



SCALING **NEW** HEIGHTS

Annual Report 2009-10



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. M. R. Jaishankar
Chairman & Managing Director

Ms. Githa Shankar
Wholetime Director

Mr. P. M. Thampi
Independent Director

Mr. M. R. Shivram
Non-Executive Director

Mr. M. R. Gurumurthy
Non-Executive Director

Mr. P. V. Maiya
Independent Director

Dr. Anumolu Ramakrishna
Independent Director

Dr. K. R. S. Murthy
Independent Director

**COMPANY
SECRETARY**
Mr. P. Om Prakash

PRINCIPAL BANKERS
Corporation Bank
State Bank of India

STATUTORY AUDITORS

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

INTERNAL AUDITORS

Grant Thorton,
Wings, First Floor, 16/1,
Cambridge Road,
Halasuru,
Bengaluru 560008,
India

EQUITY SHARES LISTED AT

National Stock Exchange
of India Ltd (NSE)
Bombay Stock Exchange
of India Ltd (BSE)

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Karvy Computershare
Pvt Ltd, Plot Nos. 17 to 24,
Vittairao Nagar, Madhapur,
Hyderabad 500 081.
Telephone No.:
+91-40-23420815 to 24
Fax No.: +91-40-23420814
Email Id: svraju@karvy.com

REGISTERED OFFICE

Penthouse, Brigade Towers,
135, Brigade Road,
Bangalore 560 025.
Email Id: investors@brigadegroup.com

CORPORATE OFFICE

Hulkul Brigade Centre,
3rd Floor, Lavelle Road,
Bangalore 560 001.
Telephone No:
+91-80-41379200
Fax No.: +91-80-22210784
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THANKFULLY, THE ECONOMIC RECESSION OF 2008 WAS SHORT-LIVED THAN EARLIER FEARS OF IT GETTING INTO A 'DEPRESSION' MODE. AUTOMOBILE SECTOR LED THE RECOVERY, INDICATING THE CONFIDENCE OF THE INDIAN CONSUMER. SERVICES SECTOR LEADER – 'SOFTWARE', DID NOT GET AFFECTED TOO BADLY AS FEARED, THEREBY HAVING A POSITIVE IMPACT ON THE REAL ESTATE BUSINESS.

Though the residential segment started improving in the 2nd half of 2009-10, the growth remained more or less flat for rest of the year (except in Mumbai and NCR markets). Office & IT space segment is yet to improve as the surplus space is still in the process of absorption. A lot depends on how soon the U.S. economy recovers fully and the extent of damage Euro crisis can have on Indian business. While Retail segment is beginning to gain confidence, Hospitality business has bounced back with improved inflow of business visitors. All these developments should auger well for a better performance of Indian Economy, in particular real estate sector in 2010.

While India's GDP growth of 7.5% in 2009, is commendable, our country is yet to catch up with the neighbouring big brother China, whose growth and development is nothing short of a miracle. Although, we have similar potential, our governing systems have kept us atleast 10-15 years behind China's economic development. It is important to catch up quickly from the point of national safety and maintaining regional balance of power.

While Central Government programs like JNNURM is beginning to make substantial impact on the urban infrastructure in many cities, some programs like NREGA (National Rural Employment Guarantee Act), although laudable, is affecting movement/availability of migratory labour in a major way. NREGA, sort of encourages inefficiency by guarantying 100 days pay with or without work! Construction Industry, particularly in South India, depends a lot on North Indian migratory labour. It is time Indian Construction Industry adopts modern construction methods and absorbs technology to hasten the completion of projects in a shorter time span.

Many of the Company's projects that were in progress in the previous year have been completed in 2009-10. Our two mega projects – Brigade Gateway and Brigade Metropolis – are substantially complete with the remaining work/buildings in the process of getting completed in the current financial year. Having completed since inception, more than 100 buildings and 20 million square feet of saleable area, the company is now gearing up to launch 8-10 million square feet of new projects in the coming months. Our 126 unit serviced apartments – Mercure Homestead Residences launched last year – has posted commendable performance in a very short time. Apart from receiving 5-star category status, the property was awarded by HVS as the Best New Property in South Asia in the Serviced Apartment Category, resulting in rebranding the property as "Grand Mercure" in line with French major hotel operator Accor's standards. It was also gratifying to be recognized again as one of the Top 10 Builders in the country by the reputed 'Construction World', and also as Regional Developer of the South by 'Realty Plus'.

CMD'S MESSAGE



M. R. JAISHANKAR

Chairman & Managing Director



BRIGADE METROPOLIS

RESIDENTIAL

THE CONCEPT OF INTEGRATED ENCLAVES IS GAINING POPULARITY AS THEY COMBINE RESIDENTIAL, BUSINESS, SOCIAL, COMMERCIAL SPACES AND ENCOURAGE THE CITY TO GROW IN A SUSTAINABLE MANNER. THEY CREATE NEW POCKETS OF URBAN ACTIVITY, THEREBY HELPING TO 'DECONGEST' THE CITY.

Brigade introduced Bangalore to a luxury called enclave 15 years ago with Brigade Residency. We are in the process of completing two large enclave projects of 40 acres each : Brigade Metropolis at Whitefield and Brigade Gateway at Malleshwaram - Rajajinagar.

Our foray into Value homes through an expression of interest campaign has elicited positive response from prospective customers.

We will be launching Villa projects in Bangalore and Mysore and a 120 acre mixed used enclave at Devanahalli, Bangalore.

Going by the track record over the last two decades, the Group is certain to scale newer heights to the delight of our stakeholders.

COMMERCIAL

BRIGADE GROUP HAS ALWAYS BEEN A LEADER IN COMING UP WITH STATE-OF-THE-ART COMMERCIAL LANDMARKS. BRIGADE TOWERS, THE GROUP'S FIRST PROJECT IN 1986 WAS THE TALLEST BUILDING CONSTRUCTED BY ANY PRIVATE DEVELOPER IN BANGALORE THEN.



BRIGADE RUBIX

Brigade Group's commercial projects are essentially geared to meet the needs of its clientele looking for innovative and efficient designs, energy saving features and state-of-the-art technologies without compromising on the aesthetics. Located in prime business locations, these projects are built to suit corporate requirements.

Over the years, we have created distinctive landmarks on the skyline of Bangalore and the latest additions are North Star at Brigade Gateway & Summit at Brigade Metropolis Whitefield. Upcoming projects include Rubix near HMT layout, Bhuwalka ICON & Brigade IRV Centre at Whitefield.

Brigade Group is also coming up with SEZ developments in Mangalore and Kochi, and has land banks in strategic locations in Bangalore for built-to-suit developments.



RETAIL

OUR RETAIL PROJECTS ARE STRATEGICALLY LOCATED WITH CONVENIENT ACCESS, IMAGINATIVE ARCHITECTURAL PLANNING, EXCELLENT INFRASTRUCTURAL FACILITIES AND A WINNING MIX OF RETAIL OUTLETS.

The retail facilities we create are designed to generate footfalls and function as consumer magnets.

Our first lifestyle mall - Orion at Gateway is ingeniously designed to meet massive footfalls and incorporates free flowing space. The customer experience and needs have been keenly addressed with plenty of indoor and outdoor seating, water features to enhance the experience and an amphitheatre.

The group also plans to offer similar retail experiences in various parts of Bangalore, Mysore and Chennai.

HOSPITALITY

BANGALORE'S HOSPITALITY SEGMENT HAS EXPANDED CONSIDERABLY OVER THE LAST FEW YEARS. STAR HOTELS, SERVICED APARTMENTS AND TRANSIT FLATS HAVE GROWN IN THEIR DEMAND. BRIGADE HOSPITALITY SERVICES LIMITED (BHSL), OUR WHOLLY-OWNED SUBSIDIARY CATERS TO THIS SEGMENT AND PROFESSIONALLY MANAGES SERVICED RESIDENCES, CLUBS AND CONVENTION CENTRES.

We are pioneers of the serviced apartment concept in Bangalore under the brand name "Homestead". In April 2009, Brigade Group launched Mercure Homestead Residences in collaboration with the French hospitality giant Accor, creating the city's first co-branded serviced residences project.

Brigade Hospitality also runs the MLR Convention Centre, Woodrose and Augusta Clubs at J.P. Nagar, Bangalore. We will soon be launching our second MLR Convention Centre in Whitefield, Bangalore Sheraton - Mysore, Holiday Inn - Chennai and Holiday Inn - near International Airport, Bangalore.



BOARD OF DIRECTORS

Front Row - From Left to Right

M. R. Jaishankar
Chairman & Managing Director

Githa Shankar
Wholetime Director

P. M. Thampi
Independent Director

Back Row - From Left to Right

M. R. Shivram
Non-Executive Director

M. R. Gurumurthy
Non-Executive Director

P. V. Maiya
Independent Director

Dr. Anumolu Ramakrishna
Independent Director

Dr. K. R. S. Murthy
Independent Director



NOTICE

Notice is hereby given that the fifteenth 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 Friday, 23rd July, 2010, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet and Audited Profit & Loss Account for the Financial Year ended 31st March, 2010, and the reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. P. V. Maiya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. M. Thampi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company for the period commencing from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

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

“RESOLVED THAT Dr. K. R. Srinivas Murthy who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, and who holds office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Dr. K. R. Srinivas Murthy as a Candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments

thereto or re-enactment thereof,) (the “Act”) the provisions of the Foreign Exchange Management Act, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, (including any amendment thereto), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, (including any amendment thereto), Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 (including any amendment thereto), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“**SEBI ICDR Regulations**”) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (“**GOI**”), the Reserve Bank of India (“**RBI**”), the Securities and Exchange Board of India (“**SEBI**”) and/or any other competent authorities (including any amendment thereto or re-enactment thereof for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company’s shares are listed and subject to necessary approvals, permissions, consents and sanctions of financial institutions, lenders, statutory and other appropriate and/or relevant/ concerned authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall include any committee thereof), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), equity shares and/or Global Depository Shares (GDSs) and/or Global Depository Receipts (GDRs) and/or securities convertible into equity shares, and/or American Depository Receipts (ADRs) and/or Foreign Currency Convertible Bonds (FCCBs) representing Equity Shares and/or Debentures or Bonds convertible into Equity shares whether fully or partly and whether compulsorily or at the option of the Company or the holders thereof and/or any security linked to equity shares and/or Preference Shares whether cumulative/

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fully convertible and/or all or any of the aforesaid securities with or without detachable or non-detachable warrants, as the Company may be advised (all of which are hereinafter collectively referred to as “**Securities**”) or any combination thereof, whether secured by way of charge on the assets of the company or unsecured as may be decided by the Board, in one or more tranches, of public and/or private offerings and/or qualified institutional placement and/or on preferential allotment basis or any combination thereof through issue of prospectus and/or placement document and/or other permissible/requisite offer document, to eligible resident or non-resident/ foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors (FIIs)/ Qualified Institutional Buyers (QIBs)/ Foreign Corporate Bodies (FCBs)/ Foreign Companies/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks; Indian or of foreign origin and such other persons or entities, including the general public whether or not such investors are members of the Company, to all or any of them, jointly or severally to be subscribed in Indian and/or Foreign currency(ies) through prospectus, offering letter, circular, memorandum and/or through any other mode as may be deemed appropriate by the Board (collectively called the “**Investors**”) up to an amount not exceeding Rs.750 crores including any premium and Green Shoe Option attached thereto, inclusive of such premium as may be determined by the Board, at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/ prepayment, number of further equity shares, to be allotted on conversion/ redemption/ extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and decide in consultation with the appropriate authority(ies), the merchant banker(s) and/or book

runners) and for lead manager(s) and/or underwriters) and/or advisor(s) and/or trustees) and/or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations/ guidelines for the time being in force.

RESOLVED FURTHER THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act the provisions of Chapter VIII of the SEBI ICDR Regulations and such other applicable provisions, the Board may at their absolute discretion, issue, offer and allot equity shares/ fully convertible debentures (FCDs)/ partly convertible debentures (PCDs)/ non-convertible debentures (NCDs) with warrants or any securities (other than warrants), which are convertible into or exchangeable with equity for up to the amount of Rs. 750 crores as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations) pursuant to a qualified institutional placement, in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations and the relevant date for the determination of applicable price for the issue of the Securities means the date of the meeting in which the Board of the Company or the Committee of Directors decided to open the proposed issue. Such securities shall be fully paid up and allotment of such securities shall be completed within 12 (twelve) months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by SEBI ICDR Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI ICDR Regulations and such Securities shall not be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time by the relevant SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event of issue of securities by way of Global Depository Shares (GDSs) and/or Global Depository Receipts (GDRs) and/or securities convertible into equity shares, and/or American Depository Receipts (ADRs) and/or Foreign Currency Convertible Bonds (FCCBs), the relevant date on the basis of which price of resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorised by the Board decides to open the proposed issue of securities.

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RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any other, issue and allotment of Securities, the Board be and is hereby authorized to take all such action, give directions and to do all such acts, deed and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation the entering into of arrangements including arrangements for the Lead Managers, Underwriters, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s) and to do all requisite filings with SEBI, the Government of India, the RBI, if required and any other concerned authority in India or outside, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all shareholders.

RESOLVED FURTHER THAT the Board and/or an agency or body authorised by the Board may issue or authorise the issue of Depository Receipt(s)/ Share Certificates)/ foreign currency convertible bonds and/or other forms of securities, representing the Securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International capital markets for instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ International practices and regulations and the recording of any amendment thereto with the United States Securities and Exchange Commission and such other relevant regulatory authority as may be necessary and under the norms and practices prevalent in the Indian/ international markets.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering,

all such equity shares ranking *pari passu* with the existing equity shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT subject to the applicable laws, such of these Securities to be issued, as are not subscribed, may be disposed off by the Board to such persons and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional investors (FIIs)/ Qualified Institutional Buyers (QIBs)/ Foreign Corporate Bodies (FCBs)/ Foreign Companies/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ banks and/or employees and business associates of the Company or such other person(s) or entity(ies) or otherwise, to all or any of them, jointly or severally, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide.

RESOLVED FURTHER THAT the Board be and is hereby authorized to form a committee of Directors to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- (a) Approving the offer document and filing the same with any other authority or persons as may be required;
- (b) Approving the issue price, the number of equity shares to be allotted, the basis of allocation and allotment of equity shares;
- (c) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- (d) opening a separate special account with a scheduled bank to receive monies in respect of the issue of the equity shares of the Company;

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- (e) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- (f) Finalization of the allotment of the securities on the basis of the bids received;
- (g) Finalization of and arrangement for the submission of the placement document(s) and any amendments supplements thereto, with any applicable government and regulatory authorities, institutions or bodies as may be required;
- (h) Approval of the preliminary and final placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the Lead Managers/ Underwriters/ Advisors in accordance with all applicable laws, rules, regulations and guidelines;
- (i) Finalization of the basis of allotment in the event of over-subscription;
- (j) Acceptance and appropriation of the proceeds of the issue of the Securities;
- (k) Authorization of the maintenance of a register of holders of the Securities;
- (l) Authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- (m) Seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- (n) Seeking the listing of the Securities on any recognized stock exchange, submitting the listing

application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

- (o) Giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- (p) Deciding the pricing and terms of the Securities, and all other related matters.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository, custodian and trustee arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilisation of the issue proceeds and/or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent and the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board or any director(s) or any officer(s) of the Company designated by the Board be and is / are hereby authorised on behalf of the Company to do such acts, deeds, matters and things as it / they may at its / their discretion deem necessary or desirable for such purpose, including without limitation, if required, filing a Registration Statement and other relevant documents with United States Securities and Exchange Commission, or such other regulatory authority as may be necessary for listing the Securities on the Luxembourg Stock Exchange and/or New York Stock Exchange ("NYSE") and/or NASDAQ and/or London Stock Exchange and/or Singapore Exchange Securities Trading Limited and/or, such other international stock exchanges and the entering into of