

THE
POWER
OF
OPTIMISM

annual report 2008 - 09

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BRIGADE
ENTERPRISES LTD.

innovation • quality • trust

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OUR VISION

To be the most admired realty group in India, continuously upgrading our capabilities in every sphere of our activity, to the delight of our customers and stakeholders.

Brigade Group was one of the first property developers in India to receive the internationally recognized **ISO 9001: 2000** certification. Our vision is further strengthened by our receiving the ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Assessment Series) certifications. 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.

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Optimism stems from the basic premise that 'tomorrow could be brighter than today'. Without hope & optimism, no business can succeed.

CMD'S MESSAGE

The performance of the Indian economy in 2008 – one of the most troubled years the world has seen in recent memory – is commendable & something we citizens of India can be proud of. Indian economy had a growth of 6.7% in 2008, while most economies across the world had no growth & in many cases their economies contracted. Conservatism & government policies towards steady & sustained growth paid dividends.



With a new & stable government at the centre, there is a sea change in the outlook for India not just on the economic front, but also in other sectors like education, infrastructure & in the quality of governance. Some of the promises politicians make during the elections – providing basic amenities like electricity, water, sanitation & roads may indeed get implemented by the current political establishment, who seem to mean business. Government's efforts to bring down the interest rates; make money available to the industry/business; to implement long pending educational reforms; and to introduce the essential Citizen Identity Cards (not done in 62 years of independence) are all signs which bode well for a bright future.

Some of the areas which need government attention are interconnecting rivers to avoid floods and famine; enhancing power generation to meet the growing needs; providing shelter to the urban & rural poor; improving the connectivity – road, rail, air & sea ports, and of course making India a secure place by tackling terrorism.

With many young leaders & capable veterans heading important ministries, there is certainly reason for optimism that India will indeed be a better place & find its rightful importance among the comity of nations.

M.R. JAISHANKAR
Chairman & Managing Director

RESIDENTIAL

Brigade is a name to reckon with in the property development segment. We have a reputation of creating projects that provide a world-class living environment for our customers. A defining characteristic of our craft is that our properties stand out as premium landmarks set in prime locations.

Fuelled further by the spirit of innovation, we pioneered the integrated enclave concept in Bangalore. Our integrated lifestyle enclaves are conceptualised as self-contained, gated communities, which generally include a combination of apartment complexes, commercial and retail space, recreational club, park, school and convention centre. Such has been our progress that from our initial 15 & 22 acre enclaves, we have scaled to two 40 acre enclaves and are further scaling up to a 120 acre enclave. It has earned us global accolades, with HOK of New York extolling our Brigade Gateway project as '...raising the bar on development – staying 3 to 5 years ahead of the state-of-the-art!'



BRIGADE GATEWAY

COMMERCIAL

In the commercial property domain we construct commercial office space, software & IT parks and SEZs which are designed for sophisticated modern businesses.

With a penchant for creating landmarks, our iconic 30 level North Star office tower at the Brigade Gateway enclave, is a million sq. ft. of international A++ grade office space crowned with a helipad. This showpiece of modern architecture will be the ultimate pride of those who own space or work within its exalted precincts. Summit in the Brigade Metropolis enclave on Whitefield Road is another fine example of how we're raising the bar on commercial property development.

This twin-tower will feature all the ultra-modern highlights that make an office address another landmark.



SUMMIT AT BRIGADE METROPOLIS

**MULTI-DOMAIN
EXPERTISE
HAS ADDED TO OUR
GROWING
SENSE OF OPTIMISM**

RETAIL

Malls and multiplexes are redefining urban landscapes and they reflect the sentiments of a growing economy.

Orion – Bangalore's first lifestyle mall, will be the hub of retail and entertainment activity with over a million sq. ft. of retail and parking space. The 11-screen, 3000 seat capacity multiplex will be one the largest of its kind in the country.



ORION MALL AT BRIGADE GATEWAY

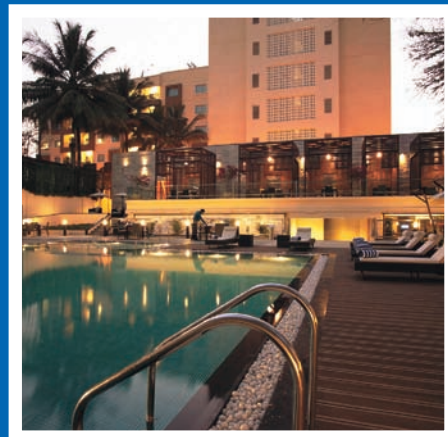
HOSPITALITY

The serviced residence concept was pioneered by us in Bangalore and we gave the city its first serviced residence – Homestead. We are now channelising our hospitality efforts through Brigade Hospitality Services Limited, a wholly owned subsidiary of the company.

Apart from serviced residences our properties in the hospitality sector include hotels, resorts & spas, recreational clubs and a convention centre in Bangalore and propose to enter other cities in South India. We have partnered with leading international hospitality chains for our hospitality projects.

We have partnered with Accor for Mercure Homestead Serviced Residences; Starwood and Intercontinental Hotel Group for our upcoming Sheraton and Holiday Inn Hotels; Banyan Tree and Minor Group for our resorts and spas.

The Woodrose Club and The MLR Convention Centre have received national awards for their design and aesthetics.



MERCURE HOMESTEAD RESIDENCES

BOARD OF DIRECTORS



M.R. JAISHANKAR
Chairman & Managing Director



GITHA SHANKAR
Wholetime Director



M.R. GURUMURTHY
Non-Executive Director



M.R. SHIVRAM
Non-Executive Director



P.V. MAIYA
Independent Director



P.M. THAMPI
Independent Director



DR. ANUMOLU RAMAKRISHNA
Independent Director



DR. K. KASTURIRANGAN
Independent Director

COMPANY INFORMATION

COMPANY SECRETARY
Mr. P. Om Prakash

AUDITORS
M/s. Narayanan, Patil & Ramesh
Chartered Accountants, 54/1, 1st Main Road,
Seshadripuram, Bangalore 560 020.

PRINCIPAL BANKERS
Corporation Bank
State Bank of India

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

REGISTRAR & SHARE TRANSFER AGENTS
Karvy Computershare Private Limited
Plot Nos. 17 to 24 Vittalrao Nagar,
Madhapur, Hyderabad 500 081.
Telephone No.: +91-40-23420815 to 24
Fax No.: +91-40-23420814 E-mail Id: svraju@karvy.com

REGISTERED OFFICE
135, Penthouse, Brigade Towers,
Brigade Road, Bangalore 560 025.
E-mail Id: investors@brigadegroup.com

CORPORATE OFFICE
Hulkul Brigade Centre,
Lavelle Road, Bangalore 560 001.
Telephone No.: +91-80-41379200
Fax No.: +91-80-22210784
www.brigadegroup.com

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of Brigade Enterprises Limited will be held at MLR Convention Centre, Brigade Millennium Campus, 7th Phase, J. P. Nagar, Bangalore - 560 078 on Thursday, 30th July, 2009 at 4.00 p.m. to transact the following ordinary business:

1. To receive, consider and adopt Audited Balance Sheet and Audited Profit & Loss Account for the Financial Year ended 31st March, 2009 and the reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. M. R. Gurumurthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. R. Shivram who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company for the period commencing from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.

Registered Office:
Penthouse, Brigade Towers,
135, Brigade Road,
Bangalore – 560 025

Place : Bangalore
Date : May 26, 2009

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books will be closed from Friday, 24th July, 2009 to Thursday, 30th July, 2009 (both days inclusive).
4. Members are requested to send all communications relating to Shares to our Share Transfer Agents at the following address:
Karvy Computershare Private Limited
Plot Nos. 17 to 24 Vittalrao Nagar, Madhapur,
Hyderabad - 500 081
Telephone No. : +91-40-23420815 to 24
Fax No. : +91-40-23420814
Email: svraju@karvy.com
5. Members are requested to send their queries in regard to the Accounts atleast 10 days in advance to the Registered Office of the Company.
6. Members / Proxies are requested to bring the attendance slips duly filled in and their copies of the Annual Report to the Meeting.

By Order of the Board
For Brigade Enterprises Limited

P. Om Prakash
Company Secretary

Details of the Directors seeking appointment / re-appointment at the 14th Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	M. R. Gurumurthy	M. R. Shivram
Date of Birth	04/05/1941	01/12/1947
Age (in years)	68	61
Date of Appointment	08/11/1995	08/11/1995
Qualification	Bachelors in Science	Bachelors in Engineering and Masters in Science from New York University
No. of Equity Shares held in the Company	21,30,722	37,34,120
Expertise in functional areas	He has more than four decades of business experience	He has experience in design engineering and is also the Managing Director of Capronics Private Limited
Directorships held in other Companies	NIL	Capronics Private Limited
Committee positions held in other Companies	NIL	NIL

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report on business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2009.

Financial Highlights:

(Rupees in Lakhs)

Particulars	2008-09	2007-08
Net Sales and Other income	39,435.71	49,415.35
Interest & other Finance charges	298.70	357.14
Depreciation	1,338.90	855.41
Profit before tax	5,856.37	13,740.49
Provision for taxation : Current	(1,733.71)	(3,416.10)
Deferred	0.26	(16.01)
Net Profit after Tax	4,122.92	10,308.38
Add : Prior year (expenses) / income	2,920.74	(12.46)
Excess / Short provision – IT	1,869.05	–
Less : Diminution in value of investment	(607.40)	–
Profit available for appropriation	8,305.31	10,295.92
Earnings Per Share	3.13	10.40

Dividend:

The Board of Directors of the Company has recommended a dividend of Rs. 1.20 (Rupees one and paise twenty) (12%) per Equity Share which is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The total payment on account of Dividend (including Dividend Tax) shall be Rs. 1,575.95 Lakhs. A sum of Rs. 207.63 Lakhs has been transferred to the General Reserve.

Operational Review & Future:

The financial year 2008-09 has been the most turbulent times for the trade and industry around the globe. This has been predominantly due to sub prime crisis, high inflation, volatility in crude oil prices, uncertain political situation, natural calamities, and century old financial institutions in United States going bust.

Property Markets in India during the year were subject to several cyclical influences of different periodicity. Corporate sector faced a demand downturn, financial sector was confronted with liquidity & confidence crisis and capital markets saw depressed sentiments. All this has moved the property cycle to a point where weak demand, excess supply and credit contraction were converging.

Your Company has weathered these uncertain times with its three tenets of business i.e. innovation, quality and trust. Company is into multi-domain areas of property development as well as hospitality, special economic zones and education.

- **Integrated Enclaves** - The two flagship integrated enclave projects of the Company i.e Brigade Gateway located at Malleshwaram, Rajaji Nagar, Bangalore and Brigade Metropolis located at Whitefield, Bangalore are in the advanced stages of completion.
- **Hospitality Domain** - Company along with Brigade Hospitality Services Limited, Wholly owned subsidiary, achieved a milestone with the opening of Mercure Homstead Residences at Koramangala in Bangalore. Accor, an Internationally reputed Hospitality Group is managing this co-branded property.
- The 230 room Sheraton Bangalore Hotel located at Brigade Gateway is under construction and is expected to commence operations in 2010.
- The Construction on the proposed Banyan Tree Resort at Chikmagalur, Karnataka has been stalled temporarily following a Public Interest Litigation filed against the Company. The matter is in the High Court of Karnataka.
- Company jointly with Brigade Hospitality Services Limited has Signed a Memorandum of Understanding with Minor Group, Thailand (Known for Anantara & 'M' Collection Brands) to manage the proposed Luxury Resort at Kerala.
- **Representative Office** - Company opened its first International office in Dubai at Atrium Center, Bank Street, Bur-Dubai on 17th October, 2008 to cater to Indians living abroad who are looking at buying property in India.
- **Special Economic Zones** - Company has received the necessary approvals for the Special Economic Zone (SEZ) in Mangalore. Company has withdrawn from the Special Economic Zone project in Mysore since the concerned authorities could not deliver vacant, free and unencumbered possession of land, for proposed SEZ development. Company has got the refund of money paid.
- **Quality Initiatives** - Company has been certified ISO 14001:2004 (Environmental Management System) on 2nd September 2008 & OHSAS 18001:1999 (Occupational Health & Safety Assessment System) by Bureau Veritas on 18th April 2009.

Company is gearing up to launch new projects in Bangalore, Chennai, Chikmagalur, Hyderabad, Mangalore, and Mysore which would aggregate between 8 million sq. ft. to 10 million sq. ft. of built up area. This would also include venturing into affordable housing segment.

Company is continuously looking for opportunities and is optimistic of a great turnaround in the real estate sector in the near future.

Utilisation of IPO Proceeds:

The funds raised in the Initial Public Offering and the utilisation status as on 31st March 2009 is as follows:

(Rupees in Lakhs)

Particulars	Amount specified in prospectus	Actual Utilisation
A) Funds raised *	70,376.30	70,376.30
B) Utilisation :		
i) Land	4,796.90	25,508.71
ii) Construction	51,203.70	23,674.58
iii) General Corporate purposes	10,840.10	12,972.21
iv) Issue expenses	3,535.60	3,920.80
C) Unutilised amount invested in Mutual Funds	Nil	4,300.00

* Post the stabilization period on the Company exercising the Green Shoe Option.

The Shareholders of the Company in the 13th Annual General Meeting of the Company held on 27th June, 2008 have given their approval under Section 61 of the Companies Act, 1956 for varying, modifying, altering, including change in deployment of funds raised in the Initial Public Offering in December, 2007.

Subsidiaries:

Brigade Hospitality Services Limited (BHSL) is as a wholly owned subsidiary of the Company and is carrying on the business of running and managing clubs, service residences and convention centres. During the financial year 2008-09 BHSL has registered income from operations amounting to Rs.15.35 crores. Loss incurred during the period amounts to Rs. 2.62 crores.

Brigade Estates and Projects Private Limited, Tetrarch Holdings Private Limited & Brigade Properties Private Limited are wholly owned Subsidiaries of the Company with main business in the field of real estate development. These Companies are in the process of being fully operational.

During the year Brigade Infrastructure & Power Private Limited (BIPPL) became a wholly owned subsidiary of the Company. BIPPL's main object is in the field of Infrastructure & Power and is in the process of being operational.

BCV Developers Private Limited has become a Subsidiary of the Company by virtue of Management Control through majority representation on its Board. BCV Developers Private Limited is a 50: 50 joint venture between the Company and Classic Valmark, Partnership firm for development of land of 120 acres in Devanahalli, Bangalore. Company has made an initial investment of Rs. 10 crores in the share capital of BCV Developers Private Limited.

Consolidated Financial Statements:

The Consolidated Financial Statements have been prepared by the Company pursuant to Clause 32 of the Listing Agreement entered with the Stock Exchanges. The Consolidated Financial Statement and

Auditors' Report thereon forms part of the Annual Report.

Fixed Deposits:

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

Management Discussion & Analysis Report:

The Management Discussion and Analysis is annexed to this report.

Directors

Independent Director Dr. T. N. Subba Rao, former Chairman & Managing Director of Gammon India Limited, reached the heavenly abode on 13th August 2008. The Board condoles his demise and wishes to place on record his invaluable contribution to the Company. He was on the Board of the Company since 2001.

Company will be instituting a named Chair at Indian Institute of Technology, Chennai in the joint names of Dr. T. N. Subba Rao and Brigade Group, which would be supporting research in the field of Affordable Housing.

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

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

Auditors

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

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

Directors' Responsibility Statement:

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements 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.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

DIRECTORS' REPORT

with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv. The Directors have prepared the accounts on a going concern basis.

Report on Corporate Governance

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

Particulars of Employees:

The details of employees drawing a remuneration aggregating Rs 24,00,000/- (Rupees twenty four lakhs only) or more per year / Rs 2,00,000/- (Rupees two lakhs only) or more per month where employed for a part of the year pursuant to Section 217(2A) of the Companies Act, 1956 is contained in Annexure "A" to this report.

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo:

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

Awards and Recognitions

Company has made it to the prestigious annual '**200 Best under a Billion Dollar**' Forbes list for the Asia-Pacific region. Your Company is the only Real Estate Developer in the Country to form part of this elite list.

Company was selected as one among India's Top Ten Builders this year by Construction World magazine. This is the second consecutive year that we have been selected as one of the Top Ten Builders in 2008.

The Company has been awarded the '**Regional Developer of the Year-South**', instituted by Realty Plus, India's Leading Real Estate Monthly Magazine, at Realty Plus Excellence Awards 2009.

The Company in collaboration with Rotary Bangalore Midtown instituted in 2006 the Young Achiever award. This state-wide award was instituted to appreciate and encourage the achievements of young people in different areas of endeavour annually. The selected individual / team is awarded a cash prize of Rs. 1,00,000/- accompanied by a trophy and a citation, at an awards ceremony held in Bangalore.

Acknowledgements:

Your Directors thank the shareholders and customers for their continued patronage.

The Board expresses its thanks and appreciation to Banks, Institutions, Central and State Government Authorities, Business Associates and Stakeholders for their continued support, guidance and co-operation.

Last but not the least a very special thanks to the Brigadiers (employees) whose never say die spirit will drive this organization to become the most admired realty Company in India in the future.

For and on behalf of the Board
For **Brigade Enterprises Limited**

M.R. Jaishankar
Chairman and Managing Director

Place : Bangalore
Date : May 26, 2009