square feet of developable area (Out of which Company's share is about 1.36 million square feet) and 1 Hospitality project of 0.1 million square feet of developable area (Out of which Company's share is about 0.1 million square feet). Apart from these, the Company also has 4 ongoing residential projects under SPVs aggregating to 2.16 million square feet of developable area (out of which Company's share is about 1.09 million square feet) and 1 Hospitality project of 0.23 million square feet of developable area (out of which Company's share is about 0.11 million square feet).

Proposed projects

During the financial year 2014-15, the Company proposes to launch 10 residential projects measuring 5.8 mn.sft. of developable area (Out of which Company's share is about 4.51 mn sft.) and 7 Commercial/Retail projects measuring 2.55 mn.sft. of developable area (Out of which Company's share is about 1.72 mn.sft.) in various cities across south India including Bangalore, Mysore and Chennai. Apart from these, the Company also plans to launch 3 residential projects under its existing SPVs aggregating to 1.16 million square feet (out of which Company's share is about 0.58 million square feet).

Business Overview

Brigade Enterprises Ltd is a public limited company with its equity shares listed on the Bombay Stock Exchange

Limited and National Stock Exchange of India Limited. The issued, subscribed and paid up capital of the Company is ₹ 112,25,19,400 (Rupees One Hundred and Twelve Crores, Twenty Five Lakhs and Nineteen Thousand and Four Hundred only) divided into 112,251,940 (Eleven Crores Twenty Two Lakhs, Fifty One Thousand Nine Hundred and Forty Only) equity shares of ₹ 10 each. There was no change in the capital structure of the Company during the year under review.

The operations of the Company can be classified into three main Segments :

Income from Construction and development of Real Estate Projects

Revenue from Hospitality Assets

Lease Rental Income from Commercial and Retail Assets

Company		BRIGADE ENTERPRISES LTD					
Segments		Real Estate		Hospitality		Lease rentals	
100% Subsidiaries	Brigade Hospitality Services Ltd.	Orion Mall Management Company Ltd.	WTC Trades & Projects P. Ltd.	Prosperita Hotel Ventures Ltd.	Brigade Tetrarch P. Ltd.	B.Infrastructure & Power P. Ltd.	B.Estates & projects P. Ltd.
Joint Venture/ SPV	BCV Developers P. Ltd.	BCV Estates P. Ltd.	C V Properties (Bangalore) P. Ltd.	Brigade Properties P. Ltd.			

The Real Estate Division specialises in construction and development of residential and commercial Real Estates projects on Sale basis. The revenues of this vertical is recognised either on percentage of completion method during construction or unit sale method after the completion of the projects.

The Hospitality division specialises in identifying Hotel operators and monitoring the operation of the hotel assets.

The Commercial and Retail Asset Division concentrates on identifying suitable tenants on long term lease for the Assets owned by the Company.

A detailed analysis of completed and ongoing projects as on 31st March, 2014 has been given in the Management Discussion and Analysis Report which is forming part of the Annual Report.

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 2013-14 BHSL has registered income from operations amounting to ₹ 30,156 Lakhs and earned a profit of ₹ 127 Lakhs.

Orion Mall Management Company Limited (OMMCL), a wholly owned subsidiary of the Company undertakes the mall management business. OMMCL manages the 0.8 mn. Sft. of Orion Mall at Brigade Gateway Campus, Bangalore. The Company has posted a turnover of ₹ 2,325 Lakhs and incurred a profit of ₹ 220 Lakhs.

WTC Trades & Projects Private Limited (WTC) a wholly owned subsidiary of the Company which holds the World Trade Center license for the city of Bangalore from World Trade Centers Association, USA. WTC had a turnover of ₹ 297 Lakhs and a net profit of ₹ 72 Lakhs.

Prosperita Hotel Ventures Limited a wholly owned subsidiary of the Company, which is undertaking the construction of hotel project at the beginning of Old Mahabalipuram Road(OMR), Chennai. The construction works are in progress. The Hotel would be operated by Holiday Inn.

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 not registered income from operations and incurred a loss of ₹ 5 Lakhs.

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

Joint Ventures and Special Purpose Vehicle:

BCV Developers Private Limited, BCV Estates Pvt Ltd and CV Properties (Bangalore) Pvt Ltd are a 50:50 joint venture between the Company and Classic & Valmark Group which owns land of 130 acres in Devanahalli, Bangalore for the Brigade Orchards Project. This JV has generated revenues of ₹ 7 Lakhs and incurred a loss of ₹ 83 Lakhs.

Brigade Properties Private Limited is a 51:49 joint venture between the Company and Reco Begonia Pte. Limited a Special Purpose Vehicle of Government Investment Corporation (GIC), Singapore to develop 9.3 acres land located in the heart of Whitefield. The project was launched in October, 2013 and has received a very good response. The Company has registered an income of ₹ 139 Lakhs and incurred a loss of ₹ 415 Lakhs.

Statement relating to Subsidiaries

Pursuant to the general exemption granted by the Ministry of Corporate Affairs vide General Circular No.2/2011 dated February 08, 2011, the balance sheet, profit and loss account and other schedules thereto of subsidiary companies as prescribed under Section 212 of the Companies Act, 1956, have not been attached. As stipulated in the Circular, the Company has disclosed the requisite financial information of the subsidiaries in the Annual Report. Further, the annual accounts and the relevant information of the said subsidiaries shall be provided to the Members upon request and the same shall also be available for inspection on any working day during business hours at the registered office of the Company and the respective subsidiary companies.

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 deposit in terms of the provisions of Section 58A of the Companies Act, 1956, during the year under review.

Management Discussion & Analysis Report:

In accordance with the requirements of the Listing Agreement, the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

Demise of Dr. Anumolu Ramakrishna, Independent Director

The Board condoles the sad demise of Dr. Anumolu Ramakrishna, our beloved and respected Independent Director of the Company due to a massive heart attack on 20th August, 2013.

Dr. A Ramakrishna was an Independent Director on our Board and was associated with the Company for over 5 years. He was a renowned personality in the field of engineering and construction and we will miss his valuable guidance.

The Board wishes to place on record its appreciation for the contribution made by him.

It is a matter of pride for all of us that the late Dr. Anumolu Ramakrishna was awarded the Padma Bhushan by Government of India Posthumously for his contributions in the field of engineering.

Directors

As on date, the Board of Directors of the Company comprise of eight directors of which four are independent directors.

In terms Section 125 of the Companies Act, 2013, Mr. M.R. Gurumurthy, Non Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. P.M. Thampi, Non Executive Independent Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as an Independent Director for a consecutive term up to five years from the date of the ensuing Annual General Meeting.

Mr. P.V. Maiya & Dr. Srinivasa Murthy, Independent Directors of the Company needs to be re-appointed in terms of the provisions of the Companies Act, 2013.

Mr. Aroon Raman was co-opted on the Board as an additional director w.e.f. 29th October, 2013. He holds office up to the date of the ensuing annual general meeting. A member has proposed the appointment of Mr. Aroon Raman as an Independent Director of the Company for a consecutive term up to five years from the date of the ensuing Annual General Meeting.

The Notice convening the Annual General Meeting includes the proposals for the re-appointment of the Directors. Brief resumes of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and names of the companies in which they hold directorship/ membership/ chairmanship of the Board or Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges

have been provided as an annexure to the Notice convening the Annual General Meeting.

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

Board Committees

A detailed note on the Committees of the Board of Directors is given in the Corporate Governance Report forming part of the Annual Report.

Auditors

M/s. Narayanan, Patil & Ramesh, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company. They have been the Statutory Auditors of the Company from 1995.

The Board of Directors, subject to the approval of Members, have decided to change the statutory auditors. The change in the Statutory Auditor is proposed as a good corporate governance measure and in recognition of the regulatory changes under the Companies Act, 2013.

The Board of Directors are recommending the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration No: 101049W) as Statutory Auditors and accordingly a resolution proposing their appointment pursuant to Section 139 of the Companies Act, 2013 forms part of the Annual General Meeting notice.

M/s. Narayanan, Patil & Ramesh, have over the years maintained highest level of governance, rigour and conducted quality audits with the growing scale of business operations of the Company. The Board wishes to place on record its appreciation for the services rendered by M/s. Narayanan, Patil & Ramesh as Statutory Auditors of the Company.

Secretarial Audit

The Secretarial Audit Report for the year ended 31st March, 2014 issued by M/s. Jayasurya & Associates, Practicing Company Secretary confirming compliance with all the applicable provisions of Corporate Laws and the Listing Agreements is attached separately in the Annual Report.

Human Resources

Brigade Enterprises Limited is one of the leading Real Estate and Project Development companies in India with a total workforce of 498 as on 31st March, 2014. The Company believes that the only way it can excel is by empowering its people. Training and development is conducted regularly at all levels to enable employees to reach their individual goals and better align the same with the overall corporate goal. The Company aims to contribute to the overall development of its employees through extensive training and motivational programmes. The Board of Directors would like to express their appreciation to employees for their hard work, dedication & commitment.

As a part of the policy for Prevention of Sexual Harassment in the organisation, the Company has in place a Committee called "Complaints Redressal Committee" for prevention and

redressal of complaints on sexual harassment of women at work place in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and relevant rules there under. During the period under review, no complaints were received by the Committee.

Directors' Responsibility Statement:

The Director's Responsibility Statement, setting out compliance with the accounting and financial reporting requirements specified under Section 217(2AA) of the Companies Act, 1956, in respect of the financial statements, is furnished below and on behalf of the Board of Directors, 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, if any.
- 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 from M/s. Narayanan, Patil & Ramesh Chartered Accountants affirming compliance with the various conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement has been included as an attachment to this Report.

Code of Conduct

Pursuant to Clause 49 of the Listing Agreement, the declaration signed by the Chairman and Managing Director affirming compliance of the Code of Conduct by the Directors and senior management personnel of the Company for the financial year 2013-14 is annexed and forms part of the Directors' and Corporate Governance 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, are set out as an Annexure B to this report.

Awards and Recognitions

- Brigade Group's Brigade Meadows won the prestigious CNBC AWAAZ Real Estate Awards 2013, for "Best 50% Complete Residential project under Affordable Segment" in Bangalore.
- Mr. M. R. Jaishankar, Chairman & Managing Director of the Company was featured in the book 'Real Leaders'- a coffee table book on exemplary CSR Leaders in Real Estate by 100 communications, that was launched at The Indian Realty Awards - Newsmaker of the Year 2013.
- Brigade Group has been selected as one of "India's best companies to work for 2013" in the survey conducted by Great Place to Work Institute & The Economic Times for the third time in a row. The group secured the 52nd position (66th Position in 2012) in India's Best Companies to Work For – 2013 in which more than 550 companies participated in the survey. Further, the Group also ranked was 2nd in the Real Estate Industry (3rd position in 2012).

Acknowledgements:

Directors would like to place on record their appreciation to customers, vendors, banks, government authorities and associates for their continued unstinted support and co-operation for the year under review. The Board would like to thank the members and employees for their support and confidence reposed on the Company for taking the Company to the next level of growth

By order of the Board
For **Brigade Enterprises Limited**

Sd/-

M. R. Jaishankar

Chairman and Managing Director

Place: Bangalore

Date: 7th May, 2014

Disclosures as per Regulation 12.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March, 2014:

SI No.	Particulars	Disclosures																									
1	The total number of options granted (active options)	23,24,300																									
2	Pricing Formula	Discount to the market price on the date of issue of options																									
3	Options Vested	Nil																									
4	Options Exercised	Nil																									
5	Total number of equity shares arising as a result of exercise of option	Nil																									
6	Options lapsed	Nil																									
7	Variation of terms of options	N. A.																									
8	Money realised by exercise of options	Nil																									
9	Total number of options in force	23,24,300																									
10	Employee wise details of option granted during the financial year 2013-14:																										
a.	Senior Managerial Personnel(CXOs & above).	6,63,700																									
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of the options granted during the year.	Nil																									
c.	Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of the grant.	Nil																									
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with {Accounting Standard (AS) 20 "Earnings Per Share"}	7.99																									
12.	Where the company calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of options and the impact of the difference on profits and EPS of the Company	The Company has calculated the employee compensation cost using the intrinsic value of the stock options measured by a difference between the fair value of the underline equity shares at the grant date and exercise price. Had the compensation cost be determined in a manner consistent with the fair valuation method, based on Black-Scholes model, the employee compensation cost would have been higher by 41 lakhs & proforma profit after tax would have been lower by 41 lakhs. On a proforma basis the basic and diluted EPS would have been 7.96.																									
13	Weighted average exercise price and weighted average fair value of options whose exercise price is equals or exceeds or is less than the market price of the stock	Exercise Price = ₹ 50/- per equity share. Weighted Average Fair Value of Options is ₹ 20.18																									
14	Description of the method and significant assumptions used during the year to estimate the fair value of the options	The Company has used the Black-Scholes model for computation of fair valuation. Significant assumptions used at the time of grant are as under: <table><tr><td></td><td>Year 1</td><td>Year 2</td><td>Year 3</td><td>Year 4</td></tr><tr><td>Dividend Yield (%)</td><td>2.65</td><td>2.65</td><td>2.65</td><td>2.65</td></tr><tr><td>Expected life (no. of years)</td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td>Risk free interest rate (%)</td><td>9.86</td><td>9.02</td><td>8.96</td><td>9.03</td></tr><tr><td>Volatility(%)</td><td>51.62</td><td>49.92</td><td>46.93</td><td>44.70</td></tr></table>		Year 1	Year 2	Year 3	Year 4	Dividend Yield (%)	2.65	2.65	2.65	2.65	Expected life (no. of years)	1	2	3	4	Risk free interest rate (%)	9.86	9.02	8.96	9.03	Volatility(%)	51.62	49.92	46.93	44.70
	Year 1	Year 2	Year 3	Year 4																							
Dividend Yield (%)	2.65	2.65	2.65	2.65																							
Expected life (no. of years)	1	2	3	4																							
Risk free interest rate (%)	9.86	9.02	8.96	9.03																							
Volatility(%)	51.62	49.92	46.93	44.70																							

Annexure B

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.,

- Design of Energy Efficient Buildings by carrying out Energy & Fresh Air Modeling.
 - Installation of energy efficient CFL and LED lamps / lights in Common areas of the Buildings, Street lights & for Landscape Lightings.
 - Daylight sensors are used to optimize the use of energy efficient lighting systems.
 - Use of occupancy sensors in sparingly used areas in the buildings, viz., Rest Rooms, Change Rooms, Corridors, Staircase, etc.
 - The Window (glazing) to Wall Ratio (WWR) is minimized to less than 40% to reduce energy consumption for Air Conditioning / Cooling.
 - Use of double glazed glass as building material to maximize 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.
 - Non-air conditioned buildings are designed with cross ventilation to minimize the dependency on fans, coolers, split air conditioners, etc.
 - Utilization of solar energy wherever possible for water heating and lighting in all the projects of the company.
 - Energy efficient Lifts and Pumps.
 - Use of Energy efficient Water Cooled 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.
 - 100% of the sewage effluent generated from the all the projects of the Company is treated in state-of-the-art Sewage Treatment Plant and is made fit for reuse for toilet flushing and landscaping. This reduces the dependency on municipal water supply which is pumped from far off location; indirectly saving energy and fresh water.
 - Treated sewage effluent is also used for cooling towers in all the commercial buildings of the Company.
 - 100% rainwater harvesting systems are installed in all Company projects to conserve water & energy.
- (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 mechanized 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 standardized 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:

(₹ in Lakhs)		
Particulars	2013-14	2012 – 13
Inflow:		
Advance for Sale of Units, Lease deposits & Rentals	4,239	6,996
Outflow:		
i. Branch expenses	345	323
ii. Professional charges	388	214
iii. Consultation Fees	196	113
iv. Marketing	68	181
v. Others	128	355

By order of the Board
For **Brigade Enterprises Limited**
Sd/-

Place: Bangalore
Date: 7th May, 2014

M. R. Jaishankar
Chairman and Managing Director

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 & levels of transparency, accuracy, accountability and reliability on 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 2014 is as follows:

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of 8 directors as on 31st March, 2014 who have expertise in their respective fields.

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 Directors	Mr. M.R. Jaishankar	Chairman & Managing Director	2	25
	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	Director	2	25
	Mr. M.R. Shivram	Director		
Independent Non-Executive Directors	Mr. P.V. Maiya	Director	4	50
	Mr. P.M. Thampi	Director		
	Mr. Aroon Raman	Director		
	Dr. Srinivasa Murthy	Director		
Total			8	100

Dr. A Ramakrishna, independent director of the Company reached the heavenly abode on 20th August 2013 due to a massive heart attack and Mr. Aroon Raman was appointed as an additional director of the Company on 29th October, 2013.

BOARD MEETINGS

The details of the Board Meetings held in the financial year 2013-2014 are as follows:

S. No.	Date
1	Tuesday, 7 th May, 2013
2	Wednesday, 31 st July, 2013
3	Tuesday, 29 th October, 2013
4	Wednesday, 29 th January, 2014

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 the Director	Board meetings attended in the financial year 2013-2014	Attendance in the 18 th Annual General Meeting held on 31 st July, 2013	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies	
				Chairman	Member
Mr. M.R. Jaishankar	4	Yes	3	Nil	Nil
Ms. Githa Shankar	4	Yes	2	Nil	Nil
Mr. M.R. Gurumurthy	3	Yes	Nil	Nil	Nil
Mr. M.R. Shivram	4	Yes	Nil	Nil	Nil
Mr. P.V. Maiya	4	Yes	2	1	1
Mr. P.M. Thampi	4	Yes	2	Nil	2
Dr. A. Ramakrishna	2	Yes	11	1	7
Dr. Srinivasa Murthy	4	Yes	2	1	1
*Mr. Aroon Raman	1	No	4	Nil	1

*Inducted on the Board as Additional Director wef. 29th October, 2013.

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 2014. A declaration to this effect by the Chairman & Managing Director of the Company is annexed to this report. The Code of Conduct has also been posted on the website of the Company.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter in the first meeting of the Board in each financial year give a declaration that they meet the criteria of independence as provided under clause 49 of the Listing Agreement.

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. All the members of the Committee possess accounting / financial expertise/ exposure.

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 utilized 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 7th May, 2013, 31st July, 2013, 29th October, 2013 and 29th January, 2014.

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	4
2.	Mr. P.M. Thampi	Member	4
3.	Mr. M.R. Gurumurthy	Member	3
4.	*Mr. Aroon Raman	Member	2

* Mr. Aroon Raman replaced the Late Dr. A. Ramakrishna as a member of the audit committee wef. 29th October, 2013.

Company Secretary is the Secretary of the Committee.

COMPENSATION COMMITTEE

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

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 for the financial year 2013-14 were as follows:

Sl.No.	Name	Position	Attendance
1.	Mr. P.M. Thampi	Chairman	4
2.	Mr. P.V. Maiya	Member	4
3.	Mr. Aroon Raman	Member	1

Company Secretary is the Secretary of the Committee.

During the year, Compensation Committee meetings were held on 7th May, 2013, 31st July, 2013, 29th October, 2013 and 29th January, 2014.

The details of remuneration paid /payable to the Directors for the year ended on 31st March, 2014 are as follows:

Name of the Director	Salary & Perquisites (₹)	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. M.R. Jaishankar	48,00,000	Nil	5,53,93,556	6,01,93,556
Ms. Githa Shankar	48,00,000	Nil	1,92,92,458	2,40,92,458
Mr.M.R. Gurumurthy	Nil	60,000	Nil	60,000
Mr. P.V. Maiya	Nil	1,80,000	10,00,000	11,80,000
Mr. M.R. Shivram	Nil	80,000	Nil	80,000
Mr. P.M. Thampi	Nil	1,60,000	10,00,000	11,60,000
Dr. A. Ramakrishna	Nil	60,000	Nil	60,000
Dr. Srinivasa Murthy	Nil	80,000	10,00,000	10,80,000
Mr. Aroon Raman	Nil	30,000	10,00,000	10,30,000

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:

7th May, 2013, 31st July, 2013, 29th October, 2013 and 29th January, 2014.

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

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

Company Secretary is the Secretary to the Committee

All the complaints except one were redressed as on 31st March, 2013. A total of 327 complaints/ queries were received during the year ended 31st March 2014. All the complaints received during the year were redressed except one complaint.

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	4
2.	Mr. P.M. Thampi	Member	4
3.	Mr. P.V. Maiya	Member	2

Company Secretary is the Secretary of the Committee.

During the year Committee of Directors meetings were held on 17th June, 2013, 7th September, 2013, 20th December, 2013 and 12th February, 2014.

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-materialization 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 networth 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.

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
2012-13	18	Wednesday, 31 st July, 2013 at 10:30 a.m.	MLR Convention Center, Brigade Millennium, 7 th Phase, J P Nagar, Bangalore-560076
2011-12	17	Tuesday, 7 th August, 2012 at 10:00 a.m.	Chowdaiah Memorial Hall, Gayathri Devi Park extension, 16 th Cross, Malleswaram, Vyalikaval, Bangalore-560003
2010-11	16	Thursday, 11 th August, 2011 at 10:00 a.m.	MLR Convention Centre, No.9, 4 th Cross Road, Whitefield Road, Mahadevapura, Bangalore-560048

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

AGM	AGM date	Special Resolutions passed through show of hands
18	31 st July, 2013	i) Approval of Remuneration not exceeding 1% of net profits of the Company for a Period of 5 Years w.e.f. 1 st April, 2013 to Independent Directors.
17	7 th August, 2012	i) Reappointment of Mr.M.R.Jaishankar as Managing Director for a period of 5 years w.e.f. 1 st April, 2012 ii) Reappointment of Ms.Githa Shankar as Wholetime Director for a period of 5 years w.e.f. 1 st April, 2012.
16	11 th 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

EXTRAORDINARY GENERAL MEETING

There were no extraordinary general meetings held during the year.

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 Company is in the regime of unqualified financial statements. There is no audit qualification.
- 4) 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 Newspaper and "Vijay Karnataka / Kannada Prabha / Vijayavani" – 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. All other official news and press releases are displayed on the same website.

Detailed Presentations are made to Investors/ Financial Analysts on the unaudited quarterly financial results as well as the annual audited financial results of the Company. These Presentations are also uploaded on the Company's website www.brigadegroup.com.

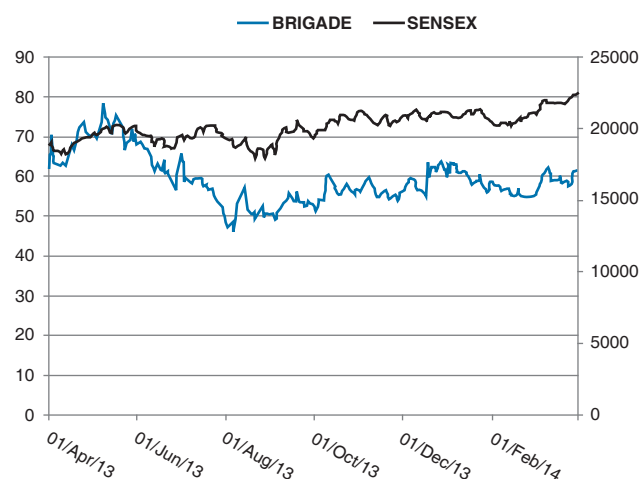
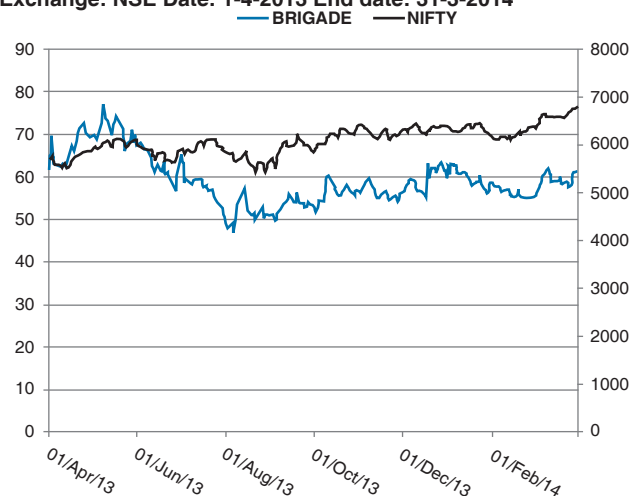
INFORMATION TO SHAREHOLDERS

1	Registration Details	Company is registered in the State of Karnataka and The Corporate Identity Number allotted by Ministry of Corporate Affairs (MCA) is L85110KA1995PLC019126
2	Registered Office	29 th & 30 th Floors, World Trade Center Brigade Gateway Campus, 26/1, Dr.Rajkumar Road Malleswaram-Rajajinagar, Bangalore – 560055
3	Compliance Officer	P. Om Prakash
4	Date, time & venue of the 19 th AGM :	Tuesday, 5 th August, 2014 at 11.00 a.m. The Atria Hotel, P.B. No. 5089, No. 1, Palace Road, Bangalore - 560001
4	Financial Year	2013-2014
5	Date of Book Closure	29 th July, 2014 to 5 th August, 2014 (both days inclusive)
6	Dividend	The Board of Directors of the Company have recommended a dividend of ₹ 2/- (20%) 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 28 th July, 2014.
7	Listing in Stock Exchanges:	The Equity Shares of the Company are listed in the following Stock Exchanges: National Stock Exchange of India Limited BSE Limited
8	Stock Code	BSE Limited – 532929 National Stock Exchange of India Limited – BRIGADE, series-EQ BE
9	Listing Fees:	Listing Fees as prescribed has been paid fully to all the Stock Exchanges where the shares of the Company are listed.

10. 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, 2013 to 31st March, 2014 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	68.00	54.05	396545	67.60	54.15	128465

Exchange: BSE Date: 1-4-2013 End date: 31-3-2014**Exchange: NSE Date: 1-4-2013 End date: 31-3-2014****11 Dematerialisation of shares**

The ISIN for the Equity Shares of the Company is INE79101019. A total of 10,69,13,072 Equity Shares aggregating to 95.24% of the total shares of the Company are in dematerialised form as on 31st March 2014.

12 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: raju.sv@karvy.com

13 Distribution of Shareholding as on 31st March, 2014

Category (Amount)	No. of Shareholders	%	Amount (₹)	%
1 - 5000	72742	97.61	41872510	3.73
5001 - 10000	906	1.22	7076130	0.63
10001 - 20000	411	0.55	6041310	0.54
20001 - 30000	131	0.17	3382550	0.30
30001 - 40000	67	0.09	2391120	0.22
40001 - 50000	34	0.05	1554080	0.14
50001 - 100000	88	0.12	6541580	0.58
100001 & Above	144	0.19	1053660120	93.86
Total	74523	100.00	1122519400	100

14 Categories of Shareholders as on 31st March 2014

Category	No. of Shares	% to Total Shares
Promoters & their Relatives	64734256	57.67
Mutual Funds	420925	0.37
Banks, Financial Institutions	1051537	0.93
Foreign Institutional Investors	4664673	4.15
Non Resident Indians	292585	0.26
Indian Companies	2628126	2.34
HUF	512866	0.46
Indian Public	37779334	33.67
Trusts	665	0.00
Clearing Members	166973	0.15
Total	11,22,51,940	100.00

Promoters / Promoter group haven't pledged any equity shares of the Company held by them in the Company in the financial year 2013-14.

15 Equity Shares in the Suspense Account

In terms of Clause 5A (I) of the Listing Agreement, the Company reports the following details relating to the shares held in a suspense account which were issued in demat form.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	54	2023
Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year:	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	54	2023

The voting rights on the shares outstanding in the suspense account as on 31st March, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

18. Financials Release Dates for 2014-15

Quarter	Release Date (tentative & subject to change)
1 st Quarter ending 30 th June 2014	Fourth week of July 2014
2 nd Quarter ending 30 th September 2014	Fourth week of October, 2014
3 rd Quarter ending 31 st December 2014	Fourth week of January, 2015
4 th Quarter ending 31 st March 2015	First week of May 2015

Internet access: 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.

Email Id for Investor Grievances

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

Place: Bangalore

Date : 7th May, 2014

Auditors' 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, 2014 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 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 Reg No. 002395S

L.R. Narayanan
Partner

Place: Bangalore
Date: 7th May, 2014

Membership No.200/25589

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 - 560055

This is to certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year 2013-2014 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 2013-2014.

For Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

Place: Bangalore
Date : 7th May, 2014

K. Suresh
Chief Financial Officer

Secretarial Audit Report

BRIGADE ENTERPRISES LIMITED

29th & 30th Floors
World Trade Center
No. 26/1, Dr. Rajkumar Road
Malleswaram - Rajajinagar
Bangalore – 560 055.

We have examined the registers, records and documents of M/s Brigade Enterprises Limited ("The Company") for the financial year ended on 31st March 2014, according to the provisions of:

- A. The Companies Act, 1956 and the rules made under the Act;
- B. The Depositories Act, 1996 and Regulations and Bye-laws framed under the Act;
- C. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as well as SEBI (Acquisition of Shares & Takeovers) Regulations, 2011.
- D. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- E. The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited.

[I] In our opinion, based on test checks carried out by us, verification of records produced to us and according to the information furnished to us by the Company, its Company Secretary and Officers, the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

- 1) maintenance of various Statutory Registers and documents and making necessary entries therein;
- 2) filing of the requisite forms and returns with the Registrar of Companies, Karnataka, Bangalore and Central Government within the time prescribed under the Act and Rules made there under;
- 3) service of documents by the Company on its Members, Auditors, Debenture Holders and Debenture Trustees;
- 4) closure of Register of Members and Share Transfer Books of the Company from 24th July, 2013 to 31st July, 2013 (both days inclusive);
- 5) convening and holding of the meetings of Directors and Committees of the Directors including passing of the Resolutions by Circulation;
- 6) convening and holding of 18th Annual General Meeting on 31st July, 2013;

- 7) approval of shareholders obtained through Postal Ballot Process;
- 8) minutes of the proceedings of the General Meeting and Meetings of the Board and its Committees were properly recorded in loose leaf form, which are being bound on book form at regular intervals;
- 9) appointment and remuneration of Auditors and Cost Auditors;
- 10) transfers and transmission of shares and issue and delivery of original and duplicates of shares: dematerialization/re-materialization of shares;
- 11) composition and terms of reference of Audit Committee, Investors Grievances Committee and Compensation Committee;
- 12) declaration and payment of dividend;
- 13) transfer of amounts due under the Act to the Investor Education and Protection Fund;
- 14) payment of interest on the debentures and redemption of debentures;
- 15) investment of Company's funds including inter corporate loans and investments and loans to others;
- 16) giving guarantees in connection with loans taken by subsidiaries and associate companies;
- 17) borrowings and registration, modification and satisfaction of charges;
- 18) deposit of both the employees and employers contribution relating to Provident Fund with the Trusts created for the purpose;
- 19) form of Balance Sheet, Statement of Profit and Loss Account and disclosures to be made therein as per the revised Schedule VI to the Act issued by the Ministry of Corporate Affairs;
- 20) contracts, Common Seal, Registered Office and publication of name of the company; and
- 21) generally, all other applicable provisions of the Act and the Rules made there under that Act.

[II] We further state that :

- 1) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
- 2) The Directors have complied with the disclosure requirements in respect of their eligibility of

- appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;
- 3) The Company has obtained all necessary approvals under the various provisions of the Act; and
 - 4) There was no prosecution initiated and no fines or penalties were imposed during the year under the Companies Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulation and Guidelines framed under these Acts against/on the Company, its Directors and Officers.
- III. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization/rematerialisation of securities and reconciliation of records of dematerialization securities with all securities issued by the Company.
- IV. We further report that:
- 1) The Company has complied with all the requirements under the Listing Agreement executed with the BSE Limited and National Stock Exchange Limited;
 - 2) The Company has complied with the provisions of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as well as SEBI (Acquisition of Shares & Takeovers) Regulations, 2011 including the provisions with regard to disclosure and maintenance of records required under the regulations;
 - 3) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including provisions with regard to disclosures and maintenance of records required under the regulations.

For **H JAYASURYA & ASSOCIATES**

(Company Secretaries)

Sd/-

(CS H. Jayasurya)

Proprietor

C. P. No. 47

Place : Bangalore

Date : 7th May, 2014

Independent Auditors' Report on Financial Statements

To the Members of **BRIGADE ENTERPRISES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **BRIGADE ENTERPRISES LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Narayanan, Patil and Ramesh

Chartered Accountants

Firm Regn No.002395S

L.R. Narayanan

Partner

Membership Number: 200/25588

Place: Bangalore

Date: 7th May, 2014

Annexure Independent Auditors' Report

Annexure referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements** of the Independent Auditors' Report to the members of **Brigade Enterprises Limited** on the accounts for the year ended 31st March, 2014.

- (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 and has been properly dealt with in books of account.
- (iii) (a) The company has granted loans to 13 parties covered in the register maintained under Section 301 of the Companies Act, 1956 (the Act). The maximum amount outstanding during the year was ₹ 41,031 lakhs and the year end balance of such loans amounted to ₹ 29,655 lakhs. Other than the above, the company has not granted any loans, secured or unsecured, to companies, firms or parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the bodies corporate listed in the register maintained under Section 301 of the Act are not , prima facie, prejudicial to the interest of the Company.
- (c) In the case of the loans granted to the bodies corporate listed in the register maintained under Section 301 of the Act, the borrowers have been regular in the payment of the interest, if any, as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii) (c) of the order is not applicable to the Company in respect of repayment of the principal amount.
- (d) There are no overdue amounts of more than ₹ 1 lakh in respect of the loans granted to the bodies corporate listed in the register maintained under Section 301 of the Act.
- (e) The company has taken loans from 4 companies covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was ₹1,127 lakhs and the year end balance of such loans amounted to ₹ 54 lakhs. Other than the above, the company has not taken any loans, secured or unsecured, from companies, firms or parties covered in the register maintained under Section 301 of the Act.
- (f) In our opinion, the rate of interest and other terms and conditions on which the loans have been taken from bodies corporate listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (g) In the case of the loans taken from the bodies corporate listed in the register maintained under Section 301 of the Act, the company has been regular in the payment of the interest, if any, as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii) (g) of the order is not applicable to the Company in respect of repayment of the principal amount.
- (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 and services. 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 ₹ 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 the 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.
- (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 except for some delays.
- (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 31.03.2014 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 2014, which have not been deposited on account of a dispute pending are as under:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax on Import of Services	96,99,396/-	For the period from April, 2004 to March, 2006	Customs, Excise, and Service Tax Appellate Tribunal
Service Tax	Notification Benefit Denial	15,76,522/-	For the period from April, 2006 to March, 2008.	Customs, Excise, and Service Tax Appellate Tribunal
Service Tax	Service Tax on certain Leases	81,19,457/-	For the period from April, 2006 to March, 2008.	Customs, Excise, and Service Tax Appellate Tribunal
Value Added Tax	Works Contract Tax	2,00,49,582/-	For the AY 2008-09	The Joint Commissioner of Commercial Taxes (Appeals -2)
Income Tax Act	Disallowance u/s 14A.	1,25,27,272/-	Assessment Year 2009-10	Income Tax Appellate Tribunal
Income Tax Act	Disallowance of Deduction u/s 80-IB and expenditure u/s 14A.	12,70,83,680/-	Assessment Year 2010-11 and 2011-12	Commissioner of Income Tax (Appeals)

*net of amounts paid under protest

- (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.
- (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.
- (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.
- (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.
- (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.

- (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.
- (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.
- (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.

(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.

(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.

(xx) The Company has not raised any monies by way of public issues during the year.

(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.

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

L.R. Narayanan
Partner

Membership Number: 200/25588

Place: Bangalore
Date: 7th May, 2014

Balance Sheet as at 31st March, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	11,225	11,225
Employee stock option outstanding		128	-
Reserves and surplus	4	115,945	109,585
		127,298	120,810
NON-CURRENT LIABILITIES			
Long-term borrowings	5	63,491	77,958
Deferred tax liabilities (net)	6	3,550	2,646
Other long-term liabilities	7	10,429	9,608
Long-term provisions	8	225	42
CURRENT LIABILITIES			
Short-term borrowings	9	1,639	2,974
Trade payables	10	9,615	7,820
Other current liabilities	11	74,223	49,612
Short-term provisions	12	5,080	3,765
TOTAL		295,550	275,235
ASSETS			
NON-CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	13-A	116,053	98,475
Intangible assets	13-B	737	791
Capital work-in-progress	13-C	18,793	35,623
Non-current investments	14	13,300	9,229
Long-term loans and advances	15	30,738	35,051
Other non-current assets	16	337	336
CURRENT ASSETS			
Inventories	17	71,245	60,298
Trade receivables	18	3,501	1,557
Cash and cash equivalents	19	4,053	3,507
Short-term loans and advances	20	36,696	30,150
Other current assets	21	97	218
TOTAL		295,550	275,235
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 Reg. No. 002395S

L.R. NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014

For and on behalf of Board

M. R. JAISHANKAR

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
INCOME :			
Revenue from operations	22	89,524	77,611
Other income	23	2,053	1,201
Total		91,577	78,812
EXPENSES:			
Project and direct expenses	24	43,435	27,682
Changes in inventories of finished goods		8,260	16,793
Employee benefit expenses	25	6,580	6,601
Depreciation and amortisation expenses		7,767	7,224
Finance costs	26	6,880	8,288
Other expenses	27	6,648	6,222
TOTAL		79,570	72,809
Profit / (loss) before extraordinary items and tax		12,007	6,004
Exceptional and extraordinary items		291	-
Profit / (loss) before tax		12,298	6,004
Tax expense			
Current tax		2,412	1,199
Deferred tax		904	627
Wealth tax		2	2
MAT entitlement			
Current year		-	(625)
Prior years		-	(1,625)
Total tax expense		3,318	(422)
Profit/(Loss) for the year		8,980	6,426
Earnings per equity share			
- basic (₹)		8.00	5.72
- diluted (₹)		7.99	5.72
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statement			

As per our report of even date

For **NARAYANAN, PATIL AND RAMESH**

Chartered Accountants

Firm Reg. No. 002395S

L.R. NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014

For and on behalf of Board

M. R. JAISHANKAR

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	12,007	6,003
Adjustments for:		
Depreciation and amortisation	7,767	7,224
(Profit) / loss on sale / write off of assets	(791)	(195)
Expense on employee stock option scheme	13	-
Finance costs	11,493	11,971
Interest income	(140)	(172)
Dividend income	(18)	(13)
Liabilities / provisions no longer required written back	(11)	-
Adjustments to the carrying amount of investments	(127)	(94)
Provision for doubtful trade and other receivables, loans and advances	-	14
	18,186	18,735
Operating profit / (loss) before working capital changes	30,193	24,738
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(10,947)	5,565
Trade receivables	(1,944)	1,746
Short-term loans and advances	(4,185)	4,542
Long-term loans and advances	4,314	(17,715)
Other current assets	121	(87)
Other non-current assets	114	1
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,806	(3,300)
Other current liabilities	23,942	(2,057)
Other long-term liabilities	820	(2,637)
Short-term provisions	(1,749)	544
Short-term borrowings	(1,335)	1,976
Long-term provisions	183	(194)
	11,140	(11,616)
Extraordinary items	291	-
Cash generated from operations	41,624	13,122
Net income tax (paid) / refunds	(2,361)	(592)
Net cash flow from / (used in) operating activities (A)	39,263	12,530
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(13,288)	(4,876)
Proceeds from sale of fixed assets	5,618	352
Purchase of long-term investments		
- Subsidiaries	(1,195)	(7,070)
- Joint ventures	(250)	-
- Others	(2,500)	-
Proceeds from sale of long-term investments	-	-
- Others	1	-
Interest received		
- Others	140	172

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Dividend received		
- Associates	18	
- Others	-	13
Net cash flow from / (used in) investing activities (B)	(11,456)	(11,409)
C. Cash flow from financing activities		
Proceeds from borrowings	30,677	50,490
Repayment of borrowings	(44,475)	(38,107)
Finance cost	(11,493)	(11,971)
Dividends paid	(1,684)	(1,684)
Tax on dividend	(286)	(273)
Net cash flow from / (used in) financing activities (C)	(27,261)	(1,545)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	546	(424)
Cash and cash equivalents at the beginning of the year	3,507	3,931
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the end of the year	4,053	3,507
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	4,053	3,507
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	4,053	3,507
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
Cash and cash equivalents at the end of the year *	4,053	3,507
*Comprises:		
(a) Cash on hand	588	33
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	1,717	545
(ii) In EEFC accounts	474	-
(iii) In deposit accounts	1,274	3,013
	4,053	3,590

See accompanying notes forming part of the financial statements

As per our report of even date

For **NARAYANAN, PATIL AND RAMESH**

Chartered Accountants

Firm Reg. No. 002395S

L.R. NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014

For and on behalf of Board

M. R. JAISHANKAR

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

Notes to Financial Statements for the year ended 31st March 2014

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 and Hospitality and is primarily focused on the development of residential and commercial properties; building and management of Hospitality projects and development of commercial properties that yield Lease income in South India.

BEL is engaged in residential, commercial, retail and hospitality segments. The residential properties developed by BEL include integrated lifestyle enclaves and apartment buildings. The commercial properties developed by BEL include state of the art office spaces, software and IT Parks, SEZs Malls with entertainment facilities, such as multiplexes. The properties in the hospitality sector developed by BEL include serviced residences, hotels, spas, recreational clubs and convention centres in Bangalore and other parts of South India.

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.

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 recognized 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 Realizable Value. The cost is generally calculated on FIFO basis.
- b. Valuation of inventories, representing food and beverages, held at Brigade Sheraton at Gateway and Grand Mercure has been done after providing for obsolescence, if any, at lower of Cost or Net Realizable Value. The cost is generally calculated on Weighted Average basis.
- c. The value of construction work-in- progress during the period is determined as an aggregate of opening work in progress, cost of construction, direct construction overheads and other direct overheads incurred during the year as reduced by cost of completed contract transferred to income and closing stock of materials, if any.
- d. 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.
- e. Land held for development, Work in Progress and Closing Stock of unsold units is valued at Cost or Net Realizable 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 cognizance.

2.7. Depreciation:

Depreciation in respect of tangible and intangible fixed assets, is provided adopting Written down Value Method at the rates

provided under Schedule XIV to the Companies Act, 1956, except in respect to certain assets, depreciation is charged on Straight Line Method based on the useful life as estimated by the management 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
Wood rose Club	25 Years	5 Years	5 Years
Homestead – 2	25 Years	5 Years	5 Years
Grand Mercure	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

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

2.8. Revenue Recognition:

Income from contractual Real Estate projects is determined and recognized, 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 recognized 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 recognized as contract revenue during the period is based on the lower of stage of completion as determined above and actual amount received on sale (pursuant to agreements entered into by the Company). Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level (excluding land cost), which is estimated to be at least 25% and 25% of saleable project area is secured by agreements with buyer as well as 10% of total revenue as per agreement of sale are realised as on the reporting date.

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.

Interest received from customers for delayed payments of instalment is recognized on receipt basis.

Commission, management fees and other fees receivable for services rendered are recognized on the completion of such services and when the right to receive such income is established.

Revenues in respect of sale of completed units, 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 from Buyers including Deposits and the related expenses incurred are recognized, subject to final reconciliation, in the year of completion of the project / handing over of the flats to the customers.

In respect of Hospitality operations, revenue from rooms, restaurants, banquets and other services comprising 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, is recognized upon rendering of the services.

2.9. Fixed Assets:

Tangible:

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation and impairment loss, 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.

Intangible:

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

2.10 Foreign Currency Transaction:

Foreign currency translation are recorded in reporting currency at exchange rates prevailing on the date of transactions. Exchange gain or loss arising on settlement are adjusted to the statement of profit and loss. All monetary items denominated in foreign currency are converted at the rates prevailing on the date of the Financial Statement.

Forward exchange contracts to hedge risks associated with foreign currency fluctuations that are outstanding at the end of the year are accounted in accordance with Accounting standard 11 and the resultant loss if any is recognised in the Profit and loss account.

2.11 Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as Long Term Investments. Long Term Investments are carried at the cost, and a provision for diminution in value in investments is made to recognize a decline, other than temporary, in the value of the investments. Investments other than long term investments being current investments are carried at the lower of cost or fair value.

Investments, which are readily realizable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

2.12 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 costs of bonus are recognized in the period in which the employee renders the related services.

b. Post-Employment Benefits:**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 recognized during the period in which employee renders the related service.

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 recognizes 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.

- c. The employees of the company are eligible for compensated absences which are accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected as a result of the unused entitlement.

d. Employee stock option scheme:

The employee share based payments are accounted on the basis of 'intrinsic value of option' representing the excess of the market price on the date of grant over the exercise price of the shares granted under the 'Employee Stock Option Scheme' of the Company and is amortised as deferred employees compensation on a straight line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India.

2.13 Borrowing Costs:

Borrowing costs attributable to acquisition and construction of assets are capitalized as part of the cost of such assets up to the date the asset is put to use.

Borrowing cost incurred for ongoing projects are considered as part of project cost.

Other borrowing costs are charged as expense in the year in which these are incurred.

2.14 Segment reporting:

The company identifies primary segments based on the dominant source, nature of risks and returns and internal organization 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.

2.15 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.

2.16 Provision for Taxation:

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

Deferred Tax is recognized, 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.

2.17 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.

2.18 Provisions and Contingent Liabilities:

Provision is recognized 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 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.

2.19 Amortization of Miscellaneous Expenditure:

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

Note 3 — Share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Authorised		
150,000,000 (31 March 2013: 150,000,000) Equity shares of ₹ 10 each	15,000	15,000
Issued , Subscribed & Paid Up		
112,251,940 (31 March 2013: 112,251,940) Equity Shares of ₹10/- each	11,225	11,225
Total	11,225	11,225

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

Equity shares

Particulars	Equity shares	
	As at 31 March, 2014	As at 31 March, 2013
Shares outstanding at the beginning of the year	112,251,940	112,251,940
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	112,251,940	112,251,940

Details of shareholders' holding equity shares more than 5%

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	No. (in Lakhs) of shares held	% of holding	No. (in Lakhs) of shares held	% of holding
M R Jaishankar	230	21%	230	21%
Githa Shankar	187	17%	187	17%
Nirupa Shankar	93	8%	93	8%

The company has not issued any bonus shares during the period of 5 years immediately preceeding the reporting date.

Disclosures Pursuant to Guidance Note on ESOP

The Company instituted an Employees Stock Option Scheme ('ESOP 2011') pursuant to the Compensation Committee and Shareholders' resolution dated October 29, 2013 and August 11, 2011 respectively. As per ESOP 2011, the Company granted 23,24,300 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The employee will have the option to exercise the right within five years from the date of vesting of options. Under ESOP 2011, a total of 23,24,300 options have been granted. The options under this grant would vest to the employees equally as 25% of the total grant every year at the end of first, second, third and fourth year from the date of the grant respectively, with an exercise period of five years from the date of respective vesting.

The vesting conditions include completion of one, two, three and four years of service. These options are exercisable at a price of ₹ 50/- which would be a discount to the market price of Company's shares on the date of grant. Options under the plan are granted to be vested over a period of four years and are settled by Equity Shares being allotted to the beneficiary, upon exercise.

The Company uses the intrinsic value method for determination of the employee stock compensation expense, the impact on the reported net profit and earnings per share under the fair value approach is as given below:

Particulars	2013-14
Net Profit after Taxes (₹ in Lakhs)	8,980
Add: Employee Stock compensation under Intrinsic Value (₹ in Lakhs)	13
Less: Employee Stock compensation under Fair Value (₹ in Lakhs)	54
Proforma Profit (₹)	8,939
EPS-Basic-As Reported (₹)	8.00
As per Proforma Profit (₹)	7.96
EPS-Diluted-As Reported (₹)	7.99
As per Proforma Profit	7.96

The following information relates to the Employee Stock Options as on March 31, 2014

Particulars	Number of Options	Weighted average Exercise Price	Weighted average Contractual life of options as on date of Grant
Outstanding at the beginning of the year	Nil		
Add: Options Granted During the Year	2,324,300	50	7.08
Less: Lapsed / forfeited / cancelled during the year	Nil		
Outstanding at the end of the year	2,324,300	50	7.08
Exercisable at the end of the year	Nil		
Exercised during the year	Nil		

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model as follows

Particulars	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting
Weighted Average Remaining Contractual Life in options (Years)	1	2	3	4
Weighted Average Exercise Price	50.00	50.00	50.00	50.00
Historical Volatility	51.62%	49.92%	46.93%	44.70%
Life of the options granted (vesting and exercise period) in years	1	2	3	4
Expected dividends per share	1.5	1.5	1.5	1.5
Average risk-free interest rate	9.86%	9.02%	8.96%	9.03%
Expected dividend yield	2.65%	2.65%	2.65%	2.65%

Note 4 — Reserves and surplus

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
a. Securities premium account		
Balance at the beginning of the reporting period	68,572	68,572
Balance at the end of the reporting period	68,572	68,572
b. General reserve		
Balance at the beginning of the reporting period	6,875	6,278
Add: amount transferred from surplus balance in the statement of profit and loss	674	321
Add: Transfer from "Surplus in the statement of profit and loss" towards capital F & FE reserve	320	276
Balance at the end of the reporting period	7,869	6,875
c. Surplus in the statement of profit and loss		
Balance at the beginning of the reporting period	34,138	30,280
Add: profit / (Loss) for the current year	8,980	6,425
Less: Profit transferred to General Reserve	674	321
Less: Appropriation towards Proposed Dividend	2,245	1,684
Less : Appropriation towards tax on Proposed Dividend	375	286
Less: Transfer to General Reserve towards capital F & FE reserve	320	276
Net surplus in the statement of profit and loss	39,504	34,138
Total of reserves and surplus (a + b + c)	115,945	109,585

Note — 5 Long-term borrowings

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Term loans from banks Secured					
Allahabad Bank	Secured by Assignment of future Rent Receivables and equitable mortgage of land and building of Orion Mall at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan is further secured by personal guarantee of Chairman & Managing Director Mr. M.R. Jaishankar. The loan is repayable in 120 monthly installments, commencing from 30 April 2012.	18,347	20,235	1,753	1,383
Allahabad Bank	Secured by Assignment of future Rent Receivables of Orion Mall situated at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore; and Supplemental Mortgage of the land measuring 2,99,200.56 sq.ft forming part of larger property bearing Municipal No.26/1 popularly called Brigade Gateway situated in Subramanyanagar, Malleswaram West, Bangalore together with the buildings and other structures (Orion Mall) standing thereon. The loan is further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is further secured by Corporate Guarantee of M/s Brigade Hospitality Services Limited. The loan is repayable in 120 monthly installments, commencing from April 2013.	5,097	5,460	327	250
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. The loan is further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is repayable in 95 monthly installments, commencing from 31 October 2010.	1,487	1,995	483	391
Allahabad Bank	Secured by Assignment of entire cash flow including credit card receivables of Hotel Grand Mercure along with Collateral security of mortgage of Leasehold rights on the land and building located at 12th main, 3rd Block, Koramangala, 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 Hotel Grand Mercure. The loan is further secured by Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 84 monthly installments, commencing from 31 October 2011.	3,285	4,235	943	943

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
Term loans from banks Secured		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Bank of India	Secured by Equitable Mortgage of land and building of Brigade Rubix in HMT Main Road, Peenya Plantation, Bangalore North Taluk Bangalore. The loan is repayable in 6 quarterly installments, commencing from 30th September 2013.	-	1,748	-	2,250
Bank of India	Secured by Equitable Mortgage of Brigade Share of land and proposed building Under the name "Orion East Mall" at Banaswadi Main Road, Banaswadi layout, Maruti Seva Nagar, Bangalore. The loan is repayable in 120 monthly installments, commencing from September 2014.	1,651	2,295	644	-
Bank of India	Secured by equitable mortgage of land and building of, "The Brigade School" @ Whitefield, Dyavasandra Industrial Area Phase I, K.R. Puram Hobli, Bangalore. The loan is repayable in 27 quarterly installments, commencing from 31 March 2011.	-	1,555	-	444
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 31 October 2011.	-	2,394	1,220	1,901
Bank of Baroda	Secured by Equitable Mortgage of land and proposed building under the name Brigade Exotica situated at Bandapura Village, Bidarahalli Hobli, Hoskote Taluk, Bangalore. The loan is further secured by personal guarantee of Chairman & Managing Director Mr. M.R. Jaishankar and Whole time Director Mrs.Githa Shankar. The loan is repayable in 11 quarterly installments, commencing from December 2014.	3,634	6,138	2,500	-
Bank of Baroda	Secured by Equitable Mortgage of property belonging to BEL to the extent of 171552 SFT of land and proposed Building thereon under the name "Brigade IRV Center" situated at Sy. No. 73/1, Nallurahalli Village, K.R. Puram Hobli, Bangalore East Taluk. The loan is further secured by personal guarantee of Chairman & Managing Director Mr. M.R. Jaishankar and Whole time Director Mrs. Githa Shankar. The Loan is Repayable in 6 Quarterly installments commencing from June 2015.	3,898	-	-	-
ICICI Home Finance Company Ltd	Secured by Equitable mortgage of saleable area in Brigade Gateway Residences situated at Subramanyanagar, Malleshwaram West, Bangalore. The loan is repayable in 10 equal monthly installments of Rs. 5 Crores each commencing from September 2012.	-	-	-	1,494

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
Term loans from banks Secured		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Indian Overseas Bank	Secured by Equitable Mortgage of land with buildings of Brigade Sparkle situated at Vishveswara Nagar, Khilli Mohalla, Mysore South, Brigade Horizon situated at T Narsipura-Mysore Road, Chamundi Vihar Complex, Mysore and Brigade Crescent located at Benson Cross road, Muncipal Ward 92, Bangalore. The loan is repayable in 15 monthly installments , commencing from 31 January 2013.	-	-	-	3,044
Indian Overseas Bank	Secured by Extension of Equitable Mortgage followed by the registered Memorandum of Deposit of title deeds pertaining to Brigade Cresent located at Benson Cross road, Muncipal Ward 92, Bangalore. The loan is repayable in 15 monthly installments commencing from January 2013	-	-	-	1,896
Indian Overseas Bank	Secured by Equitable Mortgage of developmental rights pertaining to the land and proposed residential apartment at Survey Nos. 57/B, 61/5, 61/6P1, 61/6P2, 61/7, 112/2A1, 121/1B1 and 121/2, Khata No. 3269, 3958, 4409, and 4410, Derebail, Mangalore. The loan is repayable in 21 monthly installments commencing from September 2014	274	-	1,225	-
Indian Overseas Bank	Secured by Equitable Mortgage of leasehold rights pertaining to the land and proposed commercial project at Kakkanad, Kochi at Survey No. 601, 602 & 612. The loan is to be compulsorily closed by 31.03.2016 either by conversion of the same into LRD or by way of takeover of the same by another bank	1,000	-	-	-
Jammu & Kashmir Bank	Mortgage of 65% of the total land area (Brigade Share) of 3 Acres and 12 Guntas bearing Survey No. 51 of K. Narayanapura Village, Krishnarajapuram Hobli, Bangalore, along with the proportionate share of residential apartments to be constructed thereon in terms of JD Agreement dated 11.03.2011 and Escrow of Brigade share of cashflow arising out of the project. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is repayable in 15 monthly installments commencing from February 2015.	1,100	-	400	-
Jammu & Kashmir Bank	Mortgage of 60% of the total land area (Brigade Share) of 2 Acres and 13.2 Guntas bearing Survey No. 45/4 (P) and 45/5 (P), Hebbal Village, Kasaba Hobli, Bangalore, along with the proportionate share of residential apartments to be constructed thereon in terms of JD Agreement dated 24.03.2011 and Escrow of Brigade share of cashflow arising out of the project. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is repayable in 18 monthly installments commencing from November 2014.	500	-	1,000	-

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
Term loans from banks Secured		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Karur Vysya Bank	Secured by Equitable Mortgage Charge on Brigade Share of Land and proposed building to be constructed at Sy. No. 20/4, 20/2, 22/1, 22/2, 22/6, 22/8, 23/1, 23/2 and 23/3 of Jhurahalli Village, Uttarahalli Hobli, Bangalore. The loan is repayable from 3rd Quarter of FY 2014-15 in 2 years through Quarterly Installments. % payment in FY 2014-15, FY 2015-16 and FY 2016-17 shall be 23.50%, 50% and 26.50% respectively.	1,593	2,502	1,410	-
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. The loan is further secured by Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 36 monthly installments, commencing from 31 January 2012.	-	994	-	1,333
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. The loan is further secured by Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 24 monthly installments commencing from 31 July 2011.	-	-	-	616
Punjab National Bank	Secured by Assignment of future lease rentals receivable from unsold portion of World Trade Centre and Multi Level Car Parking. The loan is further secured by Equitable Mortgage of land, building and Multi Level Car Parking of the World Trade Centre, situated at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore.The loan is repayable in 120 monthly installments commencing from October 2012.	-	12,457	-	776
State Bank of India	Equitable Mortgage of the land measuring 35 Acres and 38 Guntas and proposed building under the name "Brigade Meadows" situated at #122, Saalu Hunase Village, Kanakapura Road, Bangalore - 560 082 and First charge on the current assets of Meadows project like fixtures of flats and other construction materials like cement, steel, receivables lying on the site. The loan is further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar.The Loan is repayable in 9 Quarterly Installments commencing from October 2014.	13,947	7,750	1,800	-

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
Term loans from banks Secured		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
State Bank of India	Secured by assignment of future lease rental receivables of unsold portion of World Trade Center and Multi Level Car Park. The load is further secured by Equitable Mortgage of land and building of the World Trade Centre and Multi Level Car Park, situated at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan is repayable in 120 monthly installments commencing from December 2013.	7,351	-	811	-
State Bank of India	Secured by land and building of Hotel Sheraton Bangalore at the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is to be reconverted into INR Loan in May 2014.	-	-	4,475	-
State Bank of India	Secured by land and building of Hotel Sheraton Bangalore at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is repayable in 28 quarterly installments, commencing from 30 June 2011.	-	4,186	-	872
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 Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is repayable in 28 quarterly installments, commencing from 30 June 2011.	-	1,741	-	364
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 the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is repayable in 28 quarterly installments, commencing from 30 June 2011.	-	1,739	-	364
United Bank of India	Secured by Hypothecation of concrete forms at Brigade Meadows. The loan is repayable in 48 equal monthly installments commencing from November 2012.	327	534	208	208
Total		63,491	77,958	19,198	18,529
Less: Current maturities of long term debt transferred to Other current liabilities		-	-	19,198	18,529
Total		63,491	77,958	-	

Note 6 — Deferred tax liability

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	3,698	2,864
Less:		
Tax effect of items constituting deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	(148)	(218)
Total	3,550	2,646

Note 7 — Other long-term liabilities

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Supplier Retention	3,562	2,366
Lease deposit	6,828	7,204
Rental & other deposits	39	38
Total	10,429	9,608

Note 8 — Long-term provisions

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Provision for employee benefits	225	42
Total	225	42

Note 9 — Short-term borrowings

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Secured loans repayable on demand		
from banks	1,639	2,005
from other parties	-	969
Total	1,639	2,974

Note 10 — Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Trade payables	9,609	7,819
Dues to micro, small and medium enterprises	6	1
Total	9,615	7,820

Note 11 — Other current liabilities

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Current maturities of long-term debt	19,198	18,529
Rent Received in Advance	400	167
Unclaimed dividends	11	10
Amounts due to land owner	411	-
Statutory Remittances	700	494
Employee benefits	220	408
Advance from customers	38,240	13,219
Corpus fund and society charges payable	4,738	528
Provision for Engineering cost	1,407	973
Outstanding liabilities	2,304	1,550
Current maturities of Security retention	1,757	1,417
Current maturities of Lease deposit	893	726
Other current liabilities	3,944	11,591
Total	74,223	49,612

Note 12 — Short-term provisions

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Provision for employee benefits	233	588
Provision for taxes	2,220	1,200
Provision for proposed equity dividend	2,245	1,684
Provision for proposed tax on proposed dividend	382	293
Total	5,080	3,765

Note 13 — Fixed Assets

(₹ in Lakhs)

Assets	GROSS VALUE			DEPRECIATION VALUE				NET BLOCK		
	As at 1 April, 2013	Additions during the year	Deletions during the year	As at 31 March, 2014	As at 1 April, 2013	For the year ended 31 March, 2014	Amount written back	As at 31 March, 2014	W.D.V as at 31 March, 2014	W.D.V as at 31 March, 2013
A. Tangible assets										
1. Land	8,047	1,769	1,790	8,026	-	-	-	-	8,026	8,047
2. Building	83,409	26,144	3,370	106,183	6,851	4,766	381	11,236	94,947	76,558
3. Furniture & Fixtures & Interiors	12,657	1,217	-	13,874	5,551	1,628	-	7,179	6,695	7,106
4. Office Equipment, Plant & Machinery	8,714	654	61	9,307	2,245	1,015	18	3,242	6,065	6,469
5. Computer Hardware	624	84	1	707	474	82	-	556	151	150
6. Vehicles	410	73	70	413	265	45	66	244	169	145
Total	113,861	29,941	5,292	138,510	15,386	7,536	465	22,457	116,053	98,475
B. Intangible assets										
1. Computer software	625	62	-	687	375	116	-	491	196	250
2. Transferable Development Rights	541	-	-	541	-	-	-	-	541	541
Total	1,166	62	-	1,228	375	116	-	491	737	791
C. Capital work in progress	35,623	14,343	31,173	18,793	-	-	-	-	18,793	35,623
Grand total	150,650	44,346	36,465	158,531	15,761	7,652	465	22,948	135,583	134,889
Previous year	146,294	79,281	74,925	150,650	8,899	7,110	248	15,761	134,889	137,395
Of the above, leasehold assets are										
Building	4,436	57	-	4,493	1,425	230	-	1,655	2,838	3,011
Furniture & Fixtures & Interiors	1,854	25	-	1,879	1,476	303	-	1,779	100	378
Office Equipment, Plant & Machinery	567	3	-	570	431	111	-	542	28	136
Of the above, assets given under lease are										
Land	4,432	1,329	125	5,635	-	-	-	-	5,635	4,432
Building	49,072	25,470	-	74,542	2,326	3,256	-	5,582	68,960	46,747
Furniture & Fixtures & Interiors	855	805	-	1,660	795	53	-	847	813	60

Note 14 — Non Current Investments

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in Subsidiaries		
10 lakhs (31 st March 2013: 10 lakhs)	1,000	1,000
Equity shares of ₹ 10/- each fully paid up in Brigade Hospitality Services Ltd.		
0.51 lakhs (31 st March 2013: 0.51 lakhs)	5	5
Class A Equity shares of ₹ 10/- each fully paid up in Brigade Properties Pvt. Ltd.		
1.01 lakhs (31 st March 2013: 1.01 lakhs)	102	102
Class C Equity shares of ₹ 10/- each fully paid up in Brigade Properties Pvt. Ltd.		
0.50 lakhs (31 st March 2013: 0.50 lakhs)	5	5
Equity shares of ₹ 10/- each fully paid up in Brigade Infrastructure and Power Pvt. Ltd.		
0.50 lakhs (31 st March 2013: 0.50 lakhs)	5	5
Equity shares of ₹ 10/- each fully paid up in Brigade Estates and Projects Pvt. Ltd.		
10.02 lakhs (31 st March 2013: 10.02 lakhs)	38	38
Equity shares of ₹ 10/- each fully paid up in Brigade Tetratex Pvt. Ltd.		
10 lakhs (31 st March 2013: 10 lakhs) Equity shares of ₹ 10/- each fully paid up in WTC Trades and Projects Pvt. Ltd.	466	466
5 lakhs (31 st March 2013: 5 lakhs) Equity shares of ₹ 10/- each fully paid up in Orion Mall Management Ltd.	50	50
0.50 lakhs (31 st March 2013: 0.50 lakhs)	5	5
Equity shares of ₹ 10/- each fully paid up in Prosperita Hotel Ventures Ltd		
95.90 lakhs (31 st March 2013: 95.90 lakhs)	959	959
0.01% Preference shares of ₹ 10/- each fully paid up in Brigade Properties Pvt. Ltd.		
Unquoted debt instruments		
Investment in Subsidiaries		
24.51 lakhs (31 st March 2013: 24.51 lakhs)	2,452	2,452
Series A Optionally convertible debentures of ₹ 100/- each fully paid up in Brigade Properties Pvt. Ltd.		
47.02 lakhs (31 st March 2013: 35.09 lakhs)	4,703	3,509
Series B Optionally convertible debentures of ₹ 100/- each fully paid up in Brigade Properties Pvt. Ltd.		
Investment in Joint Venture Companies		
100 lakhs (31 st March 2013: 100 lakhs)	1,000	1,000
Equity shares of ₹ 10/- each fully paid up in BCV Developers Pvt. Ltd.		
17.5 lakhs (31 st March 2013: 17.5 lakhs)	175	175
Equity shares of ₹ 10/- each fully paid up in BCV Estates Pvt. Ltd.		
2.50 lakhs (31 st March 2013: Nil) Equity shares of ₹ 10/- each fully paid up in CV properties (Bangalore) Private Limited	250	-
Investment in Associate Companies		
3.7 lakhs (31 st March 2013: 3.7 lakhs)	7	7
Equity shares of ₹ 10/- each fully paid up in Tandem Allied Services Pvt. Ltd.		
Sub total	11,222	9,778

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instrument		
0.05 lakhs (31 st March 2013: 0.05 lakhs)	1	1
Equity shares of ₹ 10/- each fully paid up in Diagnostic Research Pvt. Ltd.		
2.39 lakhs (31 st March 2013: 2.39 lakhs)	24	24
Equity shares of ₹ 10/- each fully paid up in AEC Promag consultancy Pvt. Ltd.		
Investment in Bonds		
250 bonds (31 st March 2013: Nil) of ₹ 10.00 lakhs each fully paid up in Lakshmi Vilas Bank Ltd	2,500	-
Government and trust securities		
Investment in Government securities	2	2
Sub total	2,527	27
Aggregate value of quoted investments	-	-
Aggregate value of unquoted investments	13,749	9,805
Less: Aggregate value of diminution in value of investment	(449)	(576)
Total	13,300	9,229

Note 15 — Long-term loans and advances

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Security Deposits		
Unsecured, considered good	47	45
Loans and advances to related parties		
Unsecured, considered good	25,810	30,567
Balances with government authorities		
Unsecured, considered good		
VAT paid under protest	249	238
Income tax refund	343	343
MAT credit entitlement - Unsecured, considered good	4,289	3,858
Total	30,738	35,051

Note 16 — Other non-current assets

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Unamortised Expenses		
Preliminary expenses - Sheraton	223	336
Deferred employee compensation	114	-
Total	337	336

Note 17 — Inventories

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Inventory		
Raw Materials and components	3,994	2,810
Work-in-progress - projects	46,399	32,236
Stock in trade		
Land held for development	15,964	12,236

(₹ in Lakhs)		
Particulars	As at 31 March, 2014	As at 31 March, 2013
Stock of completed units	4,713	12,817
Others		
Inventories held at Gateway Sheraton	130	160
Inventories held at Grand Mercure	45	39
Total	71,245	60,298

Note 18 — Trade Receivables

(₹ in Lakhs)		
Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	3,325	948
Less: Provision for doubtful debts	-	(14)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	180	623
Less: Provision for doubtful debts	(4)	
Total	3,501	1,557

Note 19 — Cash and cash equivalents

(₹ in Lakhs)		
Particulars	As at 31 March, 2014	As at 31 March, 2013
Balances with banks		
In current accounts	1,717	2,420
In EEFC accounts	474	-
In Deposit accounts	1,274	912
Cash on hand	588	175
Total	4,053	3,507

Note 20 — Short-term Loan & Advances

(₹ in Lakhs)		
Particulars	As at 31 March, 2014	As at 31 March, 2013
Loans and advances to related parties		
Unsecured, considered good	6,436	1,686
Security Deposits		
Unsecured, considered good	397	37
Loans and advances to employees		
Unsecured, considered good	35	12
Prepaid expenses - Unsecured considered good	510	396
Balances with government authorities		
VAT Credit receivable	257	69
Service tax credit receivable	210	1,692
MAT Credit	-	626
TDS receivable	3,181	1,999
Others	2,641	2,061
Others		
Unsecured, considered good		
Property advance	17,194	17,724
Advance to suppliers & contractors	1,295	1,171
Mobilisation advance	3,175	2,017
Amounts recoverable from land owner	225	-
Receivable from Societies	976	469
Other advances	164	191
Total	36,696	30,150

Note 21 — Other Current Assets

(₹ in Lakhs)		
Particulars	As at 31 March, 2014	As at 31 March, 2013
Unamortised Expenses		
Premium on forward exchange contract	48	-
Accruals		
Interest accrued on deposits	9	9
Interest Accrued but not Due	39	16
Other current assets	1	193
Total	97	218

Note 22 — Revenue from operations

(₹ in Lakhs)		
Particulars	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Sale of residential and commercial projects	63,095	57,042
Sale of services	11,285	10,046
Other Operating revenues	15,144	10,523
Total	89,524	77,611
Sale of residential and commercial projects comprising of:		
Revenue from Residential	44,372	31,292
Revenue from Commercial	18,723	25,750
Sale of services comprising:		
Food & Beverage Sales	3,401	3,192
Treatment revenue	77	92
Room & Hall rental charges	7,644	6,274
Other services	164	488
Other Operating revenues comprising:		
Rental income from operating leases	13,296	9,365
Management fees received	495	592
Revenue from car park	683	233
Other Operating income	669	333
Total	89,524	77,611

Note 23 — Other Income

(₹ in Lakhs)		
Particulars	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Interest income	140	181
Dividend/income from investment	18	13
Net gain on foreign currency transactions and translation (other than considered as Finance cost)	-	14
Commission received	346	152
Adjustments to carrying amount of investments	127	94
Other non operating income	1,423	747
Total of contract and other receipts	2,053	1,201
Interest income comprising:		
Interest from banks on:		
Deposits	84	172
Others	56	9
Total	140	181
Other non-operating income comprising:		
Profit on sale of fixed assets	791	195
Prior period income	1	165
Creditors written back		306
Provisions no longer required written back	11	
Miscellaneous income	619	81
Total	1,423	747

Note 24 — Project & Direct Expenses

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Steel	6,530	3,087
Cement	356	146
Granite/marble (flooring material)	1,095	356
Hardware materials	131	81
Total - (A)	8,112	3,670
Land and construction expenses		
Construction expenses	34,886	17,699
Architect & Consultancy Fees	1,624	1,060
Electrical Work and Power charges	3,564	2,704
Interiors - projects	2,960	2,193
Miscellaneous Expenses Construction	106	76
Land cost	3,324	7,162
Rates & Taxes - Projects	2,251	2,318
Direct expenses - others	3,120	2,951
Other Direct Project Expenses		
Interest - Projects	4,613	3,683
Employee cost	1,529	1,225
Other expenses	4,341	2,952
Total - (B)	70,430	47,693
Increase / Decrease in WIP		
Opening Work in Progress - Projects - (a)	32,236	19,050
Opening Work in Progress - Capital - (b)	35,623	92,500
Add: Cost of Projects Inventorised (c)	112	-
Less: Cost of Projects Capitalised (d)	(29,774)	(63,702)
Total - C = (a+b+c-d)	38,197	47,848
Closing Work in Progress - Projects - (e)	46,399	32,236
Closing Work in Progress - Capital - (f)	18,793	35,623
Total - D = (e+f)	65,192	67,859
(Increase) / Decrease in value - E = (C-D)	(26,995)	(20,011)
Total F = (B+E)	43,435	27,682

Note 25 — Employee Benefit Expenses

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Salaries, allowances and bonus	7,559	6,752
Contribution to provident and other funds	209	740
Staff welfare expenses	261	249
Training and recruitment expenses	67	85
Employee stock compensation expense	13	-
Less : Transferred to project Expenses *	1,529	1,225
Total	6,580	6,601

*Employee expenses directly attributable to specific projects have been transferred to project expenses.
Employee would deem to include directors, in full time or part time employment of the Company but exclude directors who are not under a contract of employment with the Company

Note 26 — Finance costs

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Interest expenses on:		
Borrowings	10,553	11,554
Other borrowing cost @	604	417
Net (gain)/loss on foreign currency transaction and translation (considered as finance cost)	336	-
Less : Transferred to project Expenses *	4,613	3,683
Total	6,880	8,288

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

@ Other borrowing cost includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premiums on borrowings, other ancillary cost incurred in connection with borrowings or amortisation of such cost.

Note 27 — Other Expenses

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Legal and professional fees	1,237	926
Payments to auditors	32	27
Management Fee	129	-
Power and fuel	84	101
Rent including lease rentals	198	184
Repairs		
Building	483	421
Machinery	53	37
Others	252	139
Insurance	98	88
Rates and taxes	805	847
Agency commission	1,204	795
Business promotion	283	358
Advertising and selling expenses	3,514	3,282
Maintenance cost - WTC	74	-
Travelling and conveyance	374	389
Communication costs	186	153
Bad trade and other receivables, loans and advances written off	36	19
Printing and stationery	120	110
Security charges	595	201
Donation	343	347
Director's sitting fees and commission	47	33
Net loss on foreign currency transaction or translation (other than considered as finance cost)	26	20
Customer compensation and other related cost	410	420
Loss on fixed assets sold/scrapped/written off	-	1
Miscellaneous expenses	408	277
Less : Transferred to project Expenses *	4,341	2,952
Total	6,648	6,222

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

28. Disclosure pursuant to Accounting Standard 7 (Revised):**28.1. Details of contract revenue and contract costs**

Particulars	(₹ in Lakhs)	
	As at 31 March 2014	As at 31 March 2013
Contract Revenue recognized during the year*	50,671	20,680
Aggregate amount of contract cost incurred upto the Reporting Date	79,097	44,025
Recognized profits (less: Recognized Losses) upto the Reporting Date	21,874	8,860
Advances Received from Customers	38,239	22,984

* Does not include sale of completed units from Stock

28.2. Provision for warranty:

No estimation of liabilities for warranties has been done 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 recognized as and when incurred by the Company.

28.3. Gratuity Plan:

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

Particulars	(₹ in Lakhs)	
	As at 31 March 2014	As at 31 March 2013
Obligations at the beginning of the year	242	200
Service cost	75	42
Interest cost	20	16
Benefits settled	(40)	(19)
Actuarial (gain)/loss	5	3
Obligations at the end of the year	302	242
Change in plan assets		
Plan assets at the beginning of the year, at fair value	252	162
Expected return on plan assets	20	19
Contributions	44	90
Benefits settled	(40)	(19)
Actuarial (gain)/loss	1	Nil
Plan assets at the end of the year, at fair value	277	252
Reconciliations of present value of the obligation and the fair value of the plan assets		
Present value of the defined benefit obligation at the end of the year	302	242
Fair value of the plan assets at the end of the year	277	252
Assets/(liability) recognised in the Balance Sheet	(25)	(10)
Gratuity cost for the year		
Service cost	75	42
Interest cost	20	16
Expected return on plan assets	(20)	(19)
Actuarial (gain)/loss	5	3
Net gratuity cost	80	42
Assumptions		
Interest rate	9.12%	8.00%
Salary Escalation	12.00%	7.00%

In case of employees of Sheraton Bangalore at Brigade Gateway, provision for gratuity amounting to Rs. 26 Lakhs is made based on actuarial valuation on the following assumptions:

Retirement Age	58
Mortality	Indian assured lives (2006-08) ultimate mortality table
Rate of interest	8.85%
Salary increase	8%
Attrition rate	20%
No of Employees	329
Benefits payable	As per Gratuity Act, 1972, Leave as per company rules.

In case of employees of Grand Mercure, provision for gratuity amounting to ₹ 18 Lakhs is made based on actuarial valuation on the following assumptions:

Retirement Age	58
Mortality	Indian assured lives (94-96) ultimate mortality table
Rate of interest	8.85%
Salary increase	10%
Attrition rate	35%
No of Employees	134
Benefits payable	As per Gratuity Act, 1972, Leave as per company rules.

28.4 Borrowing Costs:

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Borrowing costs capitalised during the year		
- as fixed assets/capital work-in-progress	541	1,436
- as inventory	4,073	2,247

28.5 Segmental Reporting:

The company has identified real estate development, hospitality services and lease rentals as primary business segments. Accordingly the segment revenue, results and capital employed attributable to the segments are reported under each reportable segment.

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.

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
a. Segment revenue		
Real estate	63,429	57,487
Hospitality	12,144	10,810
Lease Rentals	14,002	9,639
Less: Inter-segment revenues	(51)	(65)
Net income from operations	89,524	77,871
b. Segment results		
Real Estate	7,335	7,945
Hospitality	2,236	1,126
Lease Rentals	7,263	4,279
Profit/(Loss) before tax and interest	16,834	13,350
Less : Interest	6,880	(8,288)
Add: Other Income	2,053	941
Profit/(Loss) before tax & Extraordinary items	12,007	6,003

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
c. Capital employed		
Real estate	108,541	101,073
Hospitality	25,971	31,021
Lease rentals	77,114	87,208
Total capital employed	211,626	219,302

28.6 Related Party Disclosure:

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

Holding Companies	Nil
Subsidiary Companies	Brigade hospitality services limited., Brigade tetrarch private limited., Brigade estates and projects private limited., Brigade properties private limited., Brigade infrastructure and power private limited., WTC trades and projects private limited., Orion mall management company limited., Prosperita hotel ventures limited
Associated Companies and Joint Venture	Tandem allied services private limited BCV developers private limited BCV estates private limited CV properties (Bangalore) private limited

Other related parties where common control exists	Mysore holdings private limited Brigade foundation M.R. Jaishankar (HUF) Indian Music Experience Trust Celebration Catering and Events, LLP
Key Managerial Personnel (KMP)	Mr. M.R. Jaishankar, Chairman and Managing Director Ms. Githa Shankar, Executive Director Mr. K. Suresh – Chief Financial Officer Mr. P. Om Prakash – Company Secretary
Relatives of Key Managerial Personnel	Ms. Nirupa Shankar (Daughter of KMP) Ms. Pavitra Shankar (Daughter of KMP) Mr. M.R. Shivram (Relative of KMP) Mr. M.K. Shivraj Harsha (Relative of KMP) Mr. M.S.Amar (Relative of KMP) Mr. M.R.Gurumurthy (Relative of KMP) Mrs. Latha Shivram (Relative of KMP) Mr. A.A.Ramesh Kumar (Relative of KMP) Mr. B.S. Adinarayana Gupta (Relative of KMP) Mrs. G.R. Arundathi (Relative of KMP) Mr. M. R. Krishna Kumar (Relative of KMP) Mr. M. S. Ravindra (Relative of KMP)

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

Nature of transaction	Name of the related party	(₹ in Lakhs)											
		Subsidiaries		Joint Venture		Associates		Key managerial Personnel		Other related parties where common control exists		Relatives of Key managerial Personnel	
		13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
Managerial remuneration	M.R.Jaishankar							603	298				
	Githa Shankar							241	110				
	Suresh K							81	66				
	Om Prakash							25	25				
Salary paid	Nirupa Shankar											23	17
Purchase of material/finished goods/services	Brigade hospitality services Ltd	262	64										
	WTC trades and projects (p) Ltd	179	100										
	Orion mall management company Ltd	435	-										
	Tandem allied services (p) Ltd					129	82						
	M.R.Gurumurthy											-	1
	Brigade hospitality services Ltd	230	399										
Sale of material/finished goods/services	WTC trades and projects (p) Ltd	101	91										
	Orion mall management company Ltd	121	34										
	Brigade properties (p) Ltd	162	-										
	BCV estates (p) Ltd			-	63								
	BCV developers (p) Ltd			450	272								
	Mysore holdings (p) Ltd									3300	-		
	Tandem allied services (p) Ltd					652	-						
	Brigade foundation									10	30		
	Githa Shankar							347					
	Brigade hospitality services Ltd	-	279										
Purchase of capital asset	Brigade foundation									5610	-		
Sale of capital assets	Mysore Holdings Pvt Ltd.									8	-		

Nature of transaction	Name of the related party	(₹ in Lakhs)											
		Subsidiaries		Joint Venture		Associates		Key managerial Personnel		Other related parties where common control exists		Relatives of Key managerial Personnel	
		13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
Investments in Equity and Preference Share Capital and Debentures	Brigade properties (p) ltd	1195	7025										
	Orion mall management company ltd	-	45										
	Prosperita hotel ventures ltd	-	5										
	CV properties (p) ltd	250											
Advance paid towards purchase of land, goods and services	Brigade tetrarch (p) ltd	-	8,108										
	Brigade estates and projects (p) ltd	-	4,500										
	CV properties (Bangalore) private limited			3069	-								
	Mysore holdings (p) ltd									-	800		
Advance received towards purchase of land, goods and services													
Net assets transferred	Prosperita hotel ventures ltd	-	2,551										
Reimbursements received	Brigade hospitality services ltd	24	101										
	WTC trades and projects (p) ltd	102	41										
	Brigade properties (p) ltd	731	16										
	BCV estates (p) ltd				191								
	BCV developers (p) ltd			72	123								
	Brigade foundation										80		
	Brigade hospitality services ltd	8	20										
Reimbursements paid													
Loans Given	Prosperita hotel ventures ltd	2080	210										
Sitting fees	M.R.Gurumurthy											1	1
	M.R.Shivram											1	1
Donation Paid	Indian music experience trust									312	265		
Dividend received	Tandem allied services (p) ltd					13	13						
Amount (payable)/ receivable	Brigade hospitality services ltd	(44)	231										
	WTC trades and projects (p) ltd	52	(290)										
	Orion mall management company ltd	-	332										
	Brigade tetrarch (p) ltd	1901	9,095										
	Brigade estates and projects (p) ltd	904	4,504										
	Brigade infrastructure and power (p) ltd	38	38										
	Brigade properties (p) ltd	166	1										
	Prosperita hotel ventures ltd	4847	2,766										
	BCV estates (p) ltd			2,476	2,476								
	BCV developers (p) ltd			12,336	12,245								
	Tandem allied services (p) ltd					(10)	(1)						
	M.R.Jaishankar								752				
	Mysore holdings (p) ltd									20	(783)		
	Brigade foundation									6159	245		
	M.R.Jaishankar - HUF									51	51		
	M.K.Shivraj Harsha											2	2
	Indian music experience trust									278	297		

28.7 Operating Leases:

- a) The Company has given on non-cancelable operating lease certain assets, the future minimum lease receivables in respect of which, as at March 31, 2014 are as follows:

	(₹ in Lakhs)	
Minimum lease receivable	2013-14	2012-13
Receivable not later than 1 year	10,118	10,416
Receivable later than 1 year and not later than 5 years	12,263	19,936
Receivable later than 5 years	Nil	Nil

- b) The Company has taken various residential / commercial premises on cancelable operating leases. These agreements are normally renewed on expiry.
- c) The Company has taken, on non-cancelable operating lease, certain assets (lands), the future minimum lease payments in respect of which, as at 31st March, 2014 are as follows:

	(₹ in Lakhs)	
Minimum lease payables	2013-14	2012-13
Payable not later than 1 year	150	146
Payable later than 1 year and not later than 5 years	637	663
Payable later than 5 years	2,637	2,760

- d) There are no exceptional / restrictive covenants in the lease agreements.
- e) Contingent rent recognized in the Profit and Loss Account is ₹ Nil.
- f) The Company has constructed commercial spaces in the following projects. The Company's intention is to sell the remaining stock over a period of two years and accordingly the same is grouped under Inventory. To generate revenue out of these unsold stock, the company has leased out some portion and recognized the rentals as revenue. Since the said property / units are held for sale, depreciation on this stock has not been provided. Had these projects been capitalized depreciation on the same would have been provided and the profits would have been lower to the extent of depreciation specified below.

Particulars	Metropolis Summit		Brigade Rubix		Brigade Arcade	
	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013
Constructed area(in sq.ft)	6,80,786		1,94,280		83,520	
Sold/capitalised till date (in sq.ft)	6,80,786	4,28,707	1,35,140	1,10,360	81,310	77,880
Remaining Stock(in sq.ft)	Nil	2,52,079	59,140	83,920	2,210	5,640
Leased out portion (in sq.ft)	Nil	1,65,670	14,640	Nil	340	340
Depreciation not provided for (in ₹ lakhs)	321	316	18	Nil	0.41	0.41

28.8 Earnings per Share:

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Equity Share of face value ₹ 10/- each		
Net profit (₹ In Lakhs)	8,980	6,425
Number of shares used in computing basic earnings per Share	112,251,940	112,251,940
Number of shares used in computing diluted earnings per Share	112,380,397	112,251,940
Earnings per share: (In ₹)		
Basic	8.00	5.72
Diluted	7.99	5.72

28.9 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 is engaged in the development of an Integrated Township Project in Devanahalli, Bangalore. As at 31st March, 2014, the Company and the Landowners each hold 50% of the equity in BCV Developers Pvt. Ltd

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, 2014, the Company and the Landowners each hold 50% of the equity in BCV Estates.

c. CV Properties Private Limited ("CV Properties")

In July 2013, the Company and certain Landowners formed a Joint Venture Company called CV Properties in Bangalore. CV Properties envisages development of residential, commercial and hospitality properties. As at 31st March, 2014, the Company and the Landowners each hold 50% of the equity in CV Properties.

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

(₹ in Lakhs)

Particulars	BCV Developers (P) Ltd		BCV Estates (P) Ltd		CV Properties (Bangalore) (P) Ltd	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	1,000	1,000	175	175	250	-
Reserves and surplus	(124)	(44)	(2)	(1)	(1)	-
Non-current liabilities						
Long-term borrowings	13,698	12,889	2,475	2,475	3,069	-
Other long term liabilities	2,600	2,600	550	550	400	-
Short term borrowings	628	-	-	-	-	-
Trade Payables	465	171	-	-	-	-
Current liabilities						
Other current liabilities	4,169	1,492	10	268	8	-
Short term provisions	15	62	-	-	-	-
Total	22,449	18,170	3,208	3,467	3,726	-
ASSETS						
Fixed Assets						
Tangible assets	789	37	-	-	-	-
Intangible assets	29	38	-	-	-	-
Capital work in progress	927	760	-	-	-	-
Deferred tax asset	65	28	-	-	-	-
Non-current assets						
Long term loans and advance	34	24	-	260	400	-
Other current assets	2,600	2,600	550	550	-	-
Current Assets						
Inventories	17,023	14,032	2,655	2,655	3,322	-
Trade receivables	2	4	-	-	-	-
Cash and cash equivalents	260	326	-	-	-	-
Short term loans and advances	219	96	-	-	-	--
Other current assets	502	225	3	2	4	-
Total	22,449	18,170	3,208	3,467	3,276	-
Revenue	7	355	-	-	-	-
Expenses	124	451	1	1	1	-
Tax Expenses	(36)	(28)	-	-	-	-
Net profit	(81)	(68)	(1)	(1)	(1)	-

28.10 Contingent Liabilities and Capital commitments:

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Contingent liabilities:		
Claims from government departments not acknowledged as debts	4,371	2,924
Capital Commitments:		
Capital Commitments - estimated amount of contract remaining to be executed on capital account not provided for	31,765	100,940
Towards letter of credit and bank guarantees	3,547	1,480

28.11. Managerial Remuneration:

(₹ in Lakhs)

Particulars	2013-14		2012-13	
	Executive Directors	Other Directors	Executive Directors	Other Directors
Salary	96	-	96	-
Commission Paid / Payable	748	-	312	-
Sitting Fees		1	-	1
Total	844	1	408	1

28.12 Remuneration paid to Statutory Auditors debited to Profit and Loss Account:

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
As auditor	14	14
For taxation matters	8	5
For limited review	7	7
For other services	3	1

28.13 During the year the Company has made a political contribution of ₹ 5,00,000 to Bharatiya Janata Party. (Previous Year Nil).

28.14 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.

28.15 Disclosure under Section 22 of the Micro, Small and medium Enterprises Development Act, 2006.

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Principal amount remaining unpaid to any supplier as at the end of accounting year	6	1

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.

28.16 Details of Derivative instruments and unhedged foreign currency exposures:

The Company enters into and uses forward exchange and currency option contracts to hedge against its foreign currency exposure relating to know foreign currency liabilities. The company does not enter into derivative instruments for trading or speculative purposes.

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

(₹ In Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Receivable		
Payables including Foreign currency loans	1,494	97

28.17 The Foreign Exchange Inflow and Outflow:

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

(₹ in Lakhs)		
Particulars	2013-14	2012-13
Inflow:		
Advance for Sale of Units, Lease deposits & Rentals	4,239	6,996
Outflow:		
i. Branch expenses	345	323
ii. Professional charges	388	214
iii. Consultation Fees	196	113
iv. Marketing	68	181
v. Others	128	355

For **NARAYANAN, PATIL AND RAMESH**

Chartered Accountants

Firm Reg. No. 002395S

L.R. NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014

The CIF value of imports and payments for the year ended 31st March, 2014, is ₹ 64 Lakhs (previous year 1,127 lakhs)

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

28.19 The Company is examining the applicability of the Transfer pricing regulations with respect to its domestic transactions and the relevant documentation, if required, in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment which will have a material bearing on the accounts in this regard.

28.20 Previous Year Amounts:

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

For and on behalf of Board

M. R. JAISHANKAR

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

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

(₹ in Lakhs)

S. No.	Particulars	Brigade Hospitality Services Limited	Brigade Tetrarch Private Limited	Brigade Estates & Projects Private Limited	Brigade Infrastructure & Power Private Limited	WTC Trades & Projects Private Limited	Orion Mall Management Company Ltd.	Prosperita Hotel Ventures Limited
1	The financial period of subsidiary ended on	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14
2	Date from which they become subsidiary	1 st June 2004	22 nd December 2005	16 th December 2006	24 th January 2009	21 st July 2010	7 th September 2011	20 th September 2012
3	a. Number of shares held by the company with its nominees in the subsidiary at the end of the financial year of the subsidiary	10,000,000	100,200	50,000	50,000	1,000,000	500,000	50,000
	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	Net aggregate amount of the subsidiary companies Profit/Loss so far as it concerns the members of the holding company							
	a. Not dealt with the holding company accounts							
	i) For the financial year ended 31.03.2014	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 the holding company accounts (in Rs. Lakhs)							
	i) For the financial year ended 31.03.2014	127	(5)	-	-	72	220	-
	ii) For the previous financial years of the subsidiary company since they became the holding company's subsidiary	(387)	(71)	(1)	(37)	11	(365)	-

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

(₹ in Lakhs)

S. No.	Particulars	Brigade Hospitality Services Limited	Brigade Tetrarch Private Limited	Brigade Estates & Projects Private Limited	Brigade Infrastructure & Power Private Limited	WTC Trades & Projects Private Limited	Orion Mall Management Company Limited	Prosperita Hotel Ventures Limited
a)	Share Capital	1,000	10	5	5	100	50	5
b)	Reserves	(260)	(76)	(1)	(37)	83	(145)	-
c)	Total Assets	6,866	1,836	907	6	988	632	5,324
d)	Total Liabilities	6,866	1,836	907	6	988	632	5,324
e)	Details of Investment (except in case of investment in the subsidiaries)	-	-	-	-	-	-	-
f)	Turnover	3,016	-	-	-	297	2,325	-
g)	Profit before Taxation	151	(5)	-	-	106	331	-
h)	Provision for Taxation	24	-	-	-	34	111	-
i)	Profit after taxation	129	(5)	-	-	72	220	-

Independent Auditors' Report on Consolidated Financial Statements

To the Board of Directors of **Brigade Enterprises Limited**

Report on the Consolidated Financial Statements

We have examined the accompanying consolidated financial statements of Brigade Enterprises Limited ("the Company") and its subsidiaries and Joint Ventures (together referred to as 'the Group' as described in Note.1) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair

view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) In the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of certain subsidiaries and Joint Ventures, whose financial statements reflect total assets (net) of ₹ 2,954 Lakhs as at March 31, 2014, total revenues of ₹ 3,459 Lakhs and net cash flows amounting to ₹ 96 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 99 Lakhs for the year ended 31 March, 2014 as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries Joint Ventures and associates, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

L.R. Narayanan
Partner

Membership Number: 200/25588

Place: Bangalore
Date: 7th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	11,225	11,225
Employee stock option outstanding		128	-
Reserves and surplus	4	115,869	109,985
Minority Interest		-	545
		127,222	121,755
NON-CURRENT LIABILITIES			
Long-term borrowings	5	71,761	84,272
Deferred tax liabilities (net)	6	3,419	2,443
Other long-term liabilities	7	23,252	18,873
Long-term provisions	8	261	63
CURRENT LIABILITIES			
Short-term borrowings	9	1,639	2,684
Trade payables	10	11,143	8,499
Other current liabilities	11	86,012	53,236
Short-term provisions	12	5,246	3,830
TOTAL		329,955	295,655
ASSETS			
NON-CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	13-A	122,050	103,945
Intangible assets	13-B	904	1,007
Goodwill on consolidation		366	366
Capital work-in-progress	13-C	24,464	38,856
Non-current investments	14	3,312	337
Long-term loans and advances	15	9,569	19,011
Other non-current assets	16	3,887	3,486
CURRENT ASSETS			
Current investments	17	4,933	405
Inventories	18	113,196	90,988
Trade receivables	19	3,741	1,975
Cash and cash equivalents	20	5,068	4,703
Short-term loans and advances	21	37,717	30,019
Other current assets	22	749	556
TOTAL		329,955	295,655
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 and on behalf of Board

For **NARAYANAN, PATIL AND RAMESH**

Chartered Accountants

Firm Reg. No. 002395S

L R NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014**M. R. JAISHANKAR**

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in Lakhs)			
Particulars	Note No.	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Revenue:			
Revenue from operations	23	94,018	82,269
Other income	24	2,250	1,192
Total		96,268	83,461
Expenses:			
Project and direct expenses	25	42,085	29,385
Changes in inventories		8,260	16,793
Employee benefit expenses	26	7,779	7,569
Depreciation and amortisation expenses		8,273	7,733
Finance costs	27	8,821	8,982
Other expenses	28	8,997	7,633
Total		84,215	78,095
Profit / (loss) before extraordinary items and tax		12,053	5,366
Extraordinary items		293	8
Profit / (loss) before tax		12,346	5,358
Tax expense			
Current tax		2,537	1,206
Tax expense relating to prior years		-	1
Deferred tax		977	398
Wealth tax		2	2
MAT entitlement			
Current year		(65)	(626)
Prior years		-	(1,625)
Total tax expense		3,451	(644)
Profit / (Loss) for the year		8,895	6,002
Minority interest		(203)	(11)
Share of profit from Associate		99	131
Earnings per equity share			
- basic (₹)		8.01	5.45
- diluted (₹)		8.00	5.45
Summary of significant accounting policies	2		

As per our report of even date

For **NARAYANAN, PATIL AND RAMESH**

Chartered Accountants

Firm Reg. No. 002395S

L R NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014

For and on behalf of Board

M. R. JAISHANKAR

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2014

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	12,053	5,358
Adjustments for:		
Depreciation and amortisation	8,273	7,733
(Profit) / loss on sale / write off of assets	(791)	(194)
Share of loss/(Profit) from LLP	(34)	(141)
Expense on employee stock option scheme	13	-
Finance costs	13,544	12,696
Interest income	(186)	(216)
Dividend income	(155)	(18)
Adjustments to carrying amount of investments	(127)	-
Provision for doubtful trade and other receivables, loans and advances	38	16
	20,575	19,876
Operating profit / (loss) before working capital changes	32,628	25,234
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(22,208)	(8,992)
Trade receivables	(1,766)	1,567
Short-term loans and advances	(5,300)	3,525
Other current assets	(192)	(241)
Long-term loans and advances	9,442	(14,253)
Other non-current assets	(286)	1
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,645	(3,141)
Other current liabilities	31,481	524
Other long-term liabilities	4,154	(2,802)
Short-term provisions	(1,057)	568
Short-term borrowings	(1,045)	1,686
Long-term provisions	198	(194)
	16,066	(21,752)
Extraordinary items	293	-
Cash generated from operations	48,987	3,482
Net income tax (paid) / refunds	(2,437)	(601)
Net cash flow from / (used in) operating activities (A)	46,550	2,881

(₹ in Lakhs)		
Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(16,710)	(8,768)
Proceeds from sale of fixed assets	5,618	352
Share of loss/(Profit) from LLP	34	141
Current investments not considered as Cash and cash equivalents		
- Purchased	(7,377)	(405)
Interest received		
- Others	186	216
Dividend received		
- Associates	18	13
- Others	137	5
Net cash flow from / (used in) investing activities (B)	(18,094)	(8,446)
C. Cash flow from financing activities		
Proceeds from Issue of Equity, Preference and debentures		
Proceeds from borrowings	33,405	56,803
Repayment of borrowings	(44,620)	(38,105)
Proceeds from new membership	225	411
Securities premium utilised	(1,025)	-
Adjustments to Minority Interest	(545)	545
Adjustments to reserve	633	377
Finance cost	(13,544)	(12,696)
Dividend paid	(2,245)	(1,684)
Tax on dividend	(375)	(273)
Net cash flow from / (used in) financing activities (C)	(28,091)	5,378
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	365	(187)
Cash and cash equivalents at the beginning of the year	4,703	4,890
Cash and cash equivalents at the end of the year	5,068	4,703

As per our report of even date

For and on behalf of Board

For **NARAYANAN, PATIL AND RAMESH**

Chartered Accountants

Firm Reg. No. 002395S

L R NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014**M. R. JAISHANKAR**

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March 2014

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, Hospitality. BEL has following subsidiary / joint ventures / associates as on 31st March, 2014:

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, Restaurants, service apartments, and convention centres.

Brigade Estates and Projects Private Limited (referred to as “Brigade Estates”), a Company incorporated in India, for the purposes of carrying on the business of real estate development, is a 100% subsidiary of the Company.

Brigade Tetrarch Private Limited, 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 Infrastructure and Power Private Limited (referred to as “Brigade infrastructure”), a Company incorporated in India, for the purposes carrying on the business of power generation and infrastructure development, is a 100% subsidiary of the Company.

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 rendering services and management facilities.

Orion Mall Management Company Limited (referred to as “OMMCL”), a Company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of Mall Management.

Brigade Properties Private Limited (referred to as “Brigade Properties”), a Company incorporated in India, is a subsidiary of the Company in which the Company owns 51% of the voting rights of the Company and is carrying on the business of real estate development.

Prosperita Hotel Ventures Ltd, (referred to as “Prosperita”) a Company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of development and management of hotel.

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 Estate 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.

CV Properties (Bangalore) Private Limited (referred to as “CV Properties”), 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% of its shares are 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”.

1. 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, Notes and explanatory statements 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, 2014. Investments in entities that were not more than 50 per cent owned or controlled as at 31st March, 2014 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, WTC, OMMCL and Prosperita 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 increase in the relevant reserves of the entities consolidated. The financial statements of joint venture companies BCV Developers, BCV Estates and CV Properties 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.

Excess of cost of investment in a subsidiary over the Company's portion of equity of subsidiary is recognised as goodwill and classified as an asset in consolidated financial statements.

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.

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 recognized 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:

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 Realizable Value. The cost is generally calculated on FIFO basis.

The value of construction work-in-progress during the period is determined as an 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 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 Realizable Value whichever is lower.

Inventories in the hospitality business are valued at cost determined on weighted average basis or net realizable value whichever is lower after providing for obsolescence, if any. Initial expenses on soft furnishing, linen, cutlery and crockery are amortized over 24 months.

Inventories of stores, spares and consumables, are valued at lower of cost and net realizable value.

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 cognizance.

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 with respect to certain assets, depreciation is charged on Straight Line Method 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
Homestead – 2	25 Years	5 Years	5 Years
Grand Mercure	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 4 th and 5 th Floor	Not Applicable	5 Years	5 Years

Depreciation is charged on a pro-rata basis for assets purchased/ put to use /sold during the year. Individual assets costing less than or equal to ₹ 5,000/- is fully depreciated 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 assets from 01st April 2005 depreciation has been 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 and Electronic equipment	9.50%
Office and Other equipment	9.50%
Motor Vehicles	20.00%
Computers and Software	33.33%
Furniture and Fittings	12.00%

Lease Hold Improvements

- Borewell At lower of lease period or 10 years
- Others At lower of lease period or 36 months

2.8. Revenue Recognition:

Income from contractual Real Estate projects is determined and recognized, 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 recognized 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 recognized as contract revenue during the period is based on the lower of stage of completion as determined above and actual amount received on sale (pursuant to agreements entered into by the Company). Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level (excluding land cost), which is estimated to be at least 25% and 25% of saleable project area is secured by agreements with buyer as well as 10% of total revenue as per agreement of sale are realised as on the reporting date.

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.

Interest received from customers for delayed payments of instalment is recognized on receipt basis.

Commission, management fees and other fees receivable for services rendered are recognized on the completion of such services and when the right to receive such income is established.

Revenues in respect of sale of completed units, 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 from Buyers including Deposits and the related expenses incurred are recognized, subject to final reconciliation, in the year of completion of the project / handing over of the flats to the customers.

In respect of Hospitality operations, revenue from rooms, restaurants, banquets and other services comprising 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, is recognized upon rendering of the services.

Membership fee received for Membership of club(s) is recognized as income on a straight line basis by amortizing the

amount received from the year of admission up to the period of expiry of the relevant membership. The balance unamortized amount received as well as membership fees received for clubs which are not operational has been shown as a liability. If the membership is terminated, the unamortized membership fees will be recognized as income in the year of termination.

Subscription charges for facility usage have been accounted on monthly basis for usage of clubs.

Sale of food and beverages are accounted net of VAT.

Revenues relating to Management fees are recognised pursuant to contracts entered into between the Company, the Mall owner and the tenants. Such revenues are recognised on accrual basis in accordance with the terms of the said agreement.

Royalty fees/Income from business centre and Facility management fees has been accounted on accrual basis.

Income from agriculture has been accounted in Statement of Profit and loss as and when sale is affected.

2.9. Fixed Assets:

Tangible:

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation and impairment loss, 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.

Intangible:

Intangible assets are carried at cost less accumulated amortization and impairment loss, if any.

The cost of intangible asset comprises its purchase cost and directly attributable expenditure.

In case of WTC, Intangibles pertain to Licence fee paid to World Trade Centre which has been carried at cost. The cost includes purchase cost and directly attributable expenditure.

2.10. Foreign Currency Transaction:

Foreign currency translations are recorded in reporting currency at exchange rates prevailing on the date of transactions. Exchange gain or loss arising on settlement is adjusted to the statement of profit and loss. All monetary items denominated in foreign currency are converted at the rates prevailing on the date of the Financial Statement.

Forward exchange contracts to hedge risks associated with foreign currency fluctuations that are outstanding at the end

of the year are accounted in accordance with Accounting standard 11 and the resultant loss if any is recognised in the Profit and loss account.

2.11. Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as Long Term Investments. Long Term Investments are carried at the cost, and a provision for diminution in value in investments is made to recognize a decline, other than temporary, in the value of the investments. Investments other than long term investments being current investments are carried at the lower of cost or fair value

Investments, which are readily realizable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

2.12. 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 are recognized 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 recognized 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 recognizes 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. The employees of the Company are eligible for compensated absences which are accumulated in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on additional amount expected as result of unused entitlement.

Employee stock option scheme:

The employee share based payments are accounted on the basis of 'intrinsic value of option' representing the excess of the market price on the date of grant over the exercise price of the shares granted under the 'Employee Stock Option Scheme' of the Company and is amortised as deferred employees compensation on a straight line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India.

2.13. Borrowing Costs:

Borrowing costs attributable to acquisition and construction of assets are capitalized as part of the cost of such assets up to the date the asset is put to use.

Borrowing cost incurred for ongoing projects are considered as part of project cost.

Other borrowing costs are charged as expense in the year in which these are incurred.

2.14. Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and internal organization 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.

2.15. 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.

2.16. Provision for Taxation:

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

Deferred Tax is recognized, 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.

2.17. 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.

2.18. Provisions and Contingent Liabilities:

Provision is recognized 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.

2.19. Amortization of Miscellaneous Expenditure:

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.

In case of CV properties, expenses incurred towards incorporation of the Company and other preliminary expenses classified under Other current assets are written off equally over the period of 5 years.

2.20. Commission paid for procurement of membership at clubs:

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

Note — 3 - Share capital

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Authorised		
150,000,000 (31 March 2013: 150,000,000) Equity shares of ₹ 10 each	15,000	15,000
Issued, Subscribed & Paid Up		
112,251,940 (31 March 2013: 112,251,940) Equity Shares of ₹10/- each	11,225	11,225
Total	11,225	11,225

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

Particulars	As at 31 March, 2014	As at 31 March, 2013
Shares outstanding at the beginning of the year	112,251,940	112,251,940
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	112,251,940	112,251,940

Details of shareholders' holding equity shares more than 5%

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	No. (in Lakhs) of shares held	% of holding	No. (in Lakhs) of shares held	% of holding
M.R. Jaishankar	230	21%	230	21%
Githa Shankar	187	17%	187	17%
Nirupa Shankar	93	8%	93	8%

The company has not issued any bonus shares during the period of 5 years immediately preceeding the reporting date

Disclosures Pursuant to Guidance Note on ESOP

The Company instituted an Employees Stock Option Scheme ('ESOP 2011') pursuant to the Compensation Committee and Shareholders' resolution dated October 29, 2013 and August 11, 2011 respectively. As per ESOP 2011, the Company granted 23,24,300 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The employee will have the option to exercise the right within five years from the date of vesting of options. Under ESOP 2011, a total of 23,24,300 options have been granted. The options under this grant would vest to the employees equally as 25% of the total grant every year at the end of first, second, third and fourth year from the date of the grant respectively, with an exercise period of five years from the date of respective vesting. The vesting conditions include completion of one, two, three and four years of service. These options are exercisable at a price of ₹ 50/- which would be a discount to the market price of Company's shares on the date of grant. Options under the plan are granted to be vested over a period of four years and are settled by Equity Shares being allotted to the beneficiary, upon exercise.

The Company uses the intrinsic value method for determination of the employee stock compensation expense, the impact on the reported net profit and earnings per share under the fair value approach is as given below:

Particulars	2013-14
Net Profit after Taxes	8,994
Add: Employee Stock compensation under Intrinsic Value	13
Less: Employee Stock compensation under Fair Value	54
Proforma Profit	8,953
EPS-Basic-As Reported	8.01
As per Proforma Profit	7.98
EPS-Diluted-As Reported	8.00
As per Proforma Profit	7.98

30(1) The following information relates to the Employee Stock Options as on 31st March, 2014

Particulars	Number of Options	Weighted average Exercise Price	Weighted average Contractual life of options as on date of Grant
Outstanding at the beginning of the year	Nil		
Add: Options Granted During the Year	2,324,300	50	7.08
Less: Lapsed / forfeited / cancelled during the year	Nil		
Outstanding at the end of the year	2,324,300	50	7.08
Exercisable at the end of the year	Nil		
Exercised during the year	Nil		

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model as follows

Particulars	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting
Weighted Average Exercise Price	50.00	50.00	50.00	50.00
Historical Volatility	51.62%	49.92%	46.93%	44.70%
Life of the options granted in years	1	2	3	4
Expected dividends per share	1.5	1.5	1.5	1.5
Average risk-free interest rate	9.86%	9.02%	8.96%	9.03%
Expected dividend yeild	2.65%	2.65%	2.65%	2.65%

Note 4 — Reserves and surplus

Particulars	As at 31 March, 2014	As at 31 March, 2013
a. Securities premium account		
Balance at the beginning of the reporting period	69,040	68,572
Add : Securities premium	-	468
Less: minority share of loss and premium on redemption of optionally convertible debenture	(1,025)	-
Balance at the end of the reporting period	68,015	69,040
b. General reserve		
Balance at the beginning of the reporting period	7,027	6,416
Add: amount transferred from surplus in the statement of profit and loss towards reserves	673	321
Add: Transfer from "Surplus in the statement of profit and loss" towards capital F & FE reserve and CAM reserve	482	290
Balance at the end of the reporting period	8,182	7,027
c. Surplus in the statement of profit and loss		
Balance at the beginning of the reporting period	33,917	30,432
Add: Profit / (Loss) for the current year	8,895	6,002
Add: Adjustments	634	65
Less: Profit transferred to General Reserve	673	321
Less: Transfer to General Reserve towards capital F & FE reserve & CAM reserve	482	290
Less: Appropriation towards Proposed Dividend	2,245	1,684
Less : Appropriation towards tax on Proposed Dividend	375	286
Net surplus in the statement of profit and loss	39,671	33,917
Total (a+b+c)	115,869	109,985

Note — 5 Long-term borrowings

(₹ in Lakhs)

		Long term debt		Current maturities of long term debt	
Particulars	Terms of repayment and security	As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Unsecured					
Debentures- Fully Convertible - Series A -	23,55,430 nos, unsecured -16 % Fully Convertible Debentures of ₹ 100 each, fully paid up-Reco Begonia Pte Ltd	2,355	2,355	-	-
Debentures- Fully Convertible - Series B	33,70,470 nos, unsecured -16 % Fully Convertible Debentures of ₹ 100 each, fully paid up- Reco Begonia Pte Ltd	4,518	3,370	-	-
Term loan from banks					
Secured					
Allahabad Bank	Secured by Assignment of future Rent Receivables and equitable mortgage of land and building of Orion Mall at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan is further secured by personal guarantee of Chairman & Managing Director Mr. M.R. Jaishankar. The loan is repayable in 120 monthly installments, commencing from 30 April 2012.	18,347	20,235	1,753	1,383
Allahabad Bank	Secured by Assignment of future Rent Receivables of Orion Mall situated at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore; and Supplemental Mortgage of the land measuring 2,99,200.56 sq.ft forming part of larger property bearing Municipal No.26/1 popularly called Brigade Gateway situated in Subramanyanagar, Malleswaram West, Bangalore together with the buildings and other structures (Orion Mall) standing thereon. The loan is further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is further secured by Corporate Guarantee of M/s Brigade Hospitality Services Limited. The loan is repayable in 120 monthly installments, commencing from April 2013.	5,097	5,460	327	250
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. The loan is further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is repayable in 95 monthly installments , commencing from 31 October 2010.	1,487	1,995	483	391

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Allahabad Bank	Secured by Assignment of entire cash flow including credit card receivables of Hotel Grand Mercure along with Collateral security of mortgage of Leasehold rights on the land and building located at 12th main, 3rd Block, Koramangala, 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 Hotel Grand Mercure. The loan is further secured by Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 84 monthly installments, commencing from 31 October 2011.	3,285	4,235	943	943
Bank of India	Secured by Equitable Mortgage of land and building of Brigade Rubix in HMT Main Road, Peenya Plantation, Bangalore North Taluk Bangalore. The loan is repayable in 6 quarterly installments, commencing from 30th September 2013.	-	1,748	-	2,250
Bank of India	Secured by Equitable Mortgage of Brigade Share of land and proposed building Under the name "Orion East Mall" at Banaswadi Main Road, Banaswadi layout, Maruti Seva Nagar, Bangalore. The loan is repayable in 120 monthly installments, commencing from September 2014.	1,651	2,295	644	-
Bank of India	Secured by equitable mortgage of land and building of, "The Brigade School" @ Whitefield, Dyavasandra Industrial Area Phase I, K.R. Puram Hobli, Bangalore. The loan is repayable in 27 quarterly installments, commencing from 31 March 2011.	-	1,555	-	444
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 31 October 2011.	-	2,394	1,220	1,901
Bank of Baroda	Secured by Equitable Mortgage of land and proposed building under the name Brigade Exotica situated at Bandapura Village, Bidarahalli Hobli, Hoskote Taluk, Bangalore. The loan is further secured by personal guarantee of Chairman & Managing Director Mr. M.R. Jaishankar and Whole time Director Mrs.Githa Shankar. The loan is repayable in 11 quarterly installments, commencing from December 2014.	3,634	6,138	2,500	-

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Bank of Baroda	Secured by Equitable Mortgage of property belonging to BEL to the extent of 171552 SFT of land and proposed Building thereon under the name "Brigade IRV Center" situated at Sy. No. 73/1, Nallurahalli Village, K.R. Puram Hobli, Bangalore East Taluk. The loan is further secured by personal guarantee of Chairman & Managing Director Mr. M.R. Jaishankar and Whole time Director Mrs. Githa Shankar. The Loan is Repayable in 6 Quarterly installments commencing from June 2015.	3,898	-	-	-
ICICI Home Finance Company Ltd	Secured by Equitable mortgage of saleable area in Brigade Gateway Residences situated at Subramanyanagar, Malleshwaram West, Bangalore. The loan is repayable in 10 equal monthly installments of Rs. 5 Crores each commencing from September 2012.	-	-	-	1,494
Indian Overseas Bank	Secured by Equitable Mortgage of land with buildings of Brigade Sparkle situated at Vishveswara Nagar, Khilli Mohalla, Mysore South, 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 31 January 2013.	-	-	-	3,044
Indian Overseas Bank	Secured by Extension of Equitable Mortgage followed by the registered Memorandum of Deposit of title deeds pertaining to Brigade Crescent located at Benson Cross road, Municipal Ward 92, Bangalore. The loan is repayable in 15 monthly installments commencing from January 2013	-	-	-	1,896
Indian Overseas Bank	Secured by Equitable Mortgage of developmental rights pertaining to the land and proposed residential apartment at Survey Nos. 57/B, 61/5, 61/6P1, 61/6P2, 61/7, 112/2A1, 121/1B1 and 121/2, Khata No. 3269, 3958, 4409, and 4410, Derebail, Mangalore. The loan is repayable in 21 monthly installments commencing from September 2014	274	-	1,225	-
Indian Overseas Bank	Secured by Equitable Mortgage of leasehold rights pertaining to the land and proposed commercial project at Kakkanad, Kochi at Survey No. 601, 602 & 612. The loan is to be compulsorily closed by 31.03.2016 either by conversion of the same into LRD or by way of takeover of the same by another bank	1,000	-	-	-

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
Jammu & Kashmir Bank	Mortgage of 65% of the total land area (Brigade Share) of 3 Acres and 12 Guntas bearing Survey No. 51 of K. Narayanapura Village, Krishnarajapuram Hobli, Bangalore, along with the proportionate share of residential apartments to be constructed thereon in terms of JD Agreement dated 11.03.2011 and Escrow of Brigade share of cashflow arising out of the project. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is repayable in 15 monthly installments commencing from February 2015.	1,100	-	400	-
Jammu & Kashmir Bank	Mortgage of 60% of the total land area (Brigade Share) of 2 Acres and 13.2 Guntas bearing Survey No. 45/4 (P) and 45/5 (P), Hebbal Village, Kasaba Hobli, Bangalore, along with the proportionate share of residential apartments to be constructed thereon in terms of JD Agreement dated 24.03.2011 and Escrow of Brigade share of cashflow arising out of the project. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is repayable in 18 monthly installments commencing from November 2014.	500	-	1,000	-
Karur Vysya Bank	Secured by Equitable Mortgage Charge on Brigade Share of Land and proposed building to be constructed at Sy. No. 20/4, 20/2, 22/1, 22/2, 22/6, 22/8, 23/1, 23/2 and 23/3 of Jhurahalli Village, Uttarahalli Hobli, Bangalore. The loan is repayable from 3rd Quarter of FY 2014-15 in 2 years through Quarterly Installments. % payment in FY 2014-15, FY 2015-16 and FY 2016-17 shall be 23.50%, 50% and 26.50% respectively.	1,593	2,503	1,410	-
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. The loan is further secured by Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 36 monthly installments, commencing from 31 January 2012.	-	994	-	1,333

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
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. The loan is further secured by Corporate guarantee of M/s. Brigade Hospitality Services Ltd. The loan is repayable in 24 monthly installments commencing from 31 July 2011.	-	-	-	616
Punjab National Bank	Secured by Assignment of future lease rentals receivable from unsold portion of World Trade Centre and Multi Level Car Parking. The loan is further secured by Equitable Mortgage of land, building and Multi Level Car Parking of the World Trade Centre, situated at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan is repayable in 120 monthly installments commencing from October 2012.	-	12,457	-	776
State Bank of India	Equitable Mortgage of the land measuring 35 Acres and 38 Guntas and proposed building under the name "Brigade Meadows" situated at #122, Saalu Hunase Village, Kanakapura Road, Bangalore - 560 082 and First charge on the current assets of Meadows project like fixtures of flats and other construction materials like cement, steel, receivables lying on the site. The loan is further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The Loan is repayable in 9 Quarterly Installments commencing from October 2014.	13,947	7,750	1,800	-
State Bank of India	Mortgage of 60% of the total land area (Brigade Share) of 2 Acres and 13.2 Guntas bearing Survey No. 45/4 (P) and 45/5 (P), Hebbal Village, Kasaba Hobli, Bangalore, along with the proportionate share of residential apartments to be constructed thereon in terms of JD Agreement dated 24.03.2011 and Escrow of Brigade share of cashflow arising out of the project. The loan has been further secured by personal guarantee of Chairman and Managing Director Mr. M.R. Jaishankar. The loan is repayable in 18 monthly installments commencing from November 2014.	7,351	-	811	-
State Bank of India	Secured by land and building of Hotel Sheraton Bangalore at the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of Chairman and Managing Director Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is to be reconverted into INR Loan in May 2014.	-	-	4,475	-

(₹ in Lakhs)

Particulars	Terms of repayment and security	Long term debt		Current maturities of long term debt	
		As at 31 March, 2014 (Long term payable)	As at 31 March, 2013 (Long term payable)	As at 31 March, 2014 (Short term payable)	As at 31 March, 2013 (Short term payable)
State Bank of India	Secured by land and building of Hotel Sheraton Bangalore at the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of Chairman and Managing Director Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is repayable in 28 quarterly installments, commencing from 30 June 2011.	-	4,186	-	872
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 the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of Chairman and Managing Director Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is repayable in 28 quarterly installments, commencing from 30 June 2011.	-	1,741	-	364
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 the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. The loan has been further secured by personal guarantee of Chairman and Managing Director Chairman and Managing Director Mr. M.R. Jaishankar and Non-executive Director Mr. M. R. Shivaram. The loan is repayable in 28 quarterly installments, commencing from 30 June 2011.	-	1,739	-	364
United Bank of India	Secured by Hypothecation of concrete forms at Brigade Meadows. The loan is repayable in 48 equal monthly installments commencing from November 2012.	327	534	208	208
State Bank of Mysore	Secured by Equitable mortgage over plot No.35/1,2,3,4,5, & Plot No. 36 measuring 16.32 & 15.80 acres, both situated at Rayasandra village, Devanahalli Tq. Of Bangalore rural district, totalling 32.12 acres	1,022	498	438	-
United Bank of India	Secured by Hypothecation of Equipments/materials proposed to be purchased. The loan is further secured by Equitable mortgage over Sy. No.413/1, measuring 2 acres and 28 Guntas and by equitable mortgage of Sy. No.413/2 measuring 2 acres 18 Guntas, both situated at Devanahalli village, Kasaba Hobli, Devanahalli Taluk, Bangalore rural district.	375	90	187	-
Total		71,761	84,272	19,824	18,529
Less: Current maturities of long term debt transferred to Other current liabilities				19,824	18,529
Total		71,761	84,272	-	-

Note 6 — Deferred tax liability

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Tax effect of items constituting deferred tax liability	3,827	2,865
Less:		
Tax effect of items constituting deferred tax asset	408	422
Total	3,419	2,443

Note 7 — Other long-term liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Supplier Retention	3,560	2,387
Interest accrued but not due on borrowings	1,432	-
Lease deposit	7,176	7,545
Rental and other deposits	58	62
Sinking fund and Power caution deposits	385	380
Club membership fee received in advance	5,282	5,349
Redemption premium payable on optionally convertible debentures	1,809	-
Provision for future tax liability	3,550	3,150
Total	23,252	18,873

Note 8 — Long-term provisions

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Provision for employee benefits	261	63
Total	261	63

Note 9 — Short-term borrowings

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Secured		
Loans repayable on demand from banks	1,639	2,005
Loans and advances from related parties	-	679
Total	1,639	2,684

Note 10 — Trade Payables

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade payables	11,137	8,498
Dues to micro, small and medium enterprises	6	1
Total	11,143	8,499

Note 11 — Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Current maturities of long-term debt	19,824	18,529
Interest accrued but not due on borrowings	-	543
Rent Received in Advance	400	167
Unclaimed dividends	11	10
Statutory Remittances	1,011	756
Capital creditors	54	190
Employee benefits	220	408
Advance from customers	48,092	14,819
Provision for Engineering cost	1,407	973
Outstanding liabilities	2,710	1,870
Current maturities of club membership fees	207	209
Other current liabilities	12,072	14,762
Total	86,012	53,236

Note 12 — Short-term provisions

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Provision for employee benefits	323	623
Provision for tax	2,295	1,211
Provision for proposed equity dividend	2,245	1,684
Provision for proposed tax on proposed dividend	382	293
Other provisions	1	19
Total	5,246	3,830

Note: 13 — Fixed assets

(₹ in Lakhs)

Sr.	Assets	GROSS VALUE				DEPRECIATION VALUE			NET BLOCK		
		As at 1 April, 2013	Additions during the year	Deletions/ adjustments during the year	Balance As at 31 March, 2014	Balance As at 1 April, 2013	For the Year Ended 31 March, 2014	Amount written back during the year	As at 31 March, 2014	W.D.V as at 31 March, 2014	W.D.V as at 31 March, 2013
A.	TANGIBLE ASSETS										
1.	Land	9,228	1,769	1,790	9,207	—	—	—	—	9,207	9,228
2.	Building	86,255	26,513	3,370	109,398	7,110	4,919	381	11,648	97,750	79,145
3.	Furniture & Fixtures & Interiors	13,989	1,336	—	15,325	6,005	1,773	0	7,778	7,547	7,984
4.	Office Equipment, Plant & Machinery	9,979	1,123	61	11,041	2,718	1,171	18	3,871	7,170	7,261
5.	Computer Hardware	872	110	(18)	1,000	706	104	5	805	195	167
6.	Vehicles	463	78	71	470	304	51	66	289	181	159
7.	Leasehold improvements	3	—	—	3	2	1	—	3	—	1
	Sub Total	120,789	30,930	5,274	146,444	16,845	8,020	469	24,394	122,050	103,944
B.	INTANGIBLE ASSETS										
1.	Software	814	70	18	866	483	151	(4)	638	228	331
2.	Transferable Development Rights	541	—	—	541	—	—	—	—	541	541
3.	Lincense Fee	135	—	—	135	—	—	—	—	135	135
	Sub Total	1,490	70	18	1,542	483	151	(4)	638	904	1,007
C.	CAPITAL WORK-IN-PROGRESS	38,857	17,173	31,566	24,464	—	—	—	—	24,464	38,857
	Total	161,136	48,173	36,858	172,450	17,328	8,171	465	25,032	147,418	143,808
	Previous year	152,927	83,138	74,929	161,136	9,996	7,587	255	17,328	143,808	142,931
	Of the above, leasehold assets are										
	Building	4,436	57	—	4,493	1,425	230	—	1,655	2,838	3,011
	Furniture & Fixtures & Interiors	1,854	25	—	1,879	1,476	303	—	1,779	100	378
	Office Equipment, Plant & Machinery	567	3	—	570	431	111	—	542	28	136
	Of the above, assets given under lease are										
	Land	4,432	1,329	125	5,635	—	—	—	—	5,635	4,432
	Building	49,072	25,470	—	74,542	2,326	3,256	—	5,582	68,960	46,747
	Furniture & Fixtures & Interiors	855	805	—	1,660	795	53	—	847	813	60

Note 14 — Non Current Investments

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade investments (valued at cost unless stated otherwise)		
Investment in Associate Companies		
3.7 lakhs (31 st March 2013 : 3.7 lakhs) Equity shares of ₹ 10/- each fully paid up in Tandem Allied Services Pvt. Ltd.	432	325
Sub total	432	325
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instrument		
0.05 lakhs (31 st March 2013: 0.05 lakhs) Equity shares of ₹ 10/- each fully paid up in Indian MRI Diagnostic Research Pvt. Ltd.	1	1
2.39 lakhs (31 st March 2013: 2.39 lakhs) Equity shares of ₹ 10/- each fully paid up in AEC Promag Consultancy Pvt. Ltd.	24	24
Investment in Bonds		
250 bonds (31 st March 2013: Nil) of ₹ 10.00 lakhs each fully paid up in Lakshmi Vilas Bank Ltd.	2,500	-
Tax Free, Secured Redeemable, Non Convertible Bonds in Indian Renewable Energy Development Agency Limited	350	-
Government and trust securities		
Investment in Government securities	2	2
Investments in Partnership firms:		
Celebrations Catering and Events LLP	28	9
Sub total	2,905	36
Aggregate value of quoted investments	350	-
Aggregate value of unquoted investments	2,987	361
Less: Aggregate value of diminution in value of investment	24	24
Total	3,312	337

Note 15 — Long-term loans and advances

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Capital Advances		
Unsecured, considered good	347	185
Security Deposits		
Secured, considered good	4	-
Unsecured, considered good	230	215
Loans and advances to related parties		
Secured, considered good	278	-
Balances with government authorities	3,698	14,391
Other loans and advances		
Secured, considered good	5	-
Unsecured, considered good	655	362
MAT credit entitlement - Unsecured, considered good	4,353	3,858
Total	9,569	19,011

Note 16 — Other non-current assets

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unamortised Expenses		
Deferred employee compensation	114	-
Preliminary expenses	223	336
Amount Recoverable from Promoters towards Future Tax Liability		
Unsecured, considered good	3,550	3,150
Total	3,887	3,486

Note 17 — Current Investments

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Quoted mutual funds		
1,141,247 (31 st March, 2013: Nil) units of 100.33 each fully paid-up of Birla Sunlife Cash Plus Fund	1,143	-
83,903 (31 st March, 2013: 13,247) units of 1,363.26 each fully paid- up of Reliance Liquid Fund	1,143	203
112,822 (31 st March, 2013: Nil) units of 1,002.64 each fully paid- up of BOI AXA Liquid Fund	1,131	-
60,771 (31 st March, 2013: Nil) units of ₹ 1,003.25 each fully paid-up of SBI Premier Liquid Fund	610	-
39,930 (31 st March, 2013: Nil) units of 1,001.88 each fully paid- up of SBI Ultra Short Term Debt Fund	400	-
5,036,003 (31 st March, 2013: Nil) units of 10.04 each fully paid-up of Sundaram Ultra Short Term Fund	506	-
Nil (31 st March, 2013: 101,044) units of Birla Sunlife Floating Rate Fund	-	101
Nil (31 st March, 2013: 101,089) units of Birla Sunlife Savings Fund	-	101
Sub-total	4,933	405
Aggregate amount of quoted investments [Market value ₹ 4,936 lakhs (31 st March, 2013: ₹ 405 lakhs)]	4,933	405
Aggregate value of unquoted investments	-	-
Total	4,933	405

Note 18 — Inventories

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Raw Materials and components	4,526	3,043
Work-in-progress	81,712	59,933
Land held for development	21,940	14,951
Stock of completed units	4,714	12,818
Food & beverages	64	18
Cutlery Crockery & Glassware	-	4
Others	8	5
Stores and spares	56	18
Inventories held at Gateway Sheraton & Spa	131	159
Inventories held at Grand Mercure	45	39
Total	113,196	90,988

Note 19 — Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	3,545	1,341
Less: Provision for doubtful debts	1	15
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	202	650
Less: Provision for doubtful debts	5	1
Total	3,741	1,975

Note 20 — Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Balances with banks		
In current accounts	2,081	2,688
In EEFC accounts	474	-
In Deposit accounts	1,623	1,456
Balance held as Margin money or security against borrowings, guarantees and other commitments.	-	209
Bank deposits with more than 12 months maturity	267	164
Cheques, drafts on hand	18	5
Cash on hand	605	181
Total	5,068	4,703

Note 21 — Short-term Loan & Advances

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Loans and advances to related parties		
Unsecured, considered good	6,204	1,088
Security Deposits		
Unsecured, considered good	397	40
Loans and advances to employees		
Unsecured, considered good	37	16
Prepaid expenses - Unsecured considered good	618	474
Balances with government authorities	6,468	6,667
Other deposits		
Unsecured, considered good	23,992	21,734
Total	37,717	30,019

Note 22 — Other Current Assets

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unamortised expenses	90	31
Accruals	52	27
Duties and taxes	471	175
Other receivables	136	323
Total	749	556

Note - 23 — Revenue from operations

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Sale of units	63,094	57,392
Sale of services	14,025	13,001
Other Operating revenues	16,899	11,876
Total	94,018	82,269
Sale of Units comprising:		
Revenue from Real Estate - Residential	44,371	31,642
Revenue from Real Estate - Commercial	18,723	25,750
Sale of services comprising:		
Revenue from Hospitality	14,025	13,001
Other Operating revenues comprising:		
Rental income from operating leases	12,997	9,333
Income from Business Centre	112	51
Facility management fees	90	55
Royalty Income	41	21
CAM charges	1,909	1,361
Management fees received	265	335
Revenue from car park	686	251
Others	799	469
Total	94,018	82,269

Note - 24 — Other Income

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Interest income	186	216
Dividend/income from investment	155	18
Adjustments to carrying amount of investments - reversal of reduction in carrying amount		
Long term Investment	127	93
Net gain on foreign currency transactions and translation (other than considered as Finance cost)	-	14
Commission received	231	25
Other non operating income	1,551	826
Total	2,250	1,192
Interest income comprising:		
Interest from banks on:		
Deposits	128	207

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Interest income from long term investments:	2	-
Other interest	56	9
Total	186	216
Other non-operating income comprising:		
Rental income	70	67
Profit on sale of fixed assets	791	194
Profit from CCE LLP	34	-
Prior period income	1	165
Creditors written back	12	313
Miscellaneous income	643	87
Total	1,551	826

Note 25 — Project & Direct Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Construction material:		
Steel	6,530	3,087
Cement	356	146
Granite/marble (flooring material)	1,095	356
Hardware materials	131	81
Land and construction expenses:		
Construction expenses	34,886	18,688
Architect & Consultancy Fees	1,624	992
Electrical Work and Power charges	3,564	2,704
Interiors - projects	2,960	2,193
Miscellaneous Expenses Construction	107	77
Land cost	3,324	20,136
Rates & Taxes - Projects	2,250	2,318
Direct expenses - Inter-unit/ subsidiaries	11,273	8,654
Other Direct Project Expenses		
Interest - Projects	4,723	3,714
Employee cost	1,665	1,351
Other expenses	4,586	3,200
Total - (A)	79,074	67,697
Increase / Decrease in WIP		
Opening Work in Progress - Projects - (a)	59,993	32,469

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Opening Work in Progress - Capital - (b)	38,857	92,500
Add: Cost of Projects Inventorised (c)	112	-
Less: Cost of Projects Capitalised (d)	(29,774)	(64,431)
Total - B = (a+b+c-d)	69,187	60,538
Closing Work in Progress - Projects - (e)	81,712	59,993
Closing Work in Progress - Capital - (f)	24,464	38,857
Total - C = (e+f)	106,176	98,850
(Increase) / Decrease in value - D = (B-C)	(36,989)	(38,312)
Total E = (A+D)	42,085	29,385

Note 26 — Employee Benefit Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Salaries, allowances and bonus	8,871	7,813
Contribution to provident and other funds	272	786
Staff welfare expenses	307	303
Training and recruitment expenses	69	85
Employee stock compensation expense	13	-
Less:		
Allocation to other expenses	88	67
Transferred to project Expenses*	1,665	1,351
Total	7,779	7,569

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

Employee would deem to include directors, in full time or part time employment of the company but exclude directors who are not under a contract of employment with the company

Note 27 - Finance costs

(₹ in Lakhs)		
Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Interest expenses on:		
Borrowings	10,659	12,264
Debentures	1,045	-
Premium on redemption of debentures	892	-
Other borrowing cost @	612	432
Net (gain)/loss on foreign currency transaction and translation	336	-
Less : Transferred to project Expenses *	4,723	3,714
Total	8,821	8,982

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

@ Other borrowing cost includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premiums on borrowings, other ancillary cost incurred in connection with borrowings or amortisation of such cost.

Note 28 - Other Expenses

(₹ in Lakhs)		
Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Legal and professional fees	1,442	1,272
Payments to auditors	50	20
Power and fuel	302	333
Rent including lease rentals	331	258
Repairs		
Building	493	424
Machinery	200	213
Others	269	163
Insurance	123	99
Rates and taxes	1,386	1,159
Agency commission	1,242	796
Business promotion	282	307
Advertising and selling expenses	4,354	3,409
Operating cost	211	175
Management Fee	74	-
Annual Membership Fee	15	5
Travelling and conveyance	409	421
Communication costs	221	186
Bad trade and other receivables, loans and advances written off	38	24
Printing and stationery	127	110
Security charges	595	201
Donation	344	348
Director's sitting fees	47	8
Exchange difference	26	20
Customer compensation and other related cost	410	449
Amortisation of share issue expenses and discount on shares	-	28

(₹ in Lakhs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Provision for losses (diminution in the value of investment) in subsidiary company	-	-
From current investment	-	1
Prior period items	-	276
Miscellaneous expenses	596	128
Less : Transferred to Fixed Assets	4	-
Less : Transferred to project Expenses *	4,586	3,200
Total	8,997	7,633

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

29.1 Disclosure pursuant to Accounting Standard 7 (Revised):

(₹ in Lakhs)

Particulars	2013-14	2012-13
Contract Revenue recognized as Revenue in the year*	50,671	20,680
Aggregate amount of contract cost incurred upto the Reporting Date.	79,097	73,877
Recognized Profits (less Recognized Losses) upto the Reporting Date	21,874	8,860
Advances Received from Customers outstanding	38,239	25,779

*Does not include sale of completed units from Stock

29.2. Warranty Costs:

The parent Company has not recognized 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 recognized as and when incurred by the Company.

29.3. The registered partnership firm M/s. CV Properties was registered as a Company under the provisions of Part IX of the Companies Act, 1956 vide certificate of incorporation dated 19th July 2013 and all the movable and immovable assets stood in the erstwhile partnership firm were vested in the Company. The Company has converted and treated the immovable properties acquired by it as capital assets into stock-in-trade and pursuant to such conversion and treatment, the management thought it prudent to provide for the tax liability on the difference between the market value of the assets so converted and the cost of such assets, as on the date of conversion as per the provisions of section 45(2) of Income Tax Act and an amount of ₹ 800 Lakhs has been provided towards the same. Although, the provision for such tax liability has been made as matter of prudence and reflects the actual position of state of affairs of Firm when it was registered as Joint Stock Company, the liability would arise and liable for payment only as and when such Stock-in-Trade is sold or otherwise transferred by the Company.

29.4. Amalgamation:

A scheme of amalgamation has been filed with Hon'ble Highcourt of Karnataka for amalgamating M/s CV properties (Bangalore) pvt ltd, a Company having its registered office at 29th Floor, World Trade Centre,

Brigade Gateway Campus, Rajajinagar, Malleswaram, Bangalore – 560055, M/s BCV Developers Pvt Ltd, a Company having its registered office at 29th Floor, World Trade Centre, Brigade Gateway Campus, Rajajinagar, Malleswaram, Bangalore – 560055 and BCV Estates Pvt Ltd, a Company having its registered office at 29th Floor, World Trade Centre, Brigade Gateway Campus, Rajajinagar, Malleswaram, Bangalore – 560055. The amalgamation was necessitated due to the fact that the said three companies, which are part of the scheme are developing a project with the name and style of “Brigade Orchards” located at Baichapura Road, Ryasandra Village, Kasaba Hobli, Devanahalli Taluk, Bangalore, Karnataka – 562110, on lands owned by the said three companies which are in contiguous and would form part of a compact block post amalgamation.

Under the scheme of amalgamation filed by the said three companies the “appointed date” reckoned as the 1st October, 2013 and the effective date for such amalgamation is reckoned as the date on which the relevant documents are filed by the respective companies with the jurisdictional Registrar of Companies pursuant to the orders of Hon’ble High Court of Karnataka.

As the process of amalgamation although initiated is to conclude successfully only after the Balance Sheet date, the financials of these companies have been prepared in a standalone basis.

29.5. Gratuity Plan:

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

(₹ in Lakhs)		
Particulars	As at 31 March, 2014	As at 31 March, 2013
Obligations at the beginning of the year	287	239
Service Cost	87	56
Interest Cost	25	19
Benefits Settled	(43)	(21)
Actuarial (Gain) / Loss	(1)	(6)
Obligations at the end of the year	355	287
Change in Plan Assets		
Plan Assets at the beginning of the year, at Fair Value	300	199
Expected return on plan assets	24	22
Contributions	49	100
Benefits Settled	(42)	(21)
Actuarial Gain / (Loss)	-	-
Plan Assets at the end of the year, at Fair Value	331	300
Fair Value of Plan Assets at the end of the year	355	287
Present Value of the defined benefit obligation at the end of the year	331	300
Asset / (Liability) recognized in the balance sheet	(24)	13
Service Cost	87	56
Interest Cost	25	19
Expected return on plan assets	(24)	(22)
Actuarial (Gain) / Loss	(1)	(6)
Net Gratuity Cost	87	47

Particulars	As at 31 March, 2014	As at 31 March, 2013
Assumptions:		
Interest rate	BHSL 8.78%	BHSL 8.25%
	OMMCL 8.85%	OMMCL 8.25%
	Others 9.12%	Others 8.00%
Salary Escalation	BEL 12.00%	BEL 7.00%
	WTC 20.00%	BHSL 6.00%
	Others 6.00%	OMMCL 6.00%

In case of employees of Sheraton Bangalore at Brigade Gateway, provision for gratuity amounting to ₹ 26 Lakhs (previous year ₹ 27 lakhs) is made based on actuarial valuation on the following assumptions:

Retirement Age	58
Mortality	Indian assured lives (2006-08) ultimate mortality table
Rate of interest	8.85%
Salary increase	8%
Attrition rate	20%
No of Employees	329
Benefits payable	As per Gratuity Act, 1972, Leave as per Company rules.

In case of employees of Grand Mercure, provision for gratuity amounting to ₹ 18 Lakhs is made based on actuarial valuation on the following assumptions:

Retirement Age	58
Mortality	Indian assured lives (94-96) ultimate mortality table
Rate of interest	8.85%
Salary increase	10%
Attrition rate	35%
No of Employees	134
Benefits payable	As per Gratuity Act, 1972, Leave as per Company rules.

The above figures doesn't represent the gratuity plan in respect of the subsidiary Companies, namely, Brigade Estates, Brigade Tetrach, Brigade Properties, Brigade Infrastructure, and also joint venture companies, namely, BCV Estates and CV properties, as actuarial calculations were not carried out. The assumptions used by BHSL and OMMCL, a subsidiary Company, for the year ended 31st March, 2014, being different is shown separately.

29.6. Borrowing Costs:

Particulars	(₹ in Lakhs)	
	As at 31 March, 2014	As at 31 March, 2013
Borrowing costs capitalized during the year		
- as fixed assets/capital work-in-progress	4,165	1,433
- as inventory	558	2,281

29.7. Segmental reporting:

The Company has identified real estate development, hospitality services and lease rentals as primary business segments. Accordingly the segment revenue, results and capital employed attributable to the segments are reported under each reportable segment.

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.

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
a. Segment revenue		
Real estate	63,429	57,837
Hospitality	15,027	13,965
Lease Rentals	16,590	11,359
Less: Inter-segment revenues	1,028	759
Net income from operations	94,017	82,402
b. Segment results		
Real Estate	8,705	8,446
Hospitality	2,254	984
Lease Rentals	7,665	3,860
Profit/(Loss) before tax and interest	18,624	13,290
Less : Interest	8,821	8,982
Add: Other Income	2,250	1,059
Profit/(Loss) before tax	12,053	5,367
c. Capital employed		
Real estate	138,830	128,864
Hospitality	26,716	30,634
Lease rentals	77,202	86,854
Less : Adjustments	22,301	19,789
Total capital employed	220,447	226,563

29.8. Related Party Disclosure:

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

29.8.1. Relationships:

Key Managerial Personnel (KMP)	Mr. M.R. Jaishankar, Chairman and Managing Director – BEL Ms. Githa Shankar, Executive Director – BEL Mr. Suresh K – Chief Financial Officer – BEL Mr. Om Prakash P – Company Secretary – BEL Mr. Balram Menon – Managing Director – WTC Mr. Vineet Verma – Executive Director – BHSL Ms. Nirupa Shankar – Director – BHSL
Other related parties where common control exists	Mysore Holdings Private Limited Brigade Foundation Mr.M.R.Jaishankar (HUF) Indian Music Experience Trust
Relatives of Key Managerial Personnel	Ms. Pavitra Shankar (Daughter of KMP) Mr. M.R. Shivram (Relative of KMP) Mr. M.S.Amar (Relative of KMP) Mr. M.R.Gurumurthy (Relative of KMP) Mrs. Latha Shivram (Relative of KMP) Mr. A.A.Ramesh Kumar (Relative of KMP) Mr. B.S. Adinarayana Gupta (Relative of KMP) Mrs. G.R. Arundathi (Relative of KMP) Mr. M. R. Krishna Kumar (Relative of KMP) Mr. M. S. Ravindra (Relative of KMP) Mr M K Shivaraj Hasha (Relative of KMP)

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

(₹ in Lakhs)

Nature of transaction	Name of the related party	Key managerial Personnel		Other related parties where common control exists		Relatives of Key managerial Personnel	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Managerial remuneration	M. R. Jaishankar	603	298				
	Githa Shankar	241	119				
	Suresh K	81	66				
	Om Prakash	25	26				
	Vineet Verma	78	23				
	Balram Menon	30	30				
Salary paid	Nirupa Shankar	23	19				
Purchase of material/finished goods/services	M.R.Gurumurthy					-	1
Sale of material/finished goods/services	M.R.Jaishankar	3	3				
	Githa Shankar	347	2				
	Mysore Holding (P) Ltd.			3,300	-		
	Brigade foundation			18	37		
	Vineet Verma	1	-				
Sale of capital assets	Brigade foundation			5610	-		
	Mysore Holdings Pvt Ltd.			8	-		
Advance received towards purchase of land,goods and services	Mysore holdings (P.) ltd			-	800		
Reimbursements received	Brigade foundation			3	5		
	Mysore holdings (P.) ltd				80		
Reimbursements paid	M. R. Jaishankar	-	3				
Sitting fees	M. R. Gurumurthy					1	1
	M. R. Shivram					1	1
Donation Paid	Indian music experience trust			312	265		
Amount (payable)/receivable	M. R. Jaishankar	-	752				
	Mysore Holdings (P) Ltd			20	(783)		
	Brigade Foundation			6,159	245		
	M. R. Jaishankar - HUF			51	51		
	M. K. Shivraj Harsha					2	2
	Indian Music Experience Trust			278	297		

29.9. Operating Leases:

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, 2014, are as follows:

	(₹ in Lakhs)	
Minimum lease receivable	2013-14	2012-13
Receivable not later than 1 year	10,118	10,416
Receivable later than 1 year and not later than 5 years	12,263	19,936
Receivable later than 5 years	Nil	Nil

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 31st March, 2014, are as follows:

	(₹ In Lakhs)	
Minimum lease payable	2013-14	2012-13
Payable not later than 1 year	150	146
Payable later than 1 year and not later than 5 years	637	663
Payable later than 5 years	2,635	2,760

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

Contingent rent recognized in the Profit and Loss account is ₹ Nil

The Company has constructed commercial spaces in the following projects. The Company's intention is to sell the remaining stock over a period of two years and accordingly the same is grouped under Inventory. To generate revenue out of these unsold stock,

the Company has leased out some portion and recognized the rentals as revenue. Since the said property / units are held for sale, depreciation on this stock has not been provided. Had these projects been capitalized depreciation on the same would have been provided and the profits would have been lower to the extent of depreciation specified below.

Particulars	Metropolis Summit		Brigade Rubix		Brigade Arcade	
	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013
Constructed area (in sq.ft)	6,80,786		1,94,280		83,520	
Sold/capitalised till date (in sq.ft)	6,80,786	4,28,707	1,35,140	1,10,360	81,310	77,880
Remaining Stock (in sq.ft)	Nil	2,52,079	59,140	83,920	2,210	5,640
Leased out portion (in sq.ft)	Nil	1,65,670	14,640	Nil	340	340
Depreciation not provided for (in ₹ lakhs)	321	316	18	Nil	0.41	0.41

29.10. Earnings per Share:

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Equity Share of face value ₹ 10/- each		
Net profit (₹ in Lakhs)	8,994	6,122
Number of shares used in computing basic earnings per Share	112,251,940	112,251,940
Number of shares used in computing diluted earnings per Share	112,380,397	112,251,940
Earnings per share: (in ₹)		
Basic	8.01	5.45
Diluted	8.00	5.45

29.11. Contingent Liabilities and Capital Commitments:

(₹ in Lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Contingent liabilities:		
Claims from government departments not acknowledged as debts	4,371	2,924
Capital Commitments:		
Capital Commitments - estimated amount of contract remaining to be executed on capital account not provided for	42,770	100,940
Towards letter of credit and bank guarantees	3,547	1,985

BPPL had issued Optionally convertible preference shares (OCPS) at par carrying a coupon rate of 0.01% per annum which are cumulative in nature. In view of inadequate profits during the year no appropriation towards dividend to the extent of ₹ 16,843 till 31st March, 2014 (31st March, 2013: ₹ 7,252) has been created.

29.12. Disclosure pursuant to AS – 23:

Depreciation:

The depreciation policy adopted by Tandem (an associate 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 2.7 of the Accounting Policies given above.

Gratuity and Leave Encashment:

Actuarial Valuation report has not been obtained by PHVL, hence the liability has been provided without considering the actual valuation.

During the year, Tandem has got actuarial valuation done by an actuary for its managerial staff. However, it has not included certain category of employees due to high labour turnover. The employees in this category do not serve the company for more than two years. However, in this situation no gratuity is payable to such employees. Further, for employees to whom retirement benefits have been provided as per actuarial valuation under project unit credit method, the following assumptions were used.

Particulars	As at 31 March, 2014	As at 31 March, 2013
Mortality	IALM (2006-08) Ultimate Mortality Table	LIC (94-96) Ultimate Mortality Table
Rate of interest	8% p.a	8% p.a
Salary Escalation	10% p.a	6% p.a
Attrition rate	0.5% p.a	5% p.a

This differs from the Policy on Employee Benefits adopted by the Company as indicated in Clause 2.12 of the Accounting Policies given above.

29.13. 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 ₹ 5,119 Lakhs (31st March,

2013 - ₹ 5,428 lakhs) out of Fixed Assets amounting to ₹ 147,417 lakhs (March 31, 2013- ₹ 143,808 lakhs) and depreciation for the year amounting to ₹ 428 Lakhs (31st March, 2013 ₹ 463 lakhs) out of total depreciation amounting to ₹ 8,171 Lakhs relates to BHSL (31st March, 2013 ₹ 7,587 lakhs).

29.14. Current Liabilities and other long term liabilities include a sum of ₹ 5,489 Lakhs (Previous Year ₹ 5,558 Lakhs) being deferred income of BHSL from membership of clubs.

29.15 Details of Derivative instruments and unhedged foreign currency exposures:

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

(₹ in Lakhs)		
Particulars	As at 31 March, 2014	As at 31 March, 2013
Payable	2,925	97

29.16. The Foreign Exchange Inflow and Outflow:

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

(₹ in Lakhs)		
Particulars	2013-14	2012-13
Inflow:		
Advance for Sale of Units, Lease deposits & Rentals	4,242	7,003
Outflow:		
i. Branch expenses	345	323
ii. Professional charges	420	216
iii. Consultation Fees	196	113
iv. Marketing	68	181
v. Others	136	354

CIF Value of imports and payments during the year the year ended 31st March, 2014, is ₹ 238 Lakhs (Previous year ₹ 1,167 Lakhs).

29.17. Remuneration paid to Statutory Auditors debited to Profit and Loss Account:

(₹ in Lakhs)		
Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
As auditor	29	19
For taxation matters	12	6
For limited review	7	7
For other services	8	1

29.18. 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.

29.19. Balances of debtors, deposit accounts, creditors and Loans and Advances etc., are subject to reconciliation and confirmation

29.20. BPPL had issued A series and B Series OCD which are optionally convertible into Class C equity shares/ OCPS or redeemable at a redemption premium resulting in 16% simple interest per annum. During the year the Company has created provision for redemption premium amounting to ₹ 180,914,676 (including ₹ 72,103,117 for earlier period) by debiting the statement of profit and loss account to the extent of ₹ 89,186,676 after utilisation of securities premium available amounting to ₹ 91,728,000 with the Company, as it is of the view that available securities premium with the Company could be used to offset the redemption premium for the year under provisions of Section 78 of the Companies Act, 1956

In view of inadequate profits during the year, no appropriation towards debenture redemption reserve to the extent of ₹ 14,122,352 till March 31, 2014 (March 31, 2013: ₹ 5,628,430) has been created.

29.21. BPPL has not complied with the requirements of Section 383A of the Companies Act, 1956 with respect to appointment of whole time Company Secretary for the year ended March 31, 2014. The management is of the view that the non-appointment was on account of factors beyond its control and all reasonable efforts were made by the Company to comply with the requirements of the Companies Act, 1956.

29.22. During the year the group has made a political contribution of ₹ 5 Lakhs to Bharatiya Janata Party. (Previous Year ₹ Nil).

29.23. 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 is ₹ 6 lakhs. (As on March 2013 – ₹1 lakh)

BHSL has initiated the process of obtaining confirmation from suppliers regarding their registration under the Micro, Small and Medium Enterprises Development Act, 2006. The suppliers are not registered wherever confirmations are received and in other cases, the Company is awaiting their confirmation due to which outstanding balances or interest due is not disclosed as it is not determinable.

29.24. In case of CV properties, preliminary expenditure amounting to ₹ 8.36 lakhs has not been written off during the year as the Company is yet to generate revenue from its Business Operations. The same will be amortized over a period of five (5) years from the year in which revenues are derived from Business Operations.

29.25. The Company is examining the applicability of the Transfer pricing regulations with respect to its domestic transactions and the relevant documentation, if required, in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment which will have a material bearing on the accounts in this regard.

As per our report of even date

For NARAYANAN, PATIL AND RAMESH

Chartered Accountants

Firm Reg. No. 002395S

L R NARAYANAN

Partner

Membership No. 200/25588

Place: Bangalore

Date: 7th May, 2014

29.26. Previous year Amounts:

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

For and on behalf of Board

M. R. JAISHANKAR

Chairman & Managing Director

M. R. GURUMURTHY

Director

K. SURESH

Chief Financial Officer

P. OM PRAKASH

Company Secretary

BRIGADE ENTERPRISES LIMITED

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

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

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

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



PRIVILEGE COUPON

SERIAL NO:

PROJECT NAME :

NAME OF THE SHAREHOLDER :

CLIENT ID :

DEPOSITORY PARTICIPANT ID :

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 31st December, 2014.
3. Shareholders can avail the discount only for a single booking.
4. The privilege coupon can be gifted. In case it is gifted, apart from providing his details, the Shareholder needs to fill in the details of the person to whom it is being gifted.
5. The scheme cannot be availed in conjunction with any other promotional scheme that the Company may come up with in the future.
6. The discount will be on the listed price of the project (excluding car park and statutory expenses).

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of **Brigade Enterprises Limited** will be held on Tuesday, 5th August, 2014 at 11.00 a.m. at The Atria Hotel, P.B. No. 5089, No. 1, Palace Road, Bangalore – 560 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2014, including the Audited Balance Sheet and the Statement of Profit and Loss for the year ended on that date, and the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of M. R. Gurumurthy (DIN: 01367579), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint S R Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W) as Statutory Auditors of the Company in the place of M/s Narayanan, Patil and Ramesh, Chartered Accountants (Registration No. 002395S) from the conclusion of this Annual General Meeting until the conclusion of the twenty fourth Annual General Meeting subject to annual ratification by the members at every Annual General Meeting and authorizing the Board of Directors of the Company to fix the remuneration of the Statutory Auditors in consultation with them and the Audit Committee."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement entered with the Stock Exchanges, Mr. Aroon Raman (DIN:00201205), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 29, 2013 and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for a office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to five consecutive years commencing from 5th August, 2014."

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

"RESOLVED THAT, pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement entered with the Stock Exchanges, Mr. P.V. Maiya (DIN: 00195847), Director of the Company liable to retire by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 5th August, 2014."

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

RESOLVED THAT, pursuant to Section 149,150, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement entered with the Stock Exchanges, Mr. P.M. Thampi (DIN: 00114522), who was appointed as a Director liable to retire by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 5th August, 2014."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

RESOLVED THAT, pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement entered with the Stock Exchanges, Dr. Srinivasa Murthy (DIN: 00167877), who

was appointed as a Director liable to retire by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 5th August, 2014.”

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

“RESOLVED THAT, in supersession of any earlier resolutions and in terms of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, including any Committee thereof (hereinafter referred to as “the Board”) for borrowing from time to time up to Rs 2500,00,00,000 (Rupees two thousand and five hundred crores only), in one or more tranches from banks, financial institutions and other lending institutions or persons, any sum or sums of monies which together with the monies already borrowed by the Company, if any (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), notwithstanding that the same be in excess of the aggregate of the, then paid up capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign and execute the necessary documents, deeds and writings and do all acts, deeds and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors (for the purpose of this Resolution, the “Board” would include any Director in single capacity and/or the Committee of Directors as may be authorized by the Board in this regard) be and are hereby authorized to negotiate with the lending entities and to finalize and execute the documents and deeds as may be applicable for creating the appropriate mortgages and/or charges on such of the immoveable and/or moveable properties of the Company on such terms and conditions as may be decided by the Board and to perform all such acts, deeds and things as may be necessary in this regard.

10. 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 sections 42, 62 and other applicable provisions, if any, of the

Companies Act, 2013 read with The Companies (Share Capital and Debenture) Rules, 2014 (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, listing agreements entered into by the Company with the stock exchanges where Equity Shares of the Company of face value ₹ 10/- each are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (“SEBI (ICDR) Regulations”), Foreign Exchange Management Act, 1999 as amended read with Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GOI”), the stock exchanges, Department of Industrial Policy & Promotion and / or any other competent authorities from time to time to the extent applicable, subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, stock exchanges, RBI, Foreign Investment Promotion Board, GOI and/or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions which may be agreed to by the Board of Directors of the Company (“Board” which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board in its absolute discretion to create, offer, issue and allot Equity Shares (“Equity Shares”) and /or Global Depository Receipts (“GDRs”) and/or American Depository Receipts (“ADRs”) (“Securities”) in the course of domestic and / or international offerings representing either Equity Shares or a combination of the foregoing for an amount not exceeding Rs. 500,00,00,000/- (Rupees five hundred crores only), inclusive of permissible green shoe option, for cash and at such premium / discount, as applicable, as the Board deems fit to all eligible investors including but not limited to existing Equity Shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, foreign institutional investors, qualified institutional buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and /

or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company, in the course of domestic and / or international offerings through public issue and / or private placement and / or rights issue and / or preferential allotment and / or qualified institutional placement ("QIP") and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents/writings/ circulars / memoranda in such manner, by way of cash at such time or times in such tranche or tranches and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company, so as to enable the Company to list on any Stock Exchange in India and or any of the Overseas Stock Exchanges as may be permissible.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws.

RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be in accordance with Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and other applicable provisions, as amended from time to time.

RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the pricing shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time.

RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agencies or bodies as are authorized by the Board for the issue of GDRs and / or ADRs represented by underlying Equity Shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for

instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and /or international practice and regulations, and under the norms and practices prevalent in the domestic/ international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the consent of the Company be and hereby accorded to the Board to do all such acts, deeds, matters and things including but not limited to finalization and approval of the offer documents(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the proceeds as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Securities to be created, issued allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Equity Shares shall be listed with the stock exchanges, where the existing Equity Shares of the Company are listed and the same shall rank *pari passu* with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of rights issue, if the Equity Shares are not subscribed, the same may be disposed of by the Board in such manner which is not dis-advantageous to the shareholders and the Company.

RESOLVED FURTHER THAT the approval of the Company is hereby accorded to the Board to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts/ agreements, memorandum, documents, etc. as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board in consultation with the merchant banker(s), advisors and/or other intermediaries

as may be appointed by the Company in relation to the issue of Securities, be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to the Committee of Directors of the Company.”

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

“**RESOLVED THAT** in pursuance of the Special Resolution passed at the Sixteenth Annual General Meeting of the Company held on 11th August, 2011 (“said resolution”) issue of 23,24,300 Employee Stock Option under ‘Brigade Employee Stock Option Plan 2011’ on the terms and conditions set out in the Explanatory Statement attached hereto be and is hereby ratified.

RESOLVED FURTHER THAT pursuant to Section 62(1) (b) of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the “SEBI Guidelines”) or any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines, the Memorandum & Articles of Association of the Company and the Listing Agreements entered into

by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the approval and consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Compensation Committee or any other Committee of the Board), for issue of reminder options under the ‘Brigade Employee Stock Option Plan 2011’ (‘ESOP 2011’ or ‘the Scheme’ or ‘the Plan’) exercisable or convertible in to Equity Shares (hereinafter referred to as “the securities”) not exceeding in aggregate 5% of the issued, subscribed and paid up Equity Share capital of the Company as on 31st March, 2011 i.e. up to 56,12,600 Equity Shares of the Company (or such other adjusted number of shares for any bonus issue, consolidation or other reorganization of the capital structure of the Company as may be applicable from time to time) at a price of ₹ 50/- per Equity Share fixed by the Board of Directors of the Company.

RESOLVED FURTHER THAT Equity Shares to be issued and allotted up on exercise of options from time to time under ESOP 2011 shall rank pari passu inter-se in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of securities allotted under ESOP 2011 on the stock exchanges where the securities of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in ESOP 2011 from time to time at its sole discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum & Articles of Association of the Company and all other applicable laws and do all to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard.”

12. 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 Special Resolution passed at the Sixteenth Annual General Meeting of the Company held on 11th August, 2011, the benefits of ESOP 2011 under resolution 11 contained in the notice extended to the eligible employees of the subsidiaries of

the Company on the terms and conditions set out in the Explanatory Statement attached hereto be and is hereby ratified.

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

Sd/-

Place : Bangalore
Date : 7th May, 2014

P. Om Prakash
Company Secretary

Registered Office
29th & 30th floors, World Trade Center
Brigade Gateway Campus
26/1, Dr. Rajkumar Road
Malleswaram-Rajajinagar
Bangalore - 560055

NOTES:

1. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the company may appoint a single person as proxy, who shall not act as proxy for any other Member.
3. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this Report. Proxies submitted on behalf of corporates, limited liability partnerships, societies etc. must be supported by an appropriate resolution/authority, as applicable.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
8. The Register of Members and Share Transfer Books will remain closed from Tuesday, 29th July, 2014 to Tuesday, 5th August, 2014 (both days inclusive) for determining the names of the members eligible for Dividend on Equity Shares, if declared at the Annual General Meeting.
9. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if approved by the members, will be paid on or after 12th August, 2014 to those members whose names appear in the Register of Members of the Company on the book closure date.
10. Members whose Shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members holding Shares in physical form are requested to advise any change of address or bank details immediately to our Registrars and Transfer Agent, Karvy Computershare Private Limited. Members are also encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
11. Members are requested to send all communications relating to Shares including dividend matters to our Registrar and Share Transfer Agents at the following address:
Karvy Computershare Private Limited
Plot Nos. 17 to 24 Vittalrao Nagar, Madhapur
Hyderabad – 500 081
Telephone No. : +91-40-23420815 to 24
Fax No. : +91-40-23420814
Email: raju.sv@karvy.com
12. Members are requested to note that the dividends not encashed or claimed within 7(seven) years from the date of transfer to the Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (corresponding Section 205A of the Companies Act, 1956), be transferred to the Investor Education and Protection Fund.
13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. Members who have not registered their email addresses with their Depository Participants are requested to register their email address so that they can receive the Annual Report and other communication from the Company electronically. Members who wish to receive a physical

copy of the Annual Report may write to the Company Secretary at the registered office or send an email to investors@brigadegroup.com. The Annual Report can also be downloaded from the investors section of the Company's website www.brigadegroup.com.

14. Copies of the Annual Report 2014 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.
15. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
16. The certificate of the Statutory Auditors of the Company certifying that the 'Brigade Employee Stock Option Plan 2011' is being implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase) Guidelines, 1999 will be available for inspection at the Annual General Meeting.
17. The Company has pursuant to the provisions of Section 139(2) of the Companies Act, 2013 is recommending the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration No: 101049W) as Statutory Auditors in the place of M/s. Narayanan, Patil & Ramesh, Chartered Accounts (Firm Registration No.: 002395S) the retiring Statutory Auditors. The change in the Statutory Auditor is proposed as a good corporate governance measure and in recognition of the regulatory changes under the Companies Act, 2013.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding Shares in physical form shall submit their PAN details to the Company.
19. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
20. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and in compliance with the

Clause 35B of the Listing Agreement, it is mandatory to extend to the Members of the Company, the facility to vote at the Annual General Meeting (AGM) by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

21. The Company has appointed Mr. Rajshekar , Practicing Company Secretary (CP No. 2468), who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will conduct the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three(3) working days from the date of conclusion of e-voting period, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the AGM proceedings.
22. The Company has entered into an agreement with Karvy Computershare Private Limited (Karvy) for facilitating e-voting for the Annual General Meeting. The instructions for e-voting are as follows:

INSTRUCTIONS FOR E-VOTING:

- A. In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company / Depository Participant(s)]
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and Password as provided separately). Your DP ID-Client ID / Folio No. will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, Click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., Brigade Enterprises Limited.

- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Shareholders holding multiple demat accounts / folios shall choose the voting process separately for each demat accounts / folios.
 - ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: rajaarthi.cs@gmail.com with a copy marked to evoting@karvy.com and investors@brigadegroup.com. The scanned image of the abovementioned documents should be in the naming format "Brigade Enterprises Limited, 19th Annual General Meeting".
 - xiii. The e-voting period commences on Wednesday, 30th July, 2014 at 9.30 a.m. to Friday, 1st August, 2014 at 6.00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date (record date), being 4th July, 2014, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of poll, if held at the Meeting.
- B.** In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Depository Participant(s) / Company]:
- i. User ID and initial password as provided separately along with the Notice.

- ii. Please follow all steps from Si. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No.5:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors have appointed Mr. Aroon Raman (DIN: 00201205) as an Additional Director of the Company with effect from October 29, 2013. In terms of the provisions of Section 161(1) of the Act, Mr. Aroon Raman would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Aroon Raman for the office of Director of the Company.

Mr. Aroon Raman is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Aroon Raman that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Aroon Raman holds a post-graduate degree in Economics from Jawaharlal Nehru University, New Delhi and an MBA from The Wharton School, University of Pennsylvania, USA, majoring in both Finance and Marketing. Mr. Raman commenced his working career in a senior marketing position with one of India's largest automotive components suppliers with whom he worked for 2 years before joining his family company, Raman Boards Limited, in 1990.

Mr. Aroon Raman is the promoter and Managing Director of Raman FibreScience Pvt. Ltd., a research and innovation company in the area of technical non-wovens. Earlier he joined Raman Boards as Managing Director, later divesting the global insulation business of his company to ABB, the world's largest power products company. He was a member of the Mysore Agenda Task Force and Chairman of CII, Mysore Zone. He serves on a number of charitable trusts and corporate boards.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Aroon Raman is appointed as an Independent Director. Copy of the draft letter for the appointment of Mr. Aroon Raman as an Independent

Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during normal business hours on working days up to the date of the AGM.

In the opinion of the Board, Mr. Aroon Raman fulfills the conditions for his appointment as an Independent Director as specified in the Act and as stipulated in the Listing Agreement. Mr. Aroon Raman is independent of the management.

Save and except Mr. Aroon Raman and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Shareholders.

Item Nos.6, 7 and 8:

Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy are the Independent Directors of the Company and have held the positions as such for more than 4 (Four) years. They joined the Board of Directors of the Company as Independent Directors liable to retire by rotation at the Annual General Meeting under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Act, the Independent Directors of a company shall hold office for a term up to 5 (Five) consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution for not more than two consecutive terms of up to 5 (Five) years each. The Securities and Exchange Board of India (SEBI) has also amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Hence, now it is proposed to appoint Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy as Independent Directors of the Company under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of up to 5 (Five) consecutive years and they shall not be included in the total number of directors for retirement by rotation.

Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy for the office of Directors of the Company.

The Company has also received declarations from Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy that they

meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy fulfill the conditions for appointment as Independent Directors as specified in the Act and in stipulation with the Listing Agreement. Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy are independent of the management.

Brief profile of Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided as part of the Annual Report and also an annexure to the notice.

Copy of the draft letters for respective appointments of Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. P.V. Maiya, Mr. P.M. Thampi and Dr. Srinivasa Murthy are interested in the resolutions set out respectively at Item Nos. 6, 7 and 8 of the Notice with regard to their respective appointments. The relatives of them may be deemed to be interested in the resolutions set out respectively at Item Nos. 6, 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 6, 7 and 8 of the Notice for approval by the Shareholders.

Item No.9:

The Shareholders had passed an ordinary resolution on 27th June, 2007, according their consent to the Board of Directors to borrow up to Rs 2500,00,00,000 (Rupees two thousand and five hundred crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company, pursuant to the provisions of the erstwhile Companies Act, 1956.

The present borrowings of the Company is well within the limits approved by the shareholders in 2007.

The resolution proposed under Item No. 9 is to obtain the shareholders approval through a **special resolution** pursuant

to the provisions of Section 180 (1)(c) of the Companies Act, 2013.

Hence this resolution is proposed purely on technical grounds to comply with obtaining shareholders approval through special resolution in lieu of the ordinary resolution passed under the erstwhile Companies Act, 1956.

Further the approval is sought under Section 180 of the Companies Act, 2013 for creating appropriate mortgages and/or charges on such of the immoveable and/or moveable properties of the Company for the borrowings made.

The Directors recommend the Resolution No. 9 of the Notice for consent and approval by the Shareholders as a special resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are interested in the Resolution No. 9 of the accompanying Notice except to the extent of their Shareholding in the Company.

Item No.10:

The Company proposes to raise the capital for the purpose of raising long term resources for financing, inter alia, the ongoing & proposed capital expenditure and for general corporate purposes for which the Company may offer or invite subscription for securities, in one or more series / tranches on private placement / on preferential basis, issuable / redeemable at par.

The Company has been exploring various avenues for raising funds by way of issue of Equity Shares ("Equity Shares") and /or Global Depository Receipts ("GDRs") and /or American Depository Receipts ("ADRs") ("Securities") to all eligible investors including but not limited to existing of Equity Shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, foreign institutional investors, qualified institutional buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company in the course of domestic and / or international offerings through public issue and / or private placement and / or rights issue and / or preferential allotment and / or qualified institutional placement ("QIP") and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents/ writings/ circulars / memoranda in such manner, at such time or times in such tranche or tranches for an amount not exceeding Rs. 500,00,00,000/-(Rupees five hundred crores only), inclusive of permissible green shoe option, for cash and at such premium / discount, as applicable, as the Board deems fit and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment

considering the prevailing market conditions and other relevant factors. The Equity Shares shall rank *pari passu* with the existing Equity Shares of the Company.

In the event of the issue of the Equity Shares as aforesaid by way of QIP, it will be ensured that:

- a) The relevant date for the purpose of pricing of the Equity Shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, be the date of the meeting in which the Board or duly authorised committee thereof decides to open the proposed issue of Equity Shares;
- b) The pricing for this purpose shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;
- c) The issue and allotment of Equity Shares shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such Equity Shares shall be fully paid up on its allotment;
- d) The total amount raised in such manner and all previous QIPs made by the Company in the financial year 2014-15, if any, would not exceed 5 times of the Company's net worth as per the audited balance sheet of the previous financial year;
- e) The Equity Shares shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI (ICDR) Regulations.

For making any further issue of shares to any person(s) other than existing Equity Shareholders of the Company approval of members is required to be obtained by way of passing a special resolution, in pursuance to section 62 (1) (c) of the Companies Act, 2013.

Therefore the Board recommends the resolution contained in Item No. 1 to be passed by the members so as to enable it to issue further Securities.

The proposed issue is in the interest of the Company and your Directors commend the resolution for your approval.

Directors, Key Managerial Personnel and their relatives may be deemed to be concerned or interested in the Resolution at Item No. 10 to the extent of their shareholding, if any.

The Board recommends the **Special Resolution** as set out in Item No. 10 of the Notice for approval by the Shareholders.

Item Nos.11 and 12:

At the Sixteenth Annual General Meeting of the Company held on 11th August, 2011, the Shareholders had passed a Special

SI No.	Particulars	Disclosures
1	The total number of options to be granted	Shall not exceed 56,12,600 Equity Shares of the Company.
2	Identification of classes of employees entitled to participate in the ESOS	All permanent employees in the cadre of Deputy General Manager & above (including a Director, whether whole-time or not) of the Company and its subsidiaries working in India or outside India shall be eligible to participate in the plan. Provided however, those persons who are "Promoters" or part of "Promoter Group" as defined in the SEBI Guidelines or a Director who either himself or through his relatives / body corporate holds more than 10% of the outstanding Equity Shares of the Company shall not be entitled to participate in the plan.
3	Requirements of vesting and period of vesting	There shall be a minimum period of one year between the grant of options and vesting of options. All options granted on any day shall be vest in tranches within a period of 4 (Four) years from the date of grant of options as may be determined by the Compensation Committee.
4	Maximum period within which the options shall be vested	All options granted on any date shall vest in tranches within a period of 4 (four) years from the date of grant of options.
5	Exercise price or pricing formula	The exercise price is fixed at Rs. 50/- per option which is at the discount to the market price on 29 th October, 2013 i.e. the date on which the Compensation Committee approved the grant of options.
6	Exercise period & process of exercise	Vested Options shall be respectively exercised in one or more tranches within a period of 5 (Five) years from the respective dates of Vesting, failing which the Options shall lapse The Optionee may, at any time during the Exercise Period, and subject to fulfilment of the conditions on which the Options have been granted, Exercise the Options by submitting an application to the Board/Compensation Committee to issue and allot him Shares pursuant to the Vested Options, accompanied by payment of an amount equivalent to the Exercise Price in respect of such Shares and such other writing, if any, as the Board/Compensation Committee may specify to confirm extinguishment of the rights comprising in the Options then Exercised. In the event of Exercise of Options resulting in fractional Shares, the Board/Compensation Committee shall be entitled to round off the number of Shares to be issued to the nearest whole number and Exercise Price shall be correspondingly adjusted.
7	The appraisal process for determining the eligibility of employees to the ESOS	As soon as may be possible after the Plan comes into effect and at such times thereafter, as deemed fit, the Compensation Committee shall, based on the various criteria including performance, criticality and longevity decide on the Employees who are eligible for the Options under the Plan and the terms and conditions thereof. The Board of Directors may in its absolute discretion vary or modify such criteria and / or selection and / or the terms and conditions for granting any Option to any Employee or class of Employees
8	Maximum number of options to be issued per employee and in aggregate	Maximum number of options to be issued per employee and in aggregate shall not exceed five percent (5%) of paid-up Equity Shares of the Company as on 31 st March, 2011. i.e. up to 5612600 Equity Shares of Rs.10/- each of the Company.
9	A statement to the effect that the company shall conform to the accounting policies specified in clause 13.1 of this Guidelines.	The Company shall duly comply with the disclosure and accounting policies prescribed by SEBI and/or such other guidelines or accounting standards as may be applicable from time to time.
10	The method which the company shall use to value its options whether fair value or intrinsic value	Intrinsic Value Method. The difference between the employee compensation cost computed through intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options is disclosed in the Directors report along with the impact of this difference on profits and on Earnings Per Share of the company .

Resolution approving the introduction and implementation of 'Brigade Employee Stock Option Plan 2011' ('ESOP 2011' or 'the Scheme' or 'the Plan'). Pursuant to the said resolution, the ESOP 2011 was constituted and stock options were granted to employees commencing from 2011.

The resolution passed in 2011 was a general resolution after which the "Brigade Employee Stock Option Plan 2011" was framed and implemented. The following are the disclosures as stipulated under Regulation 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

Item No. 12 relates to the roll out of the Stock Option plan to the employees of the Subsidiary Companies of Brigade Enterprises Limited.

Employee stock options are powerful tools which help foster employee motivation. Having a highly motivated team is one of the key essentials for superior performance. Keeping in mind the spirit of the scheme and the interest of the employees and the current capital market downtrend, it is proposed that the Plan will boost the morale of the employees in the organization.

None of the Directors of the Company are in any way, concerned or interested in the resolution. As per the SEBI Guidelines, certain disclosure in the ESOP Scheme requires the approval of the Shareholders.

Accordingly, a Special Resolution as set out under Item No. 11 & 12 of the Notice is submitted for the approval of the Shareholders.

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

Sd/-

P. Om Prakash
Company Secretary

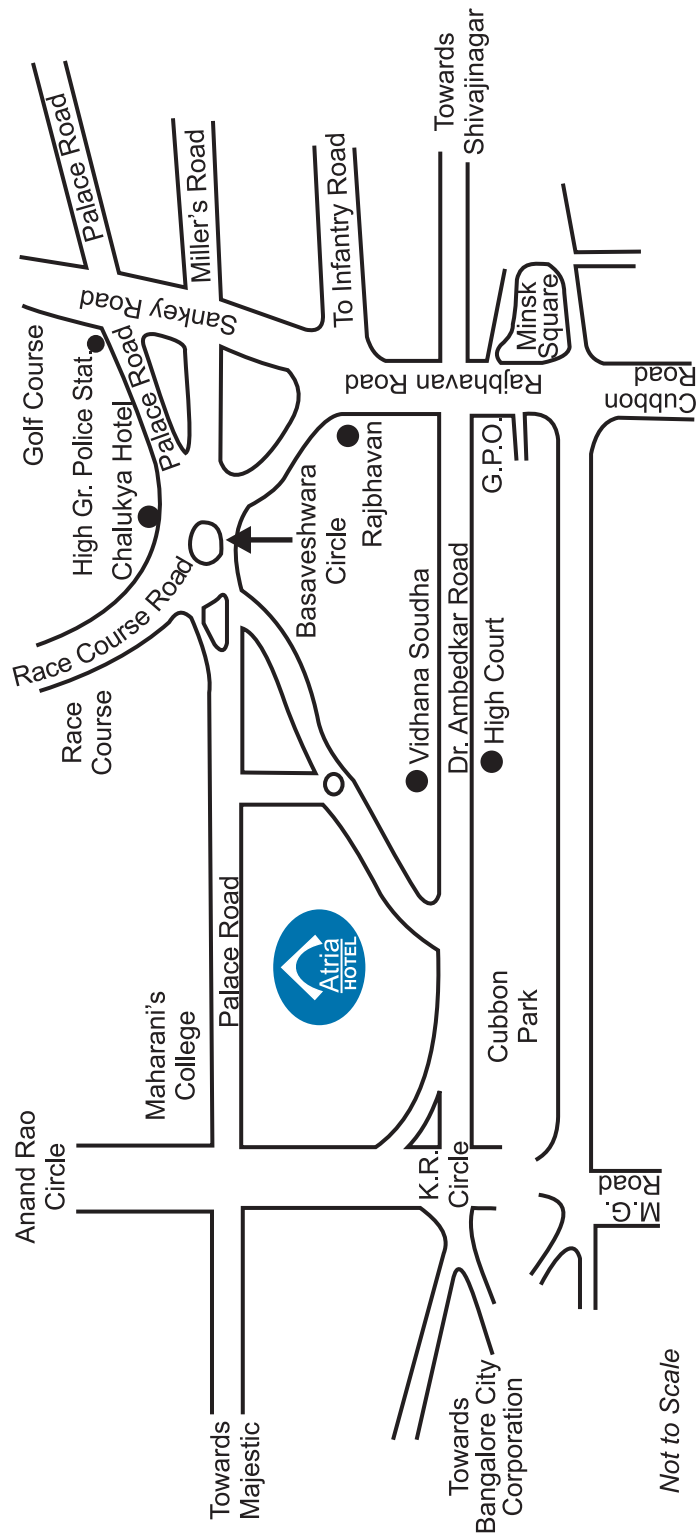
Place : Bangalore
Date : 7th May, 2014

Registered Office
29th & 30th floors, World Trade Center
Brigade Gateway Campus
26/1, Dr. Rajkumar Road
Malleswaram-Rajajinagar
Bangalore - 560055

Details of the Directors seeking re-appointment at the 19th Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. M.R. Gurumurthy	Mr. Aron Raman	Mr. P. V. Maiya	P. M. Thampi	Dr. Srinivasa Murthy
Date of Birth	04/05/1941	21/03/1960	03/09/1938	29/08/1934	22/03/1938
Age (in years)	73	54	76	80	76
Date of Appointment	08/11/1995	29/10/2013	06/03/2000	10/11/2000	28/10/2009
Qualification	Bachelors in Science	post-graduate degree in Economics from Jawaharlal Nehru University, New Delhi and MBA from Wharton School, University of Pennsylvania, USA	M.A. in Economics, C.A.I.I.B	Post Graduate Diploma in Chemical Engineering from the University of Surrey, UK and a Fellow of the Institution of Chemical and Chartered Engineer, UK.	Gold Medalist from Mysore University. Masters in Management and Doctorate in Business Administration from the Harvard Business School, Boston, USA.
No. of Equity Shares held in the Company	2137722	NIL	NIL	200	NIL
Expertise in functional areas	He has more than 4 decades of business experience	He is having more than 2 decades of experience in Industry and he was the Managing Director of Raman Boards Ltd from 1994 till 2006	He has more than 3 decades of experience in Industry and Banking	He has more than 4 decades of experience in the Chemical Industry and presently in the Board of HDFC Asset Management Company Ltd and Strides Arcolab Ltd.	He has a rich experience in teaching in business institutes like Indian Institute of Management, Ahmedabad and Bangalore and also a former director of the Indian Institute of Management, Bangalore
Directorships held in other Companies	a. Capronics Private Ltd	a. Sundaram Finance Ltd b. Wheels India Ltd c. TVS Automobile Solutions Ltd d. Carborundum Universal Ltd e. Edutech NTTF India Pvt. Ltd f. Raman Fibrescience Pvt. Ltd g. Anahita Investments Pvt. Ltd	a. Neuland Laboratories Ltd. b. Ocean Sparkle Ltd. c. BCV Developers Pvt. Ltd.	a. HDFC Asset Management Company Ltd b. Strides Arcolab Ltd c. Pioneer Ballon India Pvt. Ltd.	a. National Stock Exchange of India Ltd b. Himatsingka Seide Ltd
Committee positions held in other Companies	NIL	He is the Member of Compensation and Remuneration Committee of Sundaram Finance Ltd and Audit Committee Member in Wheels India Ltd.	He is a Chairman of Audit Committee and Remuneration Committee in Neuland Laboratories Ltd. He is also a Member of the Audit Committee in Ocean Sparkle Ltd and in BCV Developers Pvt. Ltd.	He is the Chairman of Remuneration Committee and member of Audit and Customer Service Committee of HDFC Asset Management Co. Ltd. He is also a member of Audit, Remuneration and Management Committee of Strides Arcolab Ltd.	He is the Chairman of Investor Services Committee of National Stock Exchange of India Ltd. He is also a member of Audit Committee and Remuneration Committee of Himatsingka Seide Ltd.

Route map to AGM venue:





BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126
Regd Off: 29 & 30th Floors, World Trade Center, 26/1, Brigade Gateway
Dr. Rajkumar Road, Malleswaram-Rajajinagar
Bangalore – 560 055

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

19TH ANNUAL GENERAL MEETING – 5TH AUGUST, 2014

Name of the Member(s)

Registered address

E-mail Id

Folio No./Client ID

DP ID

I/We, being the member (s) of shares of the Company, hereby appoint

Name :

Address :

E-mail ID :

Signature :

or falling him/her

Name :

Address :

E-mail ID :

Signature :

or falling him/her

Name :

Address :

E-mail ID :

Signature :

appoints as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company, to be held on 5th August, 2014 at 11 a.m. at the Atria Hotel, P.B. No.5089, No. 1, Palace Road, Bangalore – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:



RESOLUTION NO.	DESCRIPTION OF THE RESOLUTION	VOTE (PLEASE MARK (✓) AND NO. OF SHARES)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31 st March, 2014.			
2	Declaration of Dividend.			
3	Re-appointment of Mr. M.R. Gurmurthy as a Director liable to retire by rotation.			
4	Appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W) as Statutory Auditors and authorizing the Board of Directors to fix their remuneration.			
Special Business				
5	Appointment of Mr. Aroon Raman as an Independent Director of the Company for a term upto five years.			
6	Appointment of Mr. P.V. Maiya as an Independent Director of the Company for a term upto five years.			
7	Appointment of Mr. P.M. Thampi as an Independent Director of the Company for a term upto five years.			
8	Appointment of Dr. Srinivasa Murthy as an Independent Director of the Company for a term upto five years.			
9	Borrowing powers to the Board of Directors.			
10	Issue of securities on Private Placement basis.			
11	Brigade Employee Stock Option Plan 2011.			
12	Brigade Employee Stock Option Plan 2011 to subsidiaries.			

Signed on this day of 2014.

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy, in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If left blank your proxy will be entitled to vote in the manner as he/she deems appropriate.



BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126
Regd Off: 29 & 30th Floors, World Trade Center, 26/1, Brigade Gateway
Dr. Rajkumar Road, Malleswaram-Rajajinagar
Bangalore – 560 055

ATTENDANCE SLIP

Reg. Folio No. No. of Shares

Client ID No. DP ID No.

I / We certify that I / We, am / are the member / proxy for the Member of the Company.

I hereby record my presence at the 19th Annual General Meeting of the Company held on Tuesday, 5th August, 2014 at 11:00 a.m. at The Atria Hotel, PB No. 5089, No. 1, Palace Road, Bangalore – 560 001.



Name of the Member/Proxy

Signature of the Member/Proxy

Note: Please fill up attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring the copies of the Annual Report to the AGM.







If undelivered please return to the address below :

Brigade Enterprises Limited

Corporate Identification No. (CIN): L85110KA1995PLC019126

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

Tel : 91-80-4137 9200, Fax : 91-80-2221 0784

<http://www.brigadegroup.com>

