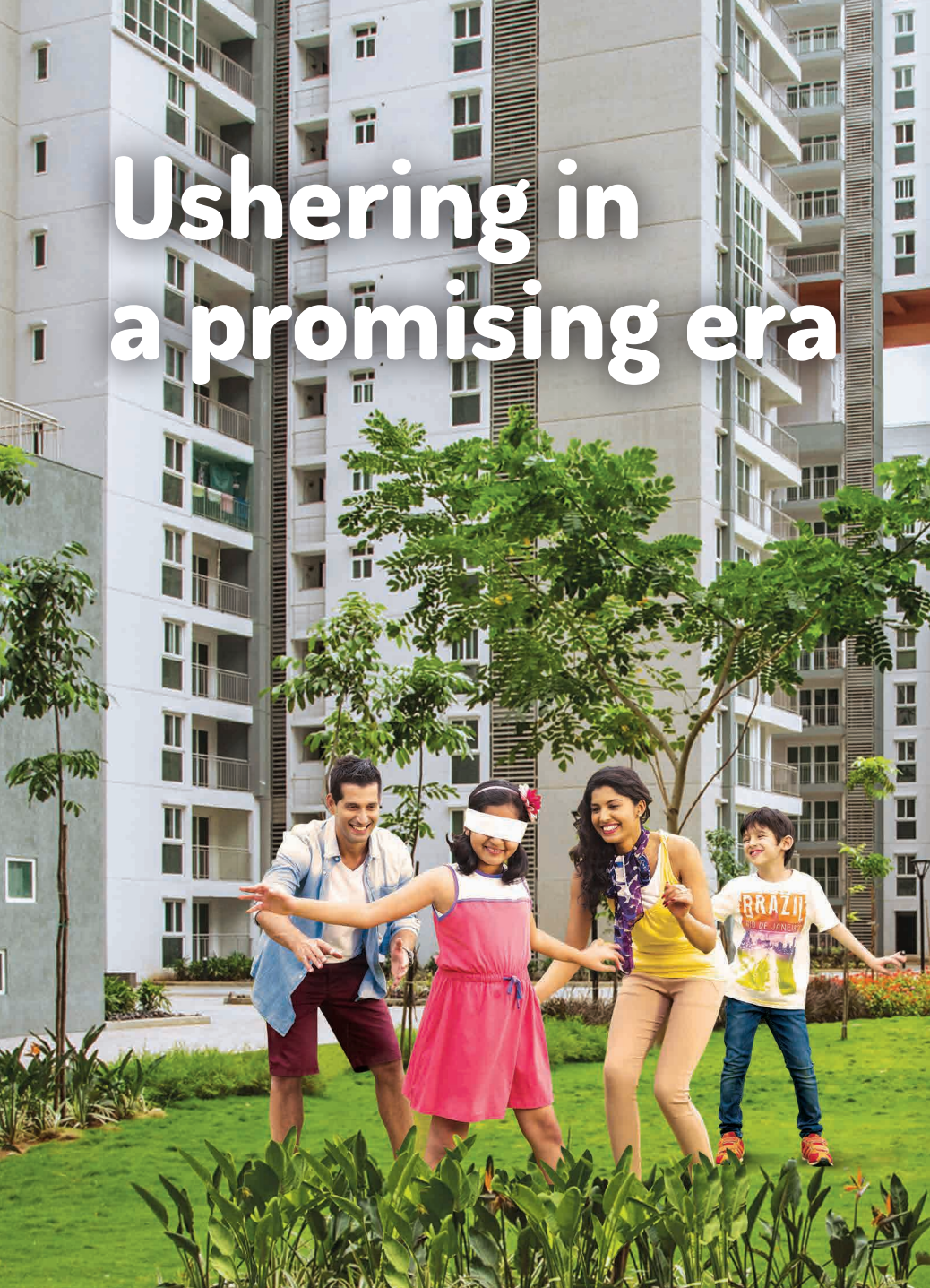


# Ushering in a promising era



**Brigade Enterprises Limited**  
Annual Report 2016-17



**BRIGADE**



# Contents

## Corporate Overview

Business Overview	01
The World of Brigade Enterprises	09
Business Highlights	10
Message from the CMD's Desk	12
Board of Directors	14
Milestones	18
Corporate Information	20

## Reports

Management Discussion & Analysis	21
Board's Report	28
Corporate Governance Report	59
Business Responsibility Report	72

## Financial Statements

### Standalone

Independent Auditors' Report	77
Balance Sheet	82
Statement of Profit and Loss	84
Statement of Changes in Equity	85
Cash Flow Statement	86
Notes	88

### Consolidated

Independent Auditors' Report	142
Balance Sheet	146
Statement of Profit and Loss	148
Statement of Changes in Equity	150
Cash Flow Statement	152
Notes	154

## Notice

215

### Cautionary Statement Regarding Forward-Looking Statement

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this presentation. Brigade Enterprises Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.





An artist's impression of the Brigade Symphony apartment complex in Mysuru. The image shows a modern, multi-story building with a mix of white and red brickwork. The building has several balconies with glass railings. In the foreground, there is a swimming pool with a blue tiled edge and a wooden deck. Several lounge chairs are placed around the pool. The background is a clear blue sky with some clouds.

Artist's impression of Brigade Symphony, Mysuru

## Ushering in a promising era

With extensive policy reformations and the government's thrust to modernise the Indian economy gaining further traction, the domestic real estate industry is at crossroads. The sector, which is still reeling under the after-effects of demonetisation and new legislations like the Goods and Services Tax (GST) and the Real Estate (Regulation and Development) Act 2016 (RERA). As the rules of the game are fast changing, players who are quick to adapt to meet the onrushing waves of change are the ones who would ultimately emerge as winners in the long run. Being a large and organised player, Brigade enjoys certain competitive advantages and is well placed to meet the upcoming challenges and opportunities. However, as we usher in a promising era, we also realise that keeping abreast with the changing times is paramount to our success.

The Company remains focussed on streamlining its processes to achieve higher sustainable growth. Besides, the Company's present model of selective outsourcing would help it remain cost-effective while scaling up operations. As for the statutory requirements, the Company has taken necessary steps to ensure all its operations are fully compliant with the fresh norms, so that the interests of all the stakeholders, including our clients as well as investors are safeguarded against any encumbrance or hurdle at a later stage.







## Welcoming the new era with maturity

With changing policy landscape over the last couple of years and a host of new measures being introduced, the real estate industry is heading for a paradigm shift. Demonetisation has lent a definite advantage to the organised players by breaking the traditional eco-system into a new digital age. Meanwhile, gigantic statutory shifts on the heels of GST and RERA along with the Business Responsibility Reporting provisions of the Companies Act 2013, are likely to further drive consolidation of activities around the large, focused and organised players. Moreover, the government's thrust on affordable-housing and housing-for-all is set to boost growth, while opening additional avenues for the organised players. Besides, continued urbanisation, rising household incomes, affordable credit and a burgeoning middle class would continue contributing to the real-estate growth story, even as optimism around Real Estate Investment Trusts (REITs) to infuse capital into the industry.

Given this backdrop, Brigade – with its unique, diverse and mature portfolio of real estate, lease rental and hospitality businesses – continues to be on a strong footing to meet the upcoming challenges as well as opportunities. We have been making rapid strides, driving revenue growth and visibility across all three business segments. We have successfully expanded our footprints beyond Bengaluru & Mysuru to other high-growth potential cities like Chennai, Hyderabad, Kochi, Mangaluru and GIFT City, Gujarat. Moreover, it is our constant endeavour to bring in innovation and professionalism into every project we undertake. In line with this objective, Brigade continues to leverage information technology and innovative processes to further refine its competitive advantage. On the compliance front, the team has been working round-the-clock to meet all statutory requirements and deliver projects that are fully compliant with the regulatory norms.

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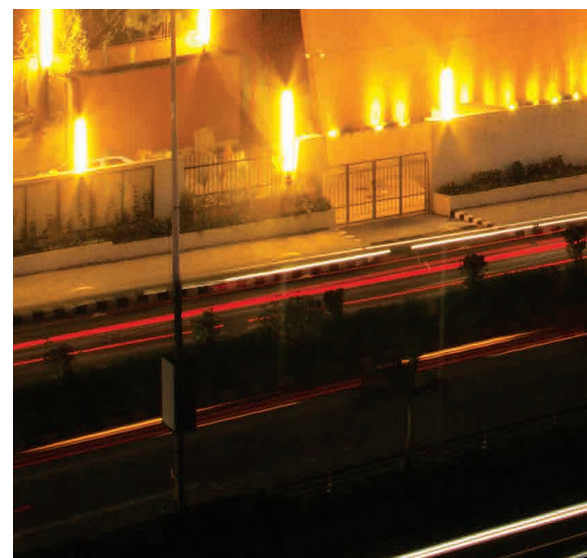
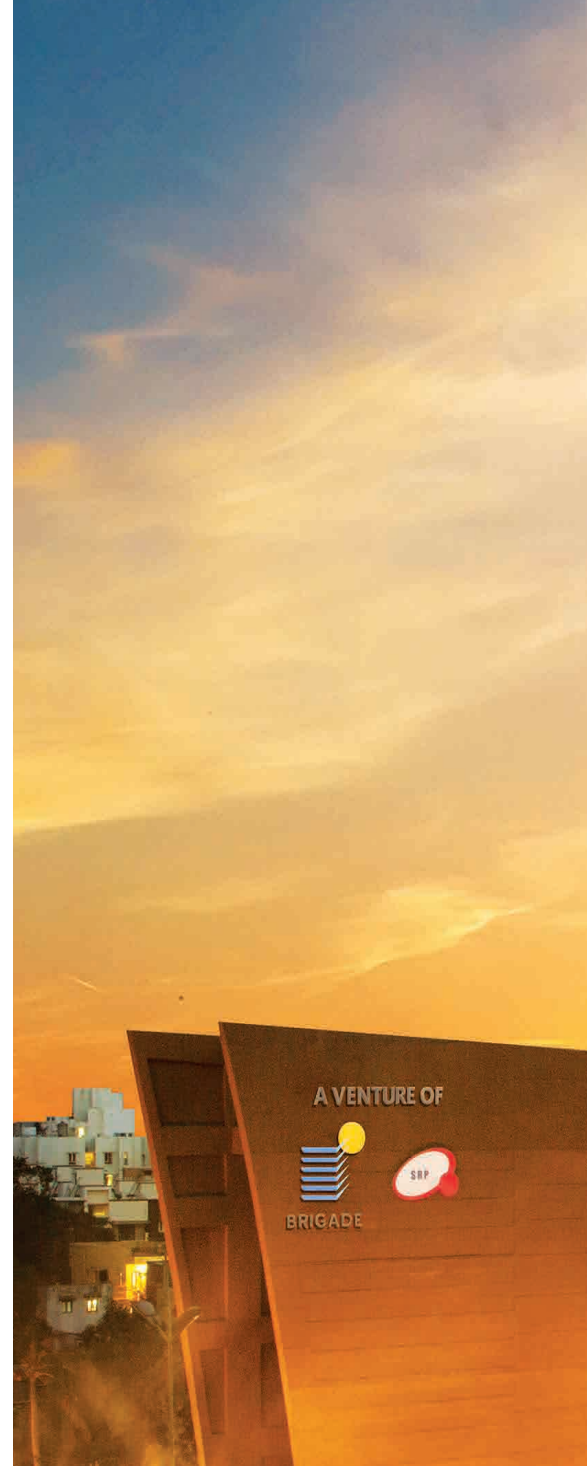
## Embarking the new era with focus

Backed by a strong balance sheet, a diverse portfolio mix and operating excellence, our company is all set to usher in the new era with renewed vigour and focus. Brigade reported healthy consolidated results in FY17 and has further strengthened its balance sheet by infusing capital through Qualified Institutional Placement (QIP). We have also chalked out ambitious plans to increase focus on our hospitality business that will result in pure-play aggressive growth and will also reduce our dependence on the cyclic residential and commercial segments. We have strategic relations with international hospitality operators like Marriott, Accor and IHG and have 4 operational hotels as of date with them. Further, we have entered into an MOU with Intercontinental Hotels Group (India) Pvt Ltd (IHG) to initially set up 10 Holiday Inn Express hotels out of total 20 hotel properties planned across South India by 2020. Going ahead, we would continue to scale our hospitality business in terms of the keys under operation. We are also actively looking to build our land bank across cities in the domains we operate.

Additionally, as a part of our diversification strategy, we aim to increase revenues from the leasing business. As of March 2017, our lease rental portfolio was 2.2 million sq. ft. including marquee assets of the World Trade Center Bengaluru, Brigade Bhuwalka Icon, Orion Mall at Brigade Gateway and Orion East Mall at Banaswadi in Bengaluru & World Trade Center in Kochi. Our Company is in the process of developing World Trade Centers in other cities in South India and would continue to develop its hospitality and office, and retail ventures to further diversify the revenue streams.

Brigade enjoys core competencies in design management, project management and product marketing. We work with reputed architects, consultants, urban planners and other experts engaged to manage project designs even as in-house teams focus on quality, project monitoring and cost control. We plan to continue our model of outsourcing the execution of our projects to well recognised players under strict monitoring as this model allows to boost the scale of our operations while remaining cost effective.

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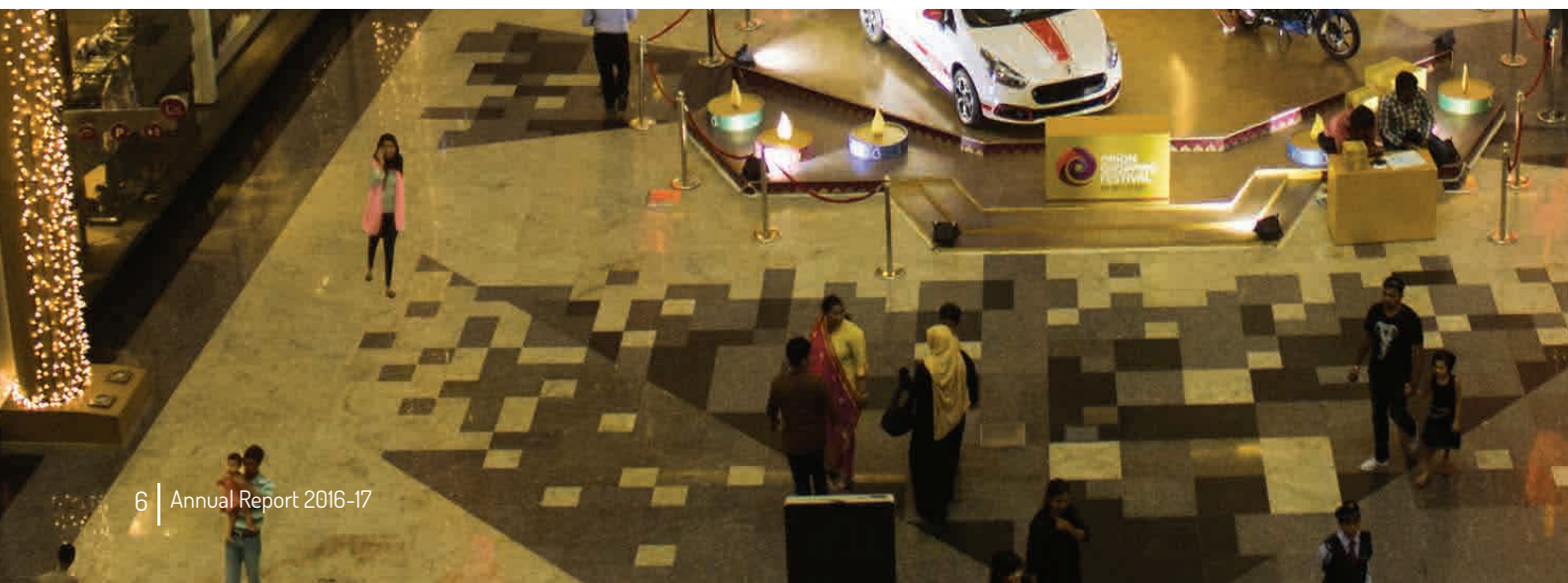




## Holiday Inn, Chennai











## Embracing the new era with earnestness


At Brigade, we strive to deliver properties that are unique, modern and enhance the lifestyle of our customers. With client experience and satisfaction being a prime motive, our projects are executed with a meticulous focus on innovation and quality. Brigade employs sophisticated technology, tools and processes in line with international standards, to build top-notch projects that offer great value and a positive customer experience. Our dedicated marketing team helps us identify market trends early on, enabling us to position projects accordingly in terms of location and income segments.

With a cohesive marketing strategy designed to build and secure brand value and awareness, Brigade has dedicated teams to focus on sales, nationally and internationally and also to assist clients throughout the entire period from post-sale to delivery. Our ability to anticipate the requirements of our customers and to provide them with essential after-sales services marks the cornerstone of positive customer experiences and brand salience that we promise to deliver.

Compliance and integrity being of prime importance to Brigade, our company is leaving no stone unturned to be RERA ready. At Brigade, we understand RERA has been introduced to regulate the real estate industry and mandates certain responsibilities on developers to ensure added accountability

towards customers and protection of their interests. The Act will make way for a uniform regulatory landscape on the basis of transparency and governance, weeding out irregularities from the industry over the long run. While ensuring fair practices to protect consumer interests, the act will also enable genuine players like Brigade to showcase its businesses and leverage resources to improve operational efficiencies.

In view of the changing legal framework, the Company is streamlining its operations to meet the statutory provisions of RERA. Some obligations imposed by the act on real estate developers include mandatory registration of real estate projects, not issuing any advertisements or accepting advances unless real estate projects are registered under RERA, maintenance of a separate escrow account for amounts realised from each real estate project and restrictions on withdrawal of amounts from such escrow accounts and taking customer approval for major changes in sanction plan. In addition to this, the Company will also have to comply with state-specific legislations that will be enacted by respective State Governments, where the ongoing/future projects are/may be located, following the implementation of RERA. The Company fully comprehends that the aim of such legislation is to ensure free and fair play and we stand committed to delivering legally compliant projects that deliver the best value and enriched customer satisfaction.



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## VISION

To be a world class organisation 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

Every member of the Brigade family lives by the core values and ensures that these values are not compromised in any way.

