



BRIGADE
ENTERPRISES LTD.

Quality & Customer-FIRST

ANNUAL REPORT 2010-11



The Board of Directors



Mr M. R. Jaishankar
Chairman & Managing Director



Dr Anumolu Ramakrishna
Additional Director



Ms Githa Shankar
Wholtime Director



Mr P. V. Maiya
Independent Director



Mr M. R. Gurumurthy
Non-Executive Director



Mr M. R. Shivram
Non-Executive Director



Mr P. M. Thampi
Independent Director



Dr K. R. S. Murthy
Independent Director

COMPANY SECRETARY
Mr P. Om Prakash

PRINCIPAL BANKERS
Corporation Bank
State Bank of India

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

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

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

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

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

CORPORATE OFFICE
Hulkul Brigade Centre, 3rd Floor
Lavelle Road, Bangalore 560 001
Telephone No.: +91-80-4137 9200
Fax No.: +91-80-2221 0784
www.brigadegroup.com

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Look Ahead and Plan for the Future

The highlight of the financial year is completion of most projects in progress for the last few years, and taking initiative to launch, in phases, projects exceeding 30 million sft (with an economic interest exceeding 22 million sft.). While at present your company has operations only in 2 cities—Bangalore and Mysore, the year 2011-12 will see us entering 5 new markets—Chennai, Kochi, Hyderabad, Chikmagalur and Mangalore. We can derive great satisfaction with the completion of our major integrated enclaves—Brigade Gateway and Brigade Metropolis. Sheraton Bangalore Hotel has become operational; so also Summit office building @ Brigade Metropolis and WTC Bangalore @ Brigade Gateway. With the completion of Orion Mall in this financial year, the Brigade Gateway project would be totally complete.

Your company has received a number of accolades this year –

- Economic Times in association with Great Places to Work Institute, has ranked Brigade Group as the 2nd best place to work among all real estate companies in India, and 88th among all companies across sectors.
- CNBC Awaaz-CRISIL-CREDAI awarded Brigade Metropolis as the 'Best Residential Project in South India' for the year 2010;
- Our WTC building was awarded as the 'Best Commercial Project of the year 2010' in the country by Property World;
- Construction World Jury has recognized us for the 5th consecutive year as one amongst the 'Top 10 Builders' in the country based on a perception survey.

CMD's Message ...



Although your company is in its 16th year of operation, we approach completion of 25 years from the time the Group was founded in October 1986 as a partnership concern. This necessitated us to look within to identify the core values of the group. After an elaborate exercise, the Vision, Mission and Core Values of the Group were finalised to help the company plan for the future.

While India's long-term growth story is intact, in the immediate term, lack of governance leading to high inflation and high interest rates is certainly a cause for concern. Economy is moving 2 steps forward and 1

step backward, resulting in uncertainties. Apart from this, the continuous shortage of labour in the construction sector will have a debilitating effect on project schedules.

South Indian States' construction activity is sustained only due to the availability of migrant labour from Bihar, Uttar Pradesh and West Bengal. If economic development in these states pick up, which is likely with leaders like Nitesh Kumar, the construction activity in Southern India can get severely affected. So, the time has come for more mechanization and adopting precast technology to execute large projects. Your company has already made progress on this front by employing world-renowned consultants for projects being launched.

Your company understands the market dynamics and is geared up to meet the challenges of launching over 30 million sft across 7 cities in the immediate future.

— M. R. Jaishankar, CMD

OUR SHARED VISION

To be a
World Class
Organisation in
our Products,
Processes, People
and Performance

OUR SHARED 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

OUR CORE VALUES QC—FIRST

Quality
&
Customer

Fair

*
Innovative

*
Responsible
Socially

*
Trustworthy

Residential
projects across
more cities
in South India.



BRIGADE METROPOLIS—BEST "RESIDENTIAL
PROPERTY SOUTH" CNBC AWAAZ CRISIL
CREDAI REAL ESTATE AWARDS 2010



BRIGADE SONATA



BRIGADE EXOTICA—
IGBC GOLD PRE-CERTIFIED GREEN PROJECT



BRIGADE CRESCENT





BRIGADE ORCHARDS—PAVILION VILLAS



BRIGADE PINNACLE



BRIGADE OMEGA



BRIGADE EXOTICA—
VIEW OF PATIO FROM LIVING ROOM



BRIGADE MEADOWS

BRIGADE Group's residential portfolio has a wide-range, in terms of location, price, scale, size and features. Designed for different needs and preferences of customers, our residential projects include value homes, high-end residences, mixed use enclaves and villas.

We are the pioneers of the enclave concept in Bangalore. Brigade Millennium, Brigade Gardenia, Brigade Metropolis and Brigade Gateway have set benchmarks and become landmarks.

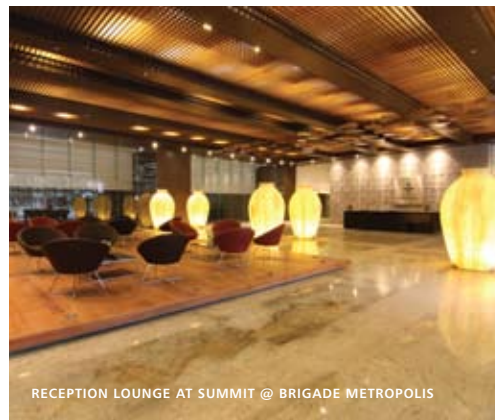
We continue to break new ground with initiatives that promote sustainable habitats and lifestyles. Brigade Exotica, for instance, complies with all the parameters required of a world-class Green Home and is Gold Pre-certified from the Indian Green Building Council (IGBC). We are designing value homes—no-compromise, affordable homes in different locations across Bangalore.

We have projects across 7 cities in South India:

BRIGADE'S CITIES

- BANGALORE
- CHIKMAGALUR
- CHENNAI
- HYDERABAD
- KOCHI
- MANGALORE
- MYSORE

Iconic projects:
changing Bangalore's
skyline and
business-scape



Our very first venture was an office project: Brigade Towers. In its day, it was the tallest building constructed by a private property developer in Bangalore. One of our most recent projects is the 1.1 million sft office tower known as the "World Trade Center Bangalore", in the Brigade Gateway integrated enclave. It was awarded the 'Best Commercial Project of the Year' at the prestigious Property World Awards 2010.

We have emerged as a major developer of commercial properties. Our commercial portfolio includes offices, SEZs, state-of-the-art software facilities and malls. Currently, they add up to over 3 million sft of commercial space.

The fact that our offices make good business sense is reflected in our client portfolio. We are proud to count among our clients leading MNCs, IT companies and professional services firms:

- | | |
|-----------------|-----------------------|
| • AMAZON | • QUINTILES |
| • CAPGEMINI | • REGUS |
| • CISCO SYSTEMS | • SIEMENS |
| • ERNST & YOUNG | • STANDARD CHARTERED |
| • H&M | • TATA ELXSI |
| • INTEL | • VOLVO |
| • KPMG | • WIPRO GE HEALTHCARE |
| • LG CNS GLOBAL | AND MORE... |

Notice is hereby given that the 16th Annual General Meeting of **Brigade Enterprises Limited** will be held at MLR Convention Centre, No.9, 4th Cross Road, Whitefield Road, Mahadevapura, Bangalore 560048 on Thursday, 11th August, 2011, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Audited Profit & Loss Account for the Financial Year ended 31st March, 2011, and the reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr M. R. Jaishankar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms Githa Shankar, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Statutory Auditors of the Company for the period commencing from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A), and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), 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 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), to introduce and implement a ‘Brigade Employee Stock Option Plan 2011’ (‘ESOP 2011’ or ‘the Scheme’ or ‘the Plan’), and to grant, offer, issue and allot in one or more tranches at any time to or to the benefit of such permanent employees of the Company and Directors of the Company, whether Whole-time Directors or otherwise,

as may be decided by the Board, Options under ESOP 2011 exercisable or convertible into equity shares (hereinafter referred to as ‘the securities’) of the Company not exceeding in the aggregate 5% of the issued, subscribed and paid-up capital of the Company as on March 31, 2011 i.e., up to 56,12,600 equity shares of the Company (or such other adjusted number of shares for any bonus, consolidation or other re-organisation of the capital structure of the Company as may be applicable from time to time), at such prices and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI Guidelines or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT,

- a) the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the scheme on such terms and conditions as contained in the Explanatory Statement to this Notice and to make any modification(s), change(s), variation(s), alteration(s), or revision(s) in the terms and conditions of the Scheme from time to time including but not limited to amendments with respect to vesting period/schedule, exercise price/period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme;
- b) the securities may be allotted in accordance with the scheme either directly or through a trust which may be set up in any permissible manner and that the scheme may also envisage for providing any financial assistance to the trust to enable it to acquire, purchase or subscribe to the securities of the Company;
- c) any new equity shares to be issued and allotted upon 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;
- d) the Board be and is hereby authorised to take requisite steps for listing of the securities allotted under ESOP 2011 on the Stock Exchanges where the securities of the Company are listed; and
- e) for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”
- 7) To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

Notice

“RESOLVED THAT the benefits of ESOP 2011 proposed under Resolution No. 6 contained in this Notice be extended to the eligible employees of the subsidiaries of the company

on such terms and conditions as may be decided by the Board.”

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at the meeting is annexed hereto and forms part of the Notice.
4. The Register of Members and Share Transfer Books will be closed from Wednesday, 3rd August, 2011 to 11th August, 2011 (both days inclusive).
5. Members are requested to send all communications relating to Shares to our Share Transfer Agents at the following address:
Karvy Computershare Private Limited
Plot Nos 17 to 24 Vittalrao Nagar, Madhapur,
Hyderabad 500081
Telephone No.: +91-40-2342 0815 to 24
Fax No : +91-40-2342 0814
Email: svraju@karvy.com
6. Members are requested to send their queries in regard to the Accounts at least 10 days in advance to the registered Office of the Company.
7. Members / Proxies are requested to bring the attendance slips duly filled in and their copies of the Annual Report to the Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank details to their depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address or bank details immediately to our Registrars and Transfer Agent, M/s Karvy Computershare Private Limited.
10. Members are requested to note that the dividends not encashed or claimed within seven years from the date of transfer to the Unpaid Dividend Account, will as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
11. The Ministry of Corporate Affairs (“Ministry”) has undertaken a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies through electronic mode and has issued circulars stating service of notice / documents including Annual Reports can be sent via email to the members of the Company with their consent. To support this green initiative, members are requested to register/ update their email addresses with their Depository Participants.

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

Place: Bangalore
Date: July 08, 2011

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

P. Om Prakash
Company Secretary

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

Agenda Item No. 6 & 7

The exponential growth of the Company has, in large measure, been possible owing to the wholehearted support, commitment and teamwork of its personnel. The Company has been desirous of finding means to allow its personnel to participate in growth, through an appropriate mechanism.

Stock options have long been recognised internationally, as an effective instrument, to align the interest of employees with those of the Company, and its shareholders, provide an opportunity to employees to share in the growth of the Company, and create long term wealth in the hands of the employees. Stock options create a common sense of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholder value. Stock options provide for tax-efficient, performance linked rewards to employees, and serve as an important means, to attract, retain and motivate the best available talent for the Company. From the Company's perspective, stock options also provide an opportunity to optimize personnel costs, by allowing for an additional market-driven mechanism to attract, retain, compensate and reward employees.

The Company proposes to introduce an Employee Stock Option Plan (hereinafter referred to as the "ESOP 2011") for the benefit of permanent employees of the Company and its subsidiary companies, its Directors, and such other persons / entities as may be prescribed by Securities and Exchange Board of India ("SEBI") from time to time, and in accordance with the provisions of the prevailing regulations.

In terms of the provisions of Section 81 of the Act where, it is proposed to increase the subscribed capital of the company by allotment of further shares, in whatsoever manner, then such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the company in proportion as nearly as circumstances admit to the capital paid-up on those shares at that date, unless a special resolution to that effect is passed by the company in general meeting in terms of Section 81(1A) of the Act.

The following is the explanatory statement which sets out the various disclosures as required in terms of SEBI Guidelines.

The salient features of the ESOP 2011 are as under:

1) Total number of options to be granted:

The number of options to be granted under ESOP 2011 shall not exceed 5% of the issued, subscribed and paid-up equity shares of the Company as on 31 March 2011 i.e., up to 56,12,600 equity shares of Rs 10/- each

of the Company. In the event of any corporate action(s) viz. bonus, consolidation or other reorganisation of the capital structure of the Company, number of options/shares to be issued shall undergo fair, reasonable and appropriate adjustments pursuant to SEBI Guidelines. Each option when exercise would be converted into one equity share of Rs 10/- each fully paid-up.

2) Creation of the Trust

The Company may set up an Employee Welfare Trust (EWT) *inter-alia* for the implementation of the plan, administration of the plan, financing and holding the shares for the benefit of the eligible employees as well as for funding the employees to exercise the options of the Company in accordance with the terms and conditions of this plan.

3) Compensation Committee

3.1 The Compensation Committee shall formulate the detailed terms and conditions of the Scheme, administer and supervise the same.

3.2 Subject to the provisions of the Scheme & subject to the approval of the relevant authorities, the Compensation Committee shall inter alia:

- a) determine the number of options to be granted, to each employee and in the aggregate, and the times at which such grants shall be made.
- b) determine the eligible employee(s) to whom options will be granted.
- c) determine the performance criteria(s), if any for the eligible employees.
- d) lay down the conditions under which options vested in optionees may lapse in case of termination of employment for misconduct etc.
- e) determine the exercise price which the optionee should pay to exercise the options..
- f) determine the exercise period within which the optionee should exercise the options and that options would lapse on failure to exercise the same within the exercise period.
- g) specify the time period within which the optionee shall exercise the vested options in the event of termination or resignation of an optionee.
- h) lay down the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate action.
- i) provide for the right of an optionee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- j) lay down the method for satisfaction of any tax

Annexure to the Notice

obligation arising in connection with the options or such shares.

- k) lay down the procedure for cashless exercise of options, if any.
 - l) provide for the grant, vesting and exercise of options in case of employees who are on long leave or whose services have been seconded to any other Company or who have joined any other subsidiary or other Company at the instance of the employer Company.
- 3.3 The Board may further provide that the Compensation Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.
- 3.4 No member of the Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to the plan.
- 3.5 A member of the Compensation Committee shall abstain from participating in and deciding any matter relating to granting of any option to him.

4) Identification of classes of employees entitled to participate in ESOP 2011:

All permanent employees (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 that persons who are "Promoters" or part of the "Promoter Group" as defined in the SEBI Guidelines shall not be entitled to participate in the plan.

5) Vesting of options:

All options granted on any date shall 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.

The vesting dates in respect of the options granted under this plan shall be at the sole and absolute discretion of the ESOP Committee and may vary from an employee to employee or any class thereof and/ or in respect of the number or percent of options granted to an employee.

Options eligible for vesting on the basis of performance parameters, if any, such percentage or such number of options as may be specified by the Compensation Committee in the option letter or any of the other writing, having regard to the performance

of the optionee evaluated in accordance with such performance criteria as may be laid down by the Compensation Committee, shall vest in the optionee.

6) Exercise price:

Exercise price means the price of the share payable by an eligible employee exercising the option granted to him pursuant to the plan as may be determined by the Compensation Committee.

7) Exercise period:

Exercise period in relation to an option means the time period after vesting within which an employee should exercise his right to apply for a share against an option vested in him pursuant to the plan.

8) Terms and conditions of shares:

All shares acquired under the plan will rank *pari passu* with all other shares of the Company for the time being in issue, save as regards any right attached to any such shares by reference to a record date prior to the date of allotment. Dividend in respect of shares allotted on exercise of the options shall be payable pro-rata from the date of allotment.

Neither an Optionee, nor his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the Shares for which the Option is exercised until such Shares are allotted by the Company.

9) Restriction on transfer of options:

An option shall not be transferable and shall be exercisable during exercise period only by such optionee or in case of death, by the legal heirs of the deceased optionee. An option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner except where required by the Compensation Committee / EWT.

10) Amendment or termination of Plan:

The Board of Directors in its absolute discretion may from time to time amend, alter or terminate the plan or any grant or the terms and conditions thereof, provided that no amendment, alteration or termination in any grant previously made may be carried out, which would impair or prejudice the rights of the optionee without the consent of the optionees.