



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
Wholetime 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

Contents

AGM Notice **5** • Directors' Report **10** • Corporate Governance Report **18** • Auditors' Report **27** • Balance Sheet **30**
Profit and Loss Account **31** • Cash Flow Statement **32** • Schedules forming part of Balance Sheet **34** • Schedules forming part
of Profit and Loss Account **39** • Schedule for Notes to Accounts **41** • Balance Sheet Abstract and Company's General Business
Profile **50** • Consolidated Financial Statements **53**

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

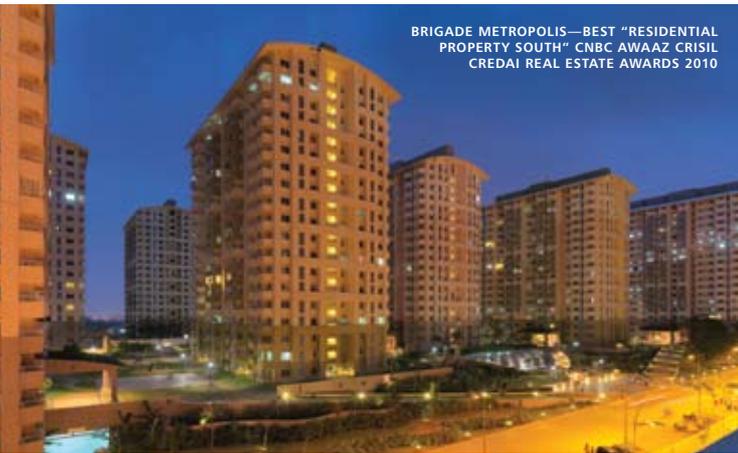
Quality & Customer	Fair * Innovative * Responsible Socially * Trustworthy
--------------------	--

Residential
projects across
more cities
in South India.

BRIGADE EXOTICA—
IGBC GOLD PRE-CERTIFIED GREEN PROJECT



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



BRIGADE SONATA



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

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



BRIGADE IRV CENTRE



BRIGADE RUBIX



RECEPTION LOUNGE AT SUMMIT @ BRIGADE METROPOLIS



SEZ AT KOCHI

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
- CAPGEMINI
- CISCO SYSTEMS
- ERNST & YOUNG
- H&M
- INTEL
- KPMG
- LG CNS GLOBAL
- QUINTILES
- REGUS
- SIEMENS
- STANDARD CHARTERED
- TATA ELXSI
- VOLVO
- WIPRO GE HEALTHCARE
- 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.: +91-40-23420815 to 24
Fax No : +91-40-23420814
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 560025

Place: Bangalore
Date: July 08, 2011

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

P. Om Prakash
Company Secretary

Annexure to the Notice

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.

11) Tax deduction at source and tax recovery:

The Company shall have the right to deduct all taxes payable either by the Employee / Optionee, in connection with all Grants / Options / Shares under this Plan, by way of deduction at source from salary and in addition to require any payments necessary to enable it to satisfy such obligations.

The eligible employee will also as a condition of the Plan authorise the Company or its nominee to sell such number of Shares as would be necessary to discharge the obligation in respect of such taxes and appropriate the proceeds thereof on behalf of the employee.

Registered Office:
Penthouse, Brigade Towers
135, Brigade Road
Bangalore 560025

Place: Bangalore
Date: July 08, 2011

By Order of the Board
for **Brigade Enterprises Limited**
P. Om Prakash
Company Secretary

Details of the Directors seeking re-appointment at the 16th Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr M. R. Jaishankar	Ms Githa Shankar
Date of Birth	22/04/1954	23/01/1954
Age (in years)	57	57
Date of Appointment	08/11/1995	08/11/1995
Qualification	Bachelors in Science and Masters in Business Administration	Bachelors in Arts, Bachelors in Library Science and a Masters in Business Administration
No. of equity shares held in the Company	23045064	9373875
Expertise in functional areas	He has around 3 decades of rich experience in real estate industry	She has over 3 decades of experience in the fields of advertising, stock broking, insurance, education and real estate
Directorships held in other Companies	a. Brigade Hospitality Services Ltd b. Mysore Holdings Pvt. Ltd c. Brigade Estates & Projects Pvt. Ltd d. Brigade Tetrarch Pvt. Ltd e. Brigade Properties Pvt. Ltd f. Brigade Infrastructure & Power Pvt. Ltd g. BCV Developers Pvt. Ltd h. WTC Trades & Projects Pvt. Ltd. i. BCV Estates Pvt. Ltd.	a. Brigade Hospitality Services Ltd b. Brigade Tetrarch Pvt. Ltd c. Brigade Estates & Projects Pvt. Ltd d. Brigade Properties Pvt. Ltd e. Mysore Holdings Pvt. Ltd f. Brigade Infrastructure & Power Pvt. Ltd g. Tetrarch Equity Research & Analysis Pvt. Ltd
Committee positions held in other Companies	NIL	NIL

Directors' Report

To
The Members,

Your Directors have pleasure in presenting the sixteenth Annual Report on business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2011.

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Net Sales and other income	45,746.63	36,259.08
Interest & other Finance charges	1,678.69	887.49
Depreciation	1,726.58	1,791.03
Profit before tax	12,258.67	4633.85
Provision for taxation: Current	2684.85	754.43
Deferred	2446.87	23.75
Net Profit after Tax	8,040.40	4,595.21
Add : Prior year (expenses) / income	1,190.73	96.77
Excess / Short provision – IT	2,716.97	(58.02)
Less : Diminution in value of investment	20.54	11.66
Profit available for appropriation	11,927.56	4,622.30
Earnings Per Share	10.63	4.12

Dividend:

The Board of Directors of the Company have recommended a dividend of Rs. 1.50 (Rupees one and paise fifty only) (15%) 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. 1963.43 lakhs. A sum of Rs 894.57lakhs has been transferred to the General Reserve.

Share Capital:

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

Operational Review & Future:

The financial year 2010-11 has been the year of unprecedent events viz. shaky European economy, mounting debt in Greece, Portugal, Spain and even Italy which had rippling effect across the globe. The inflation rates spiralling to double digits in India, coupled with interest rate hikes by the Reserve Bank of India, has impacted the growth of the Indian Economy in general and the Real Estate sector in particular.

The performance of your Company has been encouraging despite the above factors. The snapshot of the performance during the year is as follows:

Integrated Enclaves

Brigade Gateway:

The Residential blocks aggregating to 1.85 million square feet have been completed during the year. Brigade Gateway is the most integrated enclave in an urban centre anywhere in the country. The total integration of the residential apartments with offices, retail, hotel, hospital, educational and recreational facilities within the city, is unprecedented. The convenience of living in such an environment will truly be a great experience.

One of the most significant developments during the year is securing the license to brand our office space in Brigade Gateway as **World Trade Center Bangalore**. This license is held by WTC Trades & Projects Private Limited, a wholly owned subsidiary of the Company. We join the elite group of 29 to own WTC (World Trade Center) buildings worldwide and only the second in India. WTC is the most recognized and sought-after business address anywhere in the world. WTC Bangalore is the tallest building in Bangalore (128 meters) with many unique features, including—for the first time in Bangalore—an observation deck. It is designed to International A++ specifications and would be an iconic landmark in the City's skyline.

WTC Bangalore would be operational in a few months and would be a proud and positive development for us and for the city of Bangalore.

The Orion Mall, aggregating to more than 8,00,000 sft would be operational in the financial year 2011-12. Your Company has already leased 75% of the total area.

Brigade Metropolis:

The residential blocks, aggregating to about 1.44 million sft, have been completed during the year. We are happy and pleased to inform you that this project has won the award for the best **“Residential Property South”** in the prestigious CNBC AWAAZ CRISIL CREDAI Real Estate Awards 2010 held in Singapore in May, 2011. The Commercial space is on the verge of completion.

Brigade Palmsprings at J. P. Nagar, Bangalore, aggregating to around 0.82 million square feet comprising 216 apartments was completed during the year.

Commercial:

During the year the Company monetized the following commercial assets:

- Hospital Building of 0.14 million sft located at Brigade Gateway Project at Malleswaram, Bangalore
- Brigade Seshmahal aggregating to 0.02 million sft located at Basavangudi, Bangalore

A total of 0.98 million sft of commercial space was leased / sold during the year

Hospitality Domain:

- **Sheraton Bangalore Hotel:** The construction of the 230 room Sheraton Bangalore at Brigade Gateway has been completed and the operations have commenced during the year.
- **Grand Mercure:** Grand Mercure (formerly known as Mercure Homstead Residences) at Koramangala in Bangalore owned by the Company and managed by Accor group has been breaking records in terms of its performance.

Special Economic Zones—The construction work at the Special Economic Zone at Kochi would commence shortly. The infrastructure works is being undertaken by the concerned statutory authorities in the Special Economic Zone at Mangalore. We will commence construction on completion of the infrastructure works by the authorities.

Brigade Value Homes—The first Brigade Value Homes project “Brigade Meadows” will be launched in South Bangalore. About 1.3 million sft will be launched as part of phase 1 in the second quarter of the financial year 2011-12.

The second project of Brigade Value Homes will be launched in the North Bangalore in the financial year 2011-12.

Company has finalised the land and entered in to joint development agreement for Brigade Value Homes to be launched in East Bangalore.

The following projects have been launched by the Company in 2010-11:

- Brigade Rhapsody at Bangalore is a premium residential project aggregating to 0.03 million sft comprising 8 apartments
- Brigade Zenith, our premium residential project in Banjara Hills, Hyderabad aggregating 0.18 million sft which would comprise 48 apartments.
- Orion Mall at Banaswadi, Bangalore aggregating to 0.25 million sft.

The ground breaking ceremonies for the following projects were conducted during the year. These projects will be launched shortly except a couple of them which have already been launched.

- **“Brigade Zenith** in the up market Banjara Hills, our Premium Residential Project and maiden project in Hyderabad aggregating to 0.18 million sft.
- **“Brigade Omega”,** our Luxury Residential Project in Thurahalli Village, Uttarahalli, Bangalore South aggregating to 0.82 million sft.
- Our Hotel and Retail Project on Kempe Gowda Road,

Bangalore aggregating to 0.16 million sft.

- **“Brigade Palmgrove”,** our Premium Villa and Town House Project on Bogadhi Main Road, Mysore aggregating to 0.27 million sft.
- **Brigade Exotica** on Old Madras Road, our Premium Luxury Residential Apartment Project aggregating to 1.50 million sft.
- **Brigade IRV Centre** in Nallurahalli, Whitefield, our proposed Commercial Office building Project aggregating to 0.26 million sft.

This is the 25th year of existence after the Group was initially started as a partnership firm in 1986. To commemorate the 25 years, the Company plans on launching 25 projects (big, medium and small), a few of them have been recently launched and are listed above. As we look back there is a certain amount of satisfaction which gives us the determination to work harder for a brighter future and to create a ‘better quality of life’ for our customers and other stakeholders.

Company will be launching around 10 million square feet of built up area in the financial year 2011-12. A total of around 40 projects across residential, commercial and hospitality domains aggregating to 31 million square feet area in seven cities would be constructed and delivered in the next 4 –5 years.

Subsidiaries:

Brigade Hospitality Services Limited (BHSL) as a wholly owned subsidiary of the Company runs and manages clubs, serviced residences and convention centres. During the financial year 2010-11 BHSL has registered income from operations amounting to Rs 4671 lakhs and Profit after tax of Rs 136.29 lakhs. There has been a marked improvement in the performance as compared to the previous year.

WTC Trades & Projects Private Limited became a wholly owned subsidiary of the Company during the year. This company is the proud owner of the licence “World Trade Center” for the city of Bangalore, awarded to it by the World Trade Centers Association, U S A. (WTCA). The licence held by WTC Trades entitles it to use the trade names, trademarks and goodwill associated with “World Trade Center” & Map Design Logo & WTC in the City of Bangalore. The Company has rebranded its office space at its integrated enclave Brigade Gateway as World Trade Center which is indicative of the international standards of construction quality.

Brigade Estates and Projects Private Limited and Brigade Properties Private Limited are wholly owned Subsidiaries of the Company with main business in the field of real estate development. Brigade Infrastructure & Power Private Limited is a wholly owned subsidiary with it’s main object in the field of Infrastructure and power. These Companies are in the process of being fully operational.

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 registered income from operations amounting to Rs 5.12 lakhs and incurred a loss of Rs 14.36 lakhs.

Joint Venture:

BCV Developers Private Limited is a 50:50 joint venture between the Company and Classic Valmark P. Limited for development of land of 120 acres in Devanahalli, Bangalore. Your Company has 50% representation of the Board of this Company. Villas will be launched in the first phase of this mixed use project in the second quarter of the financial year 2011-12. Construction of the model villas is presently in progress.

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:

Mr M. R. Jaishankar and Ms Githa Shankar 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.

Group

Pursuant to the intimation received from the Promoter(s), the names of the promoters and entities forming part of "Group" is disclosed in the Annual Report in accordance

with Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

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:

- i. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- 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 has been included as an attachment to this 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 Corporate 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 and 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 I.

Awards and Recognitions:

Brigade Metropolis, our integrated enclave on Whitefield Road in Bangalore has won the prestigious **CNBC AWAAZ CRISIL CREDAI Real Estate Awards 2010** for the best “Residential Property South”.

OCHRE, Architects, have won the award for the “**Best Hospitality Architecture**” for **Galaxy Club project @ Brigade Gateway Enclave in the CNBC AWAAZ CRISIL CREDAI Real Estate Awards 2010**.

The Company’s Commercial Project **World Trade Center, Bangalore @ Brigade Gateway**, Malleswaram, Bangalore, has won the award for the ‘**Best Commercial Project of the Year**’ in the prestigious Property World Awards for 2010.

The Company won the “**Best Commercial Developer of the Year**” Award at the Realty Plus Excellence Awards 2011 (South).

This is the third consecutive year that we have received an award at the Realty Plus Awards. On the earlier two occasions, the awards were for the “**Regional Developer of the Year - South**”.

The Company won the award for the “**Best Developer in Residential Infrastructure**” at the Construction Source India Awards 2010.

Mr M. R. Jaishankar, Chairman and Managing Director of the Company was presented with the **SENIOR BUILDER AWARD** in appreciation and recognition of his excellent contribution to Civil Engineering Construction on the occasion of Builders’ Day celebration by the Builders’ Association of India, Karnataka (Bangalore) Centre.

Acknowledgements:

The Board wishes to place on record its appreciation to all the stakeholders for their continuous support, encouragement and patronage. We would like to thank the Brigadiers for their valuable contribution and request them to keep up the good work. This is the beginning of the journey to achieve the vision of becoming a world class organisation in its products, processes, people and performance. We require the whole-hearted co-operation of all stakeholders to achieve this vision.

Place: Bangalore
Date: May 04, 2011

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

M. R. Jaishankar
Chairman and Managing Director

Annexure “I”

Conservation of Energy

(a) Energy conservation measures taken:

The conservation of Energy and Water, and the protection of the environment—air, water, and 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.,

- Efficient lighting system for energy conservation by use of CFL fittings in all offices of the Company including sites.
- CFL fittings are provided inside the building for common area lighting in the projects of the Company
- Automatic timer controls of facade lighting in common areas.
- Use of electrical equipments with minimum of three star rating by Bureaus of Energy Efficiency, Government of India.
- Efficient ventilation system in offices and the projects of the Company especially residential with a major thrust on natural ventilation.
- Energy efficient water supply pumps for water pumping applications.
- Earthquake and Disaster Protection for buildings—to reduce damage and wastage of precious natural resources
- Utilising the natural light sources on lighting system, and install high-efficiency lamps (CFL and LED Lamps) with the high frequency electronic ballasts.
- Painting the ceilings and walls in favor of reflecting effect with lighter colors.
- Use of glass as building material to maximise 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.
- Usage of renewable energy sources like solar energy wherever possible to preserve the environment and ensure energy savings
- Utilisation of solar energy wherever possible for heating and lighting in all the projects of the company
- Design and Implementation of Green Building norms in all our future projects

(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 mechanised 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 standardised 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:

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Inflow:		
Advance for Sale of Units, Lease deposits & Rentals	1,138.91	226.57
Outflow:		
i. Professional charges	137.48	218.73
ii. Consultation Fees	Nil	101.77
iii. Others	148.57	1100.32

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

M. R. Jaishankar
Chairman and Managing Director

Place: Bangalore
Date: May 04, 2011

Management Discussion and Analysis Report

The Indian Economy is one of the fastest growing economies in the world due to strong macro economic growth and varied natural resources backed by abundant manpower resources. According to the Ministry of Statistics & Programme Implementations (MOSPI) India's GDP for 2010 was at 7.4% and is estimated at 8.8% in the first quarter of the financial year 2011-12. Contribution of real estate sector to domestic GDP is crucial. The real estate industry is considered as the growth engine which plays a vital role in the overall growth and development of an economy. It contributes significantly to employment generation and in general, improves the standard of living. In India, it is the second largest employment generator after agriculture.

The residential segment dominates the Industry with more than 75% of the total turnover of the Indian real estate sector. Housing alone contributes to 5%-6.5% of the country's GDP. Growing disposable income, shifting trends towards nuclear families, rapid urbanisation and favourable demographics are some of the important factors driving demand for the residential segment. There is acute shortage for housing which is estimated at 26.53 million houses predominantly to the economically weaker section (EWS) which provides a huge investment option.

The increasing demand for office space is one of the major growth drivers for the domestic real estate market. The domestic office market has been driven by the IT-BPO sector, where India has emerged as one of the key off shoring destinations.

Changes in real estate markets have put forward newer challenges for the developers resulting in new strategies and rebuilding business models. Companies are now venturing into Tier III locations which are backed by demand for office space. This is primarily due to call centres and BPOs where the operational and overhead costs are comparatively lower. Companies are shifting from a sale to a lease and maintenance model. The Karnataka State Government is also taking several initiatives to set up business and technology parks.

Hospitality industry in India has emerged as one of the key drivers of the country's economic growth due to increased tourism. The hospitality industry is projected to grow at 8% primarily due to foreign and domestic tour visits.

Special Economic Zones in India were set up to promote exports of goods and services and create employment opportunities. SEZ exports registered a substantial CAGR of 59% during FY04-FY10. In FY10, it recorded an impressive growth of 121%. This was largely driven by the tax incentives and 100% Foreign Direct Investment for development

of townships provided by the Government.

The domestic retail market, which is largely unorganised, is slowly moving to a more organised setup. The organised market is being driven by rising income levels and customer aspirations, demographic changes etc.

However, the spill over of global economic crisis into the Indian market has adversely affected affordability and impacted the fund raising ability of many developers. Further, the ever escalating inflation rate and the current liquidity crunch has dampened the investment driven market viz. Real Estate.

Opportunities

Rising income levels, increasing population, favourable population demographics and rapid urbanisation has generated opportunities for real estate development. Environmental friendly properties will play a major role in the near future to reduce the impact of global warming. Green buildings utilise energy and water efficiently, conserve natural resources and in the process offer healthy living conditions and working spaces.

We have proactively taken initiatives to protect the environment viz. rainwater harvesting, recycling of water, reduction in pollution and planting/replanting of trees.

We are the pioneers of integrated enclaves and are into every domain of real estate development viz. residential, office, retail, hospitality and education. An integrated enclave project in North Bangalore would be launched in the second quarter of the financial year 2011-12. A total of 7 million square feet will be developed in a phased manner.

The first Brigade Value Homes project, "Brigade Meadows", will be launched shortly in South Bangalore. 1.4 million square feet will be developed in phase 1 of this project.

A combination of high end / premium projects in the heart of Bangalore have been launched / proposed to be launched in the immediate future.

Risks & Threats

Risks and threats are an imminent part of any business. The major risks and threats to our business are as follows:

Absence of central regulatory authority: To launch a project, there are various approvals, permissions and consents that need to be obtained from different regulatory authorities from the state as well as from the centre. There are inordinate

delays in obtaining approvals, permissions etc from the authorities which results in delays in launching projects. A central regulatory authority, particularly at the State level, is required immediately.

Constraints of funds: Bank Credit is a major source of funding for real estate players and more so for the smaller developers. During a financial crisis, banks grow wary of lending to developers who are straddled with a high-cost land bank amid declining property prices and sales.

Legal: The lack of transparency and no centralised system to access information makes it difficult to verify the clear title of land.

Human Resources: Human Resources of quality are always a limitation in this sector, especially when very large scale projects are being launched.

The company has adequate and appropriate systems in place to ensure that the impact of these risks is minimised and interests of the Company are protected.

Internal Control Systems and their Adequacy

The Company has adequate internal control systems which are 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 periodic audits to ensure adequacy of the 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 best practices and report on the status of implementation of their recommendations.

The Audit Committee and Board reviews on a 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.

Operational Performance

The performance of the Company has been encouraging. A total of 6 projects were completed and delivered during the year.

A total of 0.67 million square feet was sold in the residential and 0.98 million square feet have been sold / leased in the Commercial space.

Sheraton Bangalore Hotel at Brigade Gateway enclave was completed and operations have commenced during the year.

The occupation at the World Trade Center Bangalore offices at Brigade Gateway has commenced and the leasing is encouraging. Substantial portion of the World Trade Center would be leased in the financial year 2011-12.

Company is proposing to launch around 10 million square feet in the financial year 2011-12 across residential, commercial and hospitality segments out of a total of 31 million sft of projects lined up.

Financial Performance

Turnover: The turnover of the Company has increased from Rs 36,259.08 lakhs in the financial year 2009-10 to Rs 45,746.63 lakhs in the financial year 2010-11, an increase by 26.16%.

Equity Share Capital: The equity share capital of the Company as on 31st March, 2011 stood at Rs 11,225.19 lakhs. 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, 2011 is at 0.69:1 as against 0.64:1 in the previous financial year.

Interest & Financial Charges: Interest & Financial Charges for the financial year 2010-11 is Rs 1,678.69 lakhs as compared to Rs 887.49 lakhs in the previous year, an increase by 89.15%. The increase is primarily due to the additional borrowings made by the Company.

EBITDA: EBITDA margin for the financial year 2010-11 stood at 39.49% as compared to 24.98% for the previous financial year, an increase by 58.09%

Net Profit: Net profit available for appropriation for the year 2010-11 stood at Rs. 11,927.56 lakhs as compared to Rs. 4,622.30 lakhs in the previous year, an increase by 158.04%.

Dividend: The Company has proposed a dividend of Rs 1.50 (15%) per equity share. The total payout on account of dividend, including corporate dividend tax, aggregates to Rs 1,963.43 lakhs.

Earnings Per Share (EPS): The Company's Earnings Per Share (EPS) during the current year is Rs. 10.63 as compared to Rs 4.12 in the previous year. Higher EPS is due to better realisation and monetisation of commercial assets during the year.

Material Developments in Human Resources

The total number of employees of the Company as on 31st March, 2011 is 414 as compared to 368 employees in the previous financial year.

A significant initiative taken during the financial year was the launch of the Online Performance Management System. Evaluation of Technical & Behavioural competency was introduced, which would aid the identification of the training needs of employees. A 5 point rating scale to evaluate the Key Result Areas (KRAs) and Key Performance Indicators (KPIs) was introduced. This is a more transparent process that will reduce paper work and shorten the appraisal exercise.

Imparting of training, both internal and external, is done on a regular basis to sharpen the skills of employees at all levels. The total training man-days per employee during the financial year was 50 man-hours.

Company conducts lecture series from eminent personalities on a regular basis to enrich the employees with their knowledge and experience.

Cautionary Statement

Statement in the Management Discussion and Analysis 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 and 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.

Persons constituting Group coming within the definition of Group for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Sl. No.	Name of the Entity
1	Mr M. R. Jaishankar
2	Ms. Githa Shankar
3	Ms. Pavitra Shankar
4	Ms. Nirupa Shankar
5	Brigade Hospitality Services Limited
6	WTC Trades & Projects Private Limited
7	Brigade Tetrarch Private Limited
8	Brigade Infrastructure and Power Private Limited
9	Brigade Estates & Projects Private Limited
10	Brigade Properties Private Limited
11	Mysore Holdings Private Limited

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 and levels of transparency, accuracy, accountability and reliability in 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 2011 is as follows:

Board of Directors

The Board of Directors of the Company comprises 8 Directors as on 31st March, 2011 who have expertise in the different aspects of business of the Company. 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	Mr M. R. Jaishankar	Chairman & Managing Director	2	25
Directors	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		
	Dr A. Ramakrishna	Director		
	Dr K. R. S. Murthy	Director		
Total			8	100

Board Meetings

The details of the Board Meetings held in the financial year 2010-2011 are as follows:

Sl. No.	Date
1	Wednesday, 5th May, 2010
2	Thursday, 17th June, 2010
3	Friday, 23rd July, 2010
4	Tuesday, 9th November, 2010
5	Thursday, 3rd February, 2011

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 Director	Board Meetings attended in the financial year 2010-11	Attendance in the 15th Annual General Meeting held on 23rd July 2010	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies as:	
				Chairman	Member
Mr M. R. Jaishankar	5	Yes	Nil	Nil	Nil
Ms Githa Shankar	5	Yes	Nil	Nil	Nil
Mr M. R. Gurumurthy	5	Yes	Nil	Nil	Nil
Mr M. R. Shivram	4	No	Nil	Nil	Nil
Mr P. V. Maiya	5	Yes	2	Nil	2
Mr P. M. Thampi	5	Yes	2	Nil	2
Dr A. Ramakrishna	4	Yes	11	1	8
Dr K. R. S. Murthy	5	Yes	3	1	2

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 2011. A declaration to this effect by the Chairman and Managing

Director of the Company is annexed to this report. The Code of Conduct has also been posted on the website of the Company.

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.

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 utilised 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 5th May, 2010, 23rd July, 2010, 9th November, 2010 and 3rd February, 2011.

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	4
4	Mr A. Ramakrishna	Member	3

Company Secretary is the Secretary of the Committee.

Compensation Committee

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

Corporate Governance Report

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 and attendance of the members for the Compensation Committee are as follows:

Sl. No.	Name	Position	Attendance
1	Mr P. M. Thampi	Chairman	3
2	Mr P. V. Maiya	Member	3
3	Mr A. Ramakrishna	Member	2

Company Secretary is the Secretary of the Committee.

During the year Compensation Committee meetings were held on 5th May, 2010, 9th November, 2010 and 3rd February, 2011.

The details of remuneration paid/payable to the Directors for the year ended on 31st March, 2011 are as follows:

Name of the Director	Salary & Perquisites (Rs)	Sitting Fees (Rs)	Commission (Rs)	Total (Rs)
Mr M. R. Jaishankar	48,00,000	Nil	1,52,55,427	2,00,55,427
Ms Githa Shankar	48,00,000	Nil	38,13,857	86,13,857
Mr M. R. Gurumurthy	Nil	80,000	Nil	80,000
Mr P. V. Maiya	Nil	1,80,000	5,00,000	6,80,000

Name of the Director	Salary & Perquisites (Rs)	Sitting Fees (Rs)	Commission (Rs)	Total (Rs)
Mr M. R. Shivram	Nil	60,000	Nil	60,000
Mr P. M. Thampi	Nil	1,40,000	5,00,000	6,40,000
Dr A. Ramakrishna	Nil	80,000	5,00,000	5,80,000
Dr K. R. S. Murthy	Nil	80,000	5,00,000	5,80,000

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:

5th May, 2010, 23rd July, 2010, 9th November, 2010 and 3rd February, 2011.

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

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

Company Secretary is the Secretary to the Committee

There were no complaints pending for redressal as on 1st April, 2010. A total of 195 complaints were received during the year ended 31st March 2011. All the complaints were duly redressed. There are no complaints pending redressal as on 31st March, 2011.

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 is as follows:

Sl. No.	Name	Position
1	Mr M. R. Jaishankar	Chairman
2	Mr P. M. Thampi	Member
3	Mr P. V. Maiya	Member

Company Secretary is the Secretary of the Committee.

During the year Committee of Directors meetings were held on 30th September, 2010, 2nd December, 2010 and 18th March, 2011 which were attended by all the members.

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 and re-materialisation of shares and 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
2009-10	15	Friday, 23rd July, 2010 at 11.00 a.m.	MLR Convention Centre, Brigade Millennium Campus, J. P. Nagar, Bangalore 560 078
2008-09	14	Thursday, 30th July, 2009 at 4.00 p.m.	MLR Convention Centre, Brigade Millennium Campus, J. P. Nagar, Bangalore 560 078
2007-08	13	Friday, 27th June, 2008 at 04.00 p.m.	MLR Convention Centre, Brigade Millennium Campus, J. P. Nagar, Bangalore 560 078

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

No. of AGM	Day & Date of AGM	Special Resolutions passed through show of hands
15	23rd July, 2010	Raising to additional capital pursuant to section 81(1A) of the Companies Act, 1956
13	27th June, 2008	Payment of remuneration to Non-Executive Directors not exceeding 1% of net profits.

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

Corporate Governance Report

- have been passed against the Company during the last three years.
- 3) 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 Newspapers and "Vijay Karnataka"—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.

Information to Shareholders of 16th Annual General Meeting

- 1 Date 11th August, 2011
- 2 Time 10.00 a.m.
- 3 Venue MLR Convention Centre
No 9, 4th Cross Road
Whitefield Road, Mahadevapura
Bangalore 560 048
- 4 Financial Year 2010-2011
- 5 Date of Book Closure Wednesday, 3rd August, 2011
to Thursday, 11th August, 2011
(both days inclusive)
- 6 Dividend: The Board of Directors of the Company have recommended a dividend of Rs 1.50 (15%) 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 2nd August, 2011.
- 7 Compliance Officer P. Om Prakash
- 8 Registered office "Penthouse", Brigade Towers,
135, Brigade Road,
Bangalore 560 025
- 9 Listing in Stock Exchanges:
The Equity Shares of the Company are listed in the following Stock Exchanges:
National Stock Exchange of
India Limited
Bombay Stock Exchange
Limited
- 10 Stock Code Bombay Stock Exchange
Limited 532 929
National Stock Exchange of
India Limited—
BRIGADE, series-EQ BE

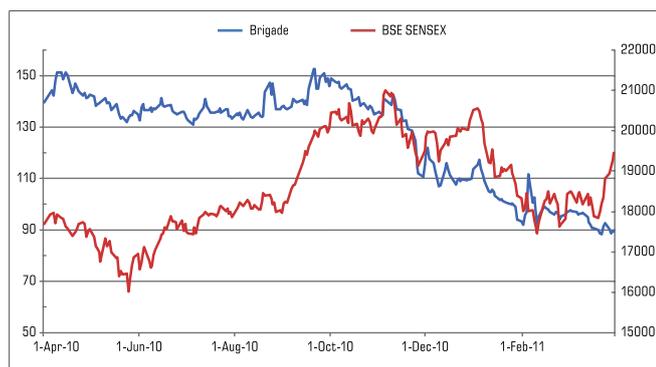
11 Listing Fees: Listing Fees as prescribed has been paid fully to all the Stock Exchanges where the shares of the Company are listed.

12 Stock Performance

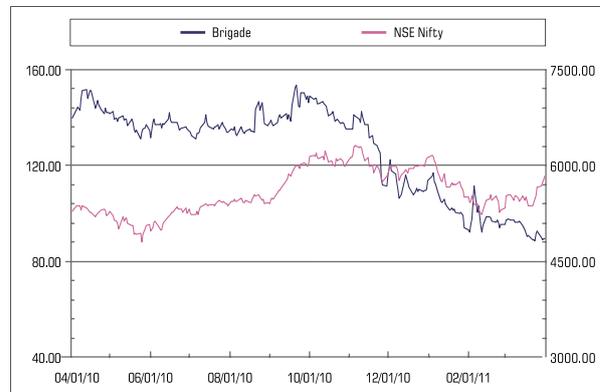
The performance of the stock in the Bombay Stock Exchange Limited & National Stock Exchange of India Limited for the period from 1st April, 2010 to 31st March, 2011 was as follows:

Month	National Stock Exchange of India Limited (NSE)			Bombay Stock Exchange Limited (BSE)		
	High	Low	Volume	High	Low	Volume
April	159.90	134.15	2193131	159.40	137.60	1282844
May	146.00	128.10	961569	145.50	128.70	473612
June	158.00	131.00	1275214	148.00	131.10	612217
July	145.00	130.50	1307130	143.60	130.50	603637
August	153.35	130.00	4761340	153.55	132.50	2558759
September	158.20	136.15	4410207	158.20	136.30	2261719
October	152.05	134.20	1007796	151.90	134.00	454579
November	149.90	95.15	1744240	148.00	95.15	694620
December	126.85	102.00	622766	125.50	103.00	241363
January	119.05	88.35	395726	119.00	90.55	169859
February	117.00	90.00	2757222	115.80	90.15	1082341
March	111.00	88.05	839315	100.00	88.00	233132

Exchange: BSE Date: 1-4-2010 End Date: 31-3-2011



Exchange: NSE Date: 1-4-2010 End Date: 31-3-2011



13 Dematerialisation of shares

The ISIN for the Equity Shares of the Company is INE791101019. A total of 97273635 Equity Shares aggregating to 86.66% of the total shares of the Company are in dematerialised form as on 31st March 2011.

14 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: svraju@karvy.com

15 Distribution of Shareholding as on 31st March, 2011

Category (Amount)	No. of shareholders	%	Amount (Rs)	%
1-5000	89244	98.46	48187640	4.29
5001-10000	751	0.83	5658770	0.50
10001-20000	317	0.35	4684410	0.42
20001-30000	65	0.07	1683840	0.15
30001-40000	42	0.05	1486560	0.13
40001-50000	30	0.03	1398810	0.13
50001-100000	71	0.08	5303630	0.47
Above 100000	123	0.13	1054115740	93.91
Total	90643	100.00	1122519400	100.00

Corporate Governance Report

16 Categories of Shareholders as on 31st March 2011

Category	No. of shares	%
Promoters & their Relatives	64632539	57.58
Mutual Funds	1366169	1.22
Banks, Financial Institutions	1139448	1.01
Foreign Institutional Investors	5138110	4.58
Non Resident Indians	313891	0.28
Indian Companies	2560779	2.28
Indian Public	36980938	32.94
Trusts	85917	0.08
Clearing Members	34149	0.03
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 as on 31st March, 2011.

17 Financials Release Dates for 2011-12

Quarter	Release Date (tentative & subject to change)
1st Quarter ending 30th June 2011	Fourth week of July 2011
2nd Quarter ending 30th September 2011	Fourth week of October 2011
3rd Quarter ending 31st December 2011	Fourth week of January 2011
4th Quarter ending 31st March 2012	First week of May 2012

18 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.

19 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.

Auditor's 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, 2011 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 state that no investor grievances are pending for a period exceeding one month except where disputed or sub-judice, as per the records maintained by the Company, Registrar and Transfer Agents and reviewed by the Board/Committee of the Company.

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 Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore
Date: May 04, 2011

CEO/CFO Certification pursuant to Clause 49 of the Listing Agreement(s)

The Board of Directors,
Brigade Enterprises Limited
Penthouse, Brigade Towers,
135, Brigade Road,
Bangalore - 560025

This is to certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year 2010-2011 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 2010-2011

for Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

Shama Sunder R. J.
Vice President—Finance

Place: Bangalore
Date: May 04, 2011

Standalone Financial Statements

Auditors' Report

To the members of **BRIGADE ENTERPRISES LIMITED,**

1. We have audited the attached Balance Sheet of BRIGADE ENTERPRISES LIMITED, as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government of India, in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, 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 accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the company are disqualified as on 31st March, 2011 from being appointed as Directors of the company under clause (g) of sub section (1) of Section 274 of Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2011.
 - ii) In the case of Profit and Loss account, of the Profit for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

Place: Bangalore
Date: May 04, 2011

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

Patil Udaya Kumar
Partner
Membership No: 200/25589

Annexure to Auditors' Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of Brigade Enterprises Limited on the accounts for the period ended 31st March 2011.

- (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.
- (iii) (a) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured from the companies, firms and other parties mentioned in the Register maintained under section 301 of the Companies Act, 1956.
- (b) Since the company has neither granted nor taken any loans, the provisions of clause (iii) (b), (iii) (c), (iii) (d), (iii) (e), (iii) (f), (iii) (g), of the Order are not applicable to the company.
- (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. 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 rupees 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 explanations given to us, the Central Government has not prescribed maintenance of cost records and hence the provision of clause 4(viii) is not applicable.
- (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.
- (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 31.03.2011 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 2011, which have not been deposited on account of a dispute pending are as under:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax on Import of Services	Rs 96,99,396	For the period from April, 2003 to March, 2008	Customs, Excise and Service Tax Appellate Tribunal
VAT	Additional turnover proposed	Rs 10,08,26,571	For the period April 2005 to March 2008	Joint Commissioner of Commercial Taxes (Appeals)
Income Tax Act	Disallowance u/s 14A	Rs 56,15,148	Assessment Year 2008-09	Income Tax Appellate Tribunal

- (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) In our opinion, in respect of the monies raised by the company by way of public issue during the year, the management has disclosed the end use of money raised by public issues as a part of Notes to Accounts and the same has been verified.
- (xxi) *We have been informed that an erstwhile junior level employee of the Company had embezzled funds amounting to Rs 147.58 Lakhs over a period from April 2007 to June 2009. The Company's internal investigation under the direct supervision of the Company's Audit Committee related to this embezzlement has been completed. We have also been informed that a sum of Rs 43.28 Lakhs has been recovered by this company on this account.*

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

Patil Udaya Kumar
 Partner
 Membership No: 200/25589

Place: Bangalore
 Date: May 04, 2011

Balance Sheet

(Rupees in Lakhs)

PARTICULARS	SCHEDULE	As at 31st March 2011	As at 31st March 2010
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	A	11,225.19	11,225.19
Reserves and Surplus	B	1,01,277.63	91,313.51
		1,12,502.82	1,02,538.70
Loan Funds			
Secured Loans	C	78,047.02	65,473.82
Deferred Tax Liability / (Asset)	D	2,318.77	(128.10)
Total		1,92,868.61	1,67,884.42
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	40,872.00	20,821.71
Less: Depreciation		5,651.38	5,587.33
Net Block		35,220.62	15,234.38
Capital Work-in-progress		82,018.17	89,816.45
		1,17,238.79	1,05,050.83
Investments	F	1,969.82	1,466.65
Current Assets, Loans & Advances			
Interest accrued but not due		11.43	4.28
Inventories	G	64,022.15	50,953.26
Sundry Debtors	H	1,848.81	434.60
Cash and Bank Balances	I	3,590.46	3,066.89
Loans and Advances	J	50,750.31	36,077.91
		1,20,223.16	90,536.94
Less: Current Liabilities & Provisions			
Current Liabilities	K	43,122.81	28,340.84
Provisions	L	4,813.65	2,448.89
		47,936.46	30,789.73
Net Current Assets		72,286.70	59,747.21
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	M	1,373.30	1,619.73
Total		1,92,868.61	1,67,884.42

Notes to Accounts form an integral part of the Financial Statements.

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

M. R. Shivram
Director

Shama Sunder R. J.
Vice President—Finance

P. Om Prakash
Company Secretary

Profit & Loss Account



(Rupees in Lakhs)

PARTICULARS	SCHEDULE	For the year ended 31st March 2011	For the year ended 31st March 2010
INCOME			
Contract & Other Receipts	N	45,746.63	36,259.08
Increase / (Decrease) in closing stock of units		6,603.14	177.01
Total		52,349.77	36,436.09
EXPENDITURE			
Project & Direct Expenses	O	29,915.90	23,930.54
Personnel Expenses	P	2,945.21	1,611.59
Administrative and Selling Expenses	Q	3,009.87	2,771.73
Interest & Financial Charges	R	1,678.69	887.49
Depreciation	E	1,726.58	1,791.03
Miscellaneous Expenses Written Off	M	814.85	809.86
Total		40,091.10	31,802.24
Profit Before Tax		12,258.67	4,633.85
Provision for Taxation - Current Taxes		2,684.85	754.43
Provision for Taxation - Deferred Taxes		2,446.87	23.75
Provision for Taxation - Wealth Tax		1.20	—
MAT entitlement for AY 2011-12		(914.65)	(739.54)
Profit after tax		8,040.40	4,595.21
Add: Prior year (expenses)/income		1,190.73	96.77
Add: Reversal of excess provision for Income Tax		2,716.97	(58.02)
Less: Diminution in value of investments		20.54	11.66
Profit for the Year available for Appropriation		11,927.56	4,622.30
Appropriations			
Towards Proposed Dividend		1,683.78	1,347.02
Towards Tax on Proposed Dividend		279.65	228.93
Profit Transferred to General Reserve		894.57	115.56
Balance Transferred to Balance Sheet		9,069.56	2,930.79
Earnings per share - Basic & Diluted (in Rupees)		10.63	4.12
Nominal value of Shares		10.00	10.00

Notes to Accounts form an integral part of the Financial Statements.

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for **Brigade Enterprises Limited**

M. R. Jaishankar
Chairman & Managing Director

M. R. Shivram
Director

Shama Sunder R. J.
Vice President—Finance

P. Om Prakash
Company Secretary

Cash Flow Statement

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2011	For the year ended 31st March 2010
Cash Flow from Operating Activities		
Net Profit before Tax	12,258.67	4,633.85
Adjustments for:		
Depreciation	1,726.58	1,791.03
Profit from sale of commercial projects	(9,578.13)	(87.29)
Dividend Received	(25.23)	(242.26)
Reversal of excess provision for Income Tax	2,716.97	739.54
Prior year income / (expenses)	1,190.73	96.77
Diminution in value of Investment	(20.54)	—
Interest Income	(217.89)	(183.67)
Bad Debts	6.12	0.13
Amortisation of Miscellaneous Expenses	814.85	809.86
Interest paid	9,599.49	7,112.76
Operating Profit before Working-Capital Changes	18,471.62	14,670.72
Adjustments for:		
Decrease / (Increase) in Sundry Debtors	(1,420.32)	165.58
Decrease / (Increase) in Inventories	(13,068.89)	(3,127.50)
Decrease / (Increase) in Loans & Advances	(12,092.27)	893.66
Interest accrued, but not due	(7.15)	(1.20)
Taxes paid	(2,431.04)	(2,021.85)
Increase / (Decrease) in Current Liabilities	14,838.73	(229.36)
Net Cash Flow (used in)/from Operating Activities	4,290.68	10,350.04
Cash Flows from Investing Activities		
Additions to Fixed Assets (Net of Capital WIP)	(18,544.20)	(27690.32)
Sale of Fixed Assets	14,207.80	453.56
Long-term Investment (Net)	(506.13)	—
Investments realised	2.97	2000.00
Interest received	217.89	183.67
Dividend received	25.23	242.26
Pre-operative expenses of Sheraton Hotel	(568.42)	—
Net Cash Flow (used in)/from Investing Activities	(5164.86)	(24810.83)

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2011	For the year ended 31st March 2010
Cash Flows from Financing Activities		
Interest payment	(9,599.49)	(7,112.76)
Dividend paid	(1,347.02)	(1,347.02)
Dividend Tax paid	(228.93)	(228.93)
Increase/(Decrease) in Secured Loans	12,573.20	22,614.03
Net Cash Flow (used in)/from Investing Activities	1,397.75	13,925.32
Net increase in cash and cash equivalents	523.57	(535.45)
Cash and Cash equivalents at the beginning of period	3,066.89	3,602.34
Cash and Cash equivalents at the end of period	3,590.46	3,066.89

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

M. R. Shivram
Director

Shama Sunder R. J.
Vice President—Finance

P. Om Prakash
Company Secretary

Schedules forming part of Balance Sheet

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
SCHEDULE A — Share Capital		
Authorised		
15,00,00,000 Equity Shares of Rs 10/- each	15,000.00	15,000.00
Issued, Subscribed & Paid Up		
11,22,51,940 Equity Shares of Rs 10/- each	11,225.19	11,225.19
Total	11,225.19	11,225.19
SCHEDULE B — Reserves & Surplus		
Securities Premium Account		
Opening Balance	68,571.78	68,571.78
Closing Balance (A)	68,571.78	68,571.78
General Reserve		
Opening Balance	4,844.19	4,728.63
Add: Transfers during the year from Profit and Loss Account	894.57	115.56
Closing Balance (B)	5,738.76	4,844.19
Profit & Loss A/c		
Opening Balance	17,897.54	14,966.75
Add: Balance transferred from Profit and Loss Account	9,069.56	2,930.79
Closing Balance (C)	26,967.10	17,897.54
Total (A+B+C)	101,277.63	91,313.51
SCHEDULE C — Secured Loans		
(Refer Notes to Accounts for securities offered)		
Loans and Advances from Banks	77,765.15	65,297.66
Interest accrued and due	281.87	176.16
(Term Loan repayable within 1 year is Rs 20,485.95 lakhs)		
Total	78,047.02	65,473.82
SCHEDULE D — Deferred Tax Liability / (Asset)		
Fixed Assets	2,338.14	(74.89)
Expenses disallowed	(19.37)	(53.21)
Total	2,318.77	(128.10)

SCHEDULE E — FIXED ASSETS

(Rupees in Lakhs)

Sl No.	Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-Apr-10	Additions	Deletions	As at 31-Mar-11	As at 1-Apr-10	For the Year ended 31-Mar-11	Amount Written Back	Total amount as at 31-Mar-11	W.D.V. as at 31-Mar-11	W.D.V. as at 31-Mar-10
1	Land	965.24	1,643.60	655.39	1,953.46	—	—	—	—	1,953.46	965.24
2	Building	11,535.60	16,579.02	3,273.25	24,841.36	1,623.08	611.84	439.76	1,795.16	23,046.20	9,912.52
3	Furniture, Fixtures and Interiors	5,077.04	5,481.33	1,237.72	9,320.65	2,360.67	666.76	573.19	2,454.23	6,866.42	2,716.38
4	Office Equipment & Plant and Machinery	2,392.24	2,432.55	1,050.55	3,774.24	1,029.80	329.68	580.52	778.96	2,995.28	1,362.44
5	Computer and Hardware	590.83	205.98	59.05	737.76	405.90	95.11	58.51	442.50	295.27	184.94
6	Vehicles	255.40	—	15.37	240.03	162.52	23.20	9.67	176.05	63.99	92.88
7	Low Value Asset	5.36	—	0.87	4.49	5.36	—	0.87	4.49	—	—
	Sub Total	20,821.71	26,342.48	6,292.20	40,872.00	5,587.33	1,726.58	1,662.53	5,651.38	35,220.61	15,234.38
	Capital Work-in-progress	89,816.45	39,081.92	46,880.20	82,018.17	—	—	—	—	82,018.17	89,816.45
	Total	1,10,638.16	65,424.40	40,588.00	1,22,890.17	5,587.33	1,726.58	1,662.53	5,651.38	1,17,238.79	1,05,050.83

Schedules forming part of Balance Sheet

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
SCHEDULE F — Investments		
Long Term Investments		
A. Investment in Government Securities		
National Savings Certificate	7.88	12.32
B. Unquoted Shares		
5,000 Shares of Diagnostic Research Pvt. Ltd of face value of Rs 10/- each	0.50	0.50
2,39,406 Shares of AEC Promag Consultancy Pvt. Ltd of face value of Rs 10/- each	23.94	38.00
3,70,000 shares of Tandem Allied Services Pvt. Ltd of face value of Rs 10/- each	7.40	7.40
C. Investments In Subsidiary Companies		
1,00,00,000 Shares of Brigade Hospitality Services Ltd of face value Rs 10/- each	1,000.00	1,000.00
50,000 Shares of Brigade Properties Pvt. Ltd of face value of Rs 10/- each	5.00	5.00
50,000 Shares of Brigade Infrastructure & Power Pvt. Ltd of face value of Rs 10/- each	5.00	5.00
50,000 Shares of Brigade Estates & Projects Pvt. Ltd of face value of Rs 10/- each	5.00	5.00
1,00,200 Shares of Brigade Tetrarch Pvt. Ltd of face value Rs 10/- each	38.35	38.35
10,000 Shares of WTC Trades and Projects Pvt. Ltd of face value Rs 10/- each	367.20	-
Less: Diminution in value of investment in Brigade Hospitality Services Ltd	602.21	602.21
Less: Diminution in value of investment in Brigade Tetrarch (P) Ltd	38.35	38.35
Less: Diminution in value of investment in Brigade Properties (P) Ltd	0.62	0.62
Less: Diminution in value of investment in Brigade Infrastructure & Power (P) Ltd	3.03	3.03
Less: Diminution in value of investment in Brigade Estate & Projects (P) Ltd	0.71	0.71
Less: Diminution in value of investment in AEC Promag Consultancy (P) Ltd	20.53	-
D. Investments In Joint Venture Company		
1,00,00,000 Shares of BCV Developers Pvt. Ltd of face value Rs 10/- each	1,000.00	1,000.00
17,50,000 Shares of BCV Estates Pvt. Ltd of face value Rs 10/- each	175.00	-
Total	1,969.82	1,466.65

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
SCHEDULE G — Inventories		
Stock of Materials at Sites/with sub contractors (At lower of Cost or Net Realisable Value)		
- As Certified by Management	3,733.52	4,151.07
Transferable Development Rights	541.13	541.13
Land Held for Development	15,033.14	24,351.32
Work-in-Progress (at lower of cost or Net Realisable Value)	—	—
- As Certified by Management	16,672.74	20,867.37
Closing Stock of unsold Units (at lower of Cost or Net Realisable Value)	28,041.62	1,042.37
Total	64,022.15	50,953.26
SCHEDULE H — Sundry Debtors (Unsecured, Considered Good)		
- Outstanding for more than 6 months:		
Debts due by Subsidiary companies	855.78	6.07
Others (Considered Good)	55.57	44.52
Considered doubtful	2.93	49.76
- Outstanding for Less than 6 months:		
Other Debts, Considered Good	990.40	384.01
	1,904.68	484.36
Less: Provision for doubtful debts	55.87	49.76
Total	1,848.81	434.60
SCHEDULE I — Cash & Bank Balances		
Cash & Cheques in hand	32.52	6.37
Bank Balances with Scheduled Banks		
- in Current Accounts	544.59	330.73
- in Deposit Accounts	3,013.35	2,729.79
Total	3,590.46	3,066.89
SCHEDULE J — Loans and Advances (Unsecured, Considered Good)		
Advances recoverable in cash, kind or value to be received:		
Subsidiary Companies	1,649.94	201.28
Joint Venture	13,661.88	11,236.33
Property Advances	6,751.62	7,358.26
Refundable Deposit on Joint Development	8,223.34	4,068.74
Contractors / Suppliers	4,186.03	2,448.89
Others	8,014.24	4,918.31
Advance Tax, TDS and refund due	7,059.59	4,478.97
Other Deposits	1,203.62	1,367.13
Total	50,750.31	36,077.91

Schedules forming part of Balance Sheet

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
SCHEDULE K — Current Liabilities		
Advances Received from Clients	27,602.11	12,453.91
Sundry Creditors:		
Due to Directors	149.77	65.58
Micro, Small & Medium Scale Enterprises [Note (i) below]	15.70	22.24
Contractors, Suppliers & Others	15,355.23	15,799.11
[Note (i): As per the information provided by the Company]		
Total	43,122.81	28,340.84
SCHEDULE L — Provisions		
Provision for Income Tax	2,676.48	754.43
Provision for Wealth Tax	1.20	2.76
Provision for Leave Encashment & Gratuity	172.54	115.75
Provision for Dividend	1,683.78	1,347.02
Tax on Dividend	279.65	228.93
Total	4,813.65	2,448.89
SCHEDULE M — Miscellaneous Expenditure (to the extent not Written Off or Adjusted)		
Initial Public Offer Expenses	1,580.13	2,389.99
Preliminary Expense	39.60	39.60
Add: Sheraton Hotel Pre-Operative Expenses	568.42	—
	2,188.15	2,429.59
Less: 1/5th Amortised	814.85	809.86
Balance carried forward to Balance Sheet	1,373.30	1,619.73

Schedules forming part of Profit & Loss Account

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE N — Contract & Other Receipts		
Contract Receipts	32,157.32	32,468.75
Sale of Commercial Project	9,575.21	—
Dividend From Investments	25.23	242.26
Interest received	217.89	183.67
Miscellaneous Income	439.35	219.68
Rent and Management fees received	3,328.71	3,057.43
Profit—Sale of Asset	2.92	87.29
Total	45,746.63	36,259.08
SCHEDULE O — Project Expenses		
Construction Materials		
Cement	348.30	373.56
Granite/Marble (Flooring Material)	1,931.36	1,778.03
Hardware Items	601.20	551.77
Steel	1,882.43	2,569.83
Total	4,763.29	5,273.19
Land and Construction Expenses		
Construction Expenses	23,321.45	28,348.76
Architect & Consultancy Fees	797.71	643.09
Electrical Work and Power Charges	9,488.87	6,087.27
Interiors - Projects	5,234.41	1,788.86
Miscellaneous Expenses - Construction	305.07	1,460.26
Land Cost	—	2163.77
Rates & Taxes - Projects	1,968.74	852.36
Consumption - equipments - Sheraton	13.32	—
Other Direct Project Expenses		
Interest - Projects	8,192.60	6,546.67
Selling & Administrative Expenses - Projects	1,636.03	1,209.50
Miscellaneous Expenses - Projects	769.47	978.89
Total of Construction Material and Expenses	56,490.96	55,352.62
Increase/Decrease in Stock and WIP		
Opening Work-in-Progress - Projects	20,867.37	16,808.05
Opening Work-in-Progress - Capital	89,816.46	67,116.17
Less: Cost of Projects Sold / Transferred	46,971.96	4,662.47
Total	63,711.87	79,261.75
Closing Work-in-Progress - Projects	8,268.76	20,867.37
Closing Work-in-Progress - Capital	82,018.17	89,816.46
Total	90,286.93	110,683.83
(Increase) / Decrease in value of Work-in-Progress	(26,575.06)	(31,422.08)
Total	29,915.90	23,930.54

Schedules forming part of Profit & Loss Account

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE P — Personnel Expenses		
Salaries & Wages	3,335.30	2,361.73
Training & Recruitment	46.64	23.50
Staff Welfare	214.84	100.50
Contributions to Funds	117.90	104.75
Less: Transferred to project Expenses Schedule - O	769.47	978.89
Total	2,945.21	1,611.59
SCHEDULE Q — Administrative and Selling Expenses		
Advertisement & Sales Promotion	943.99	817.54
Agency Commission	1,172.83	266.69
Bad Debts	6.12	9.11
Communication Expenses	74.03	79.96
Directors' Sitting Fee	6.26	5.44
Discount	114.43	59.87
Donation	74.35	156.68
Miscellaneous Expenses	132.59	72.77
Insurance	50.10	73.00
Legal, Professional & Consultancy Charges	776.16	491.16
Power / Fuel Charges	41.04	33.62
Printing & Stationery	56.82	59.75
Rates & Taxes	107.37	431.48
Rent Paid	438.21	942.86
Loss On Investments	17.93	-
Repairs & Maintenance	188.86	154.35
Security Charges	233.74	204.64
Customer-Pre EMI Pmt	-	17.27
Travelling & Conveyance Expenses	211.07	105.04
Less: Transferred to project Expenses Schedule - O	1,636.03	1,209.50
Total	3,009.87	2,771.73
SCHEDULE R — Interest and Financial Charges		
Bank Charges	271.80	321.40
Interest on Bank Loans and others	9,599.49	7,112.76
Less: Transferred to project Expenses Schedule - O	8,192.60	6,546.67
Total	1,678.69	887.49

Schedule for Notes to Accounts

for the year ended 31st March 2011

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 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.

1.2. 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 recognised in the period in which the results are known or materialised.

1.3. Expenditure

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

1.4. 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 Realisable Value. The cost is generally calculated on FIFO basis.
- b) Valuation of inventories, representing food and beverages, held at Sheraton Bangalore at Brigade Gateway has been done after providing for obsolescence, if any, at lower of Cost or Net Realisable Value. The cost is generally calculated on weighted average basis.
- c) The value of construction Work-in-Progress during the period is determined as follows:
 - The 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, Transferable Development Rights, and Closing Stock of unsold units is valued at Cost or Net Realisable Value whichever is lower.

1.5. 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.

1.6. Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are taken into cognisance.

1.7. 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 on assets held for the purpose of sale, no depreciation is charged.

- On the following assets leased out, depreciation is charged on Straight Line Method over the period of the lease as shown below.

Project Name	Building	Furniture, Fixture and Interiors	Office Equipment and Plant and Machinery
Brigade Mane 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
Brigade Business Suites (Formerly known as Homestead 2)	25 Years	5 Years	5 Years
Mercure Homestead Residences	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
Hulkul Brigade Centre 1st Floor	Not Applicable	3 Years	3 Years
Hulkul Brigade Centre 3rd Floor	Not Applicable	4 Years	4 Years

Schedule for Notes to Accounts

for the year ended 31st March 2011

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

1.8. Revenue Recognition:

- Income from operations is determined and recognised, 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 recognised 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 recognised as contract revenue during the period is based on the lower of stage of completion as determined above and percentage of actual amount received on sale (pursuant to agreements entered into by the Company) of the estimated contract value of these projects. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level, which is estimated to be at least 25%.

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.

- In respect of sale of completed units, revenue 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 including Deposits and the related expenses incurred are recognised in the year of completion of the project / handing over of the flats to the customers.

- Income for operations of Brigade International School at Gateway is recognised on accrual basis in accordance with the terms of agreement.
- In respect of Brigade Sheraton operation, revenue from rooms, restaurants, banquets and other services comprise 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. Revenue is recognised upon rendering of the services.

1.9. Fixed Assets:

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation. Capital Work-in-Progress comprises the cost of fixed assets under construction and not yet ready for their intended use.

1.10. Foreign Currency Transactions:

Foreign currency transactions are restated at the rates ruling at the time of receipt/payment and all exchange losses/gains arising there from are adjusted to the respective accounts. All monetary items denominated in foreign currency are converted at the rates prevailing on the date of the Financial Statement.

1.11. Investments:

Investments are classified as Current Investments and Long Term Investments. Long Term Investments are carried at the cost, unless there is a permanent diminution in value of the investments and Current Investments are carried at the lower of cost or market value.

1.12. 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 recognised 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 recognised 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 recognises 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. Liability in respect of leave encashment is provided for on actuarial basis using the projected unit credit method same as above.

1.13. Borrowing Costs

Cost of funds borrowed for acquisition of fixed assets up to the date the asset is put to use is added to the value of the assets.

1.14. 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.

1.15. Provision for Taxation:

Deferred Tax is recognised, 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.

The provision for taxation is made on Taxes Payable Method after considering the effect of deduction under Section 35D, Section 80IB and Section 115JB of the Income Tax Act, 1961.

1.16. 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.

1.17. Provisions and Contingent Liabilities:

Provision is recognised 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.

1.18. Amortisation of Miscellaneous Expenditure:

Expenses incurred towards Initial Public Offer and other deferred expenses (being operational expenses in respect of certain projects incurred till commencement of commercial operation) classified under Miscellaneous Expenditure are written off equally over a period of 5 years.

In case of Sheraton Hotel Bangalore at Brigade Gateway, pre-operative expenses incurred till commencement of commercial operation classified under Miscellaneous Expenditure are written off equally over a period of 5 years.

2. NOTES ON ACCOUNTS (forming an integral part of accounts)

2.1. Share Capital:

Issued, Subscribed and Paid up capital of Rs 11,225.19 Lakhs and there is no change in the same during the year.

2.2. Secured Loans:

2.2.1 Corporation Bank:

- a. Loan of Rs 10,497.59 Lakhs (31.03.2010: Rs 10,999.76 Lakhs) is secured by first charge on pari-passu basis with Indian Bank on land, building and Multi Level Car Parking of the Brigade Gateway World Trade Center Bangalore, Subramanyanagar, Malleswaram West, Bangalore.
- b. Overdraft loan of Rs 1,154.22 Lakhs as against the facility of Rs 2,000 Lakhs (31.03.2010: Rs 1,555.90 Lakhs) is secured by on the property of Augusta Club and EMG of Hulkul Brigade Centre to the extent of

Schedule for Notes to Accounts

for the year ended 31st March 2011

- 17140 sft situated at No. 82 Lavelle Road, Ward No. 76, Bangalore (third party property), owned by director Mr M. R. Jaishankar and his family members.
- c. Loan of Rs 12,634.24 Lakhs (31.03.2010: Rs 8,500.27) is secured by EMG / first charge on the residential buildings, viz., B Block (Altair at Brigade Gateway) and J, K, L Blocks at Brigade Metropolis, Bangalore.
- Above loans have been further secured by the personal guarantee of directors Mr M. R. Jaishankar, Mr M. R. Shivram and Mr M. R. Krishna Kumar (to the extent of Rs 15,500.00 Lakhs only).*
- 2.2.2 Indian Bank:
Loan of Rs 5,384.47 Lakhs (31.03.2010: Rs 6,127.27 Lakhs) is secured by first charge on pari-passu basis with Corporation Bank on land, building and Multi Level Car Parking of the Brigade Gateway World Trade Center Bangalore, Subramanyanagar, Malleswaram West, Bangalore and the personal guarantee of directors Mr M. R. Jaishankar and Mr M. R. Shivram.
- 2.2.3. State Bank of India:
Loan of Rs 14,473.88 Lakhs (31.03.2010: Rs 12,623.15 Lakhs) is secured by first charge on pari-passu basis with State Bank of Mysore and State Bank of Patiala on land and buildings of the Sheraton Hotel and Orion Mall Projects at the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore and the personal guarantee of directors Mr M. R. Jaishankar and Mr M. R. Shivram.
- 2.2.4 State Bank of Mysore:
Loan of Rs 2,838.37 Lakhs (31.03.2010: Rs 4,043.18 Lakhs) is secured by first charge on pari-passu basis with State Bank of India and State Bank of Patiala on land and buildings of the Sheraton Hotel and Orion Mall Projects at the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore and the personal guarantee of directors Mr M. R. Jaishankar and Mr M. R. Shivram.
- 2.2.5 State Bank of Patiala:
Loan of Rs 2,837.48 Lakhs (31.03.2010: Rs 4,043.23 Lakhs) is secured by first charge on pari-passu basis with State Bank of Mysore and State Bank of India on land and buildings of the Sheraton Hotel and Orion Mall Projects at the Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore. And the personal guarantee of directors Mr M. R. Jaishankar and Mr M. R. Shivram.
- 2.2.6 ICICI Bank Ltd:
Loan of Rs 575.00 Lakhs (31.03.2010: Rs 704.14 Lakhs) is secured by exclusive mortgage on land and building of the Homestead-2 at Jayanagar, Bangalore, and the personal guarantee of Mr M. R. Jaishankar and Mr M. R. Shivram.
- 2.2.7 Bank of Baroda:
a) Loan of Rs 2,924.72 Lakhs (31.03.2010: Rs 3,000 Lakhs) is secured by equitable mortgage of land and building of the Brigade International School @ Whitefield, Dyavasandra Industrial Area Phase I, K. R. Puram Hobli, Bangalore.
b) Loan of Rs 8,995.53 Lakhs (31.03.2010: 5,000 Lakhs) is 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.
- 2.2.8 Bank of India:
Loan of Rs 1,700 Lakhs (31.03.2010: 500 Lakhs) is secured by Equitable Mortgage of land and building of the Brigade International School @ Gateway Subramanyanagar, Malleswaram West, Bangalore.
- 2.2.9 Lakshmi Vilas Bank:
a) Loan of Rs 2,094.62 Lakhs (31.03.2010: Rs NIL) is secured by equitable mortgage / hypothecation of land and building of MLR Convention Centre and Woodrose Club situated at Brigade Millennium at Puttenahalli, J. P. Nagar, 7th Phase, Bangalore and Regent Club at Doddanekundi Industrial Area, II Phase, Mahadevapura Village, K. R. Puram Hobli, Bangalore and the Corporate Guarantee of M/s. Brigade Hospitality Services Ltd.
b) Loan of Rs 2,534.40 Lakhs (31.03.2010: NIL) is secured by equitable mortgage/ hypothecation of land and building of MLR Convention Centre and Woodrose Club situated at Brigade Millennium at Puttenahalli, JP Nagar, 7th Phase, Bangalore and Regent Club at Doddanekundi Industrial Area, II Phase, Mahadevapura Village K. R. Puram Hobli, Bangalore and the Corporate Guarantee of M/s. Brigade Hospitality Services Ltd.
- 2.2.10 Allahabad Bank:
a) Loan of Rs 3,036.92 Lakhs (31.03.2010: Rs NIL) is 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 and the personal guarantee of director Mr M. R. Jaishankar.

- b) Loan of Rs 6,365.59 Lakhs (31.03.2010: NIL) is secured by equitable mortgage of land and building of Orion Mall Projects at Brigade Gateway, Subramanyanagar, Malleswaram West, Bangalore and the personal guarantee of director Mr M. R. Jaishankar.

2.3. Disclosure pursuant to Accounting Standard 7 (Revised):

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Contract Revenue recognised as Revenue in the year	32,157.32	32,468.75
Aggregate amount of contract cost incurred upto the Reporting Date.	1,24,841.05	1,10,031.51
Recognised profits (less: Recognised Losses) upto the Reporting Date	46,841.42	43,145.52
Advances Received from Customers	22,488.07	12,453.91

2.4. Warranty Costs:

The Company has not recognised 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 recognised as and when incurred by the Company.

2.5. Gratuity Plan:

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

(Rupees in Lakhs)

Particulars	As at 31 March 2011	As at 31 March 2010
Obligations at the beginning of the Year	109.05	84.29
Service Cost	22.49	20.82
Interest Cost	8.72	6.74
Benefits Settled	(18.34)	(1.64)
Actuarial (Gain) / Loss	49.44	(1.17)
Obligations at the end of the Year	171.36	109.05
Change in Plan Assets		
Plan Assets at the beginning of the Year, at Fair Value	117.62	31.88
Expected return on Plan Assets	12.12	9.28
Contributions	45.64	78.11
Benefits Settled	(18.34)	(1.64)
Actuarial Gain / (Loss)	Nil	Nil

Particulars	As at 31 March 2011	As at 31 March 2010
Plan Assets at the end of the Year, at Fair Value	157.04	117.62
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets		
Fair Value of Plan Assets at the end of the Year	157.04	109.05
Present Value of the defined benefit obligation at the end of the Year	171.36	117.62
Asset / (Liability) recognised in the Balance Sheet	(14.32)	(8.58)
Gratuity Cost for the Year		
Service Cost	22.49	20.82
Interest Cost	8.72	6.74
Expected Return on Plan Assets	(12.12)	(9.28)
Actuarial (Gain) / Loss	49.44	(1.17)
Net Gratuity Cost	68.53	17.12
Assumptions		
Interest Rate	8.00%	7.50%
Expected Rate of return on Plan Assets	8.00%	7.50%

2.6. Borrowing Cost

A sum of Rs 1,527.91 Lakhs (previous year Rs NIL) being borrowing cost incurred by the company in respect of assets / projects was Capitalised during the year. Sum of Rs 1,499.67 Lakhs (previous year Rs NIL) being borrowing cost incurred by the company in respect of assets / projects, carried forward as stock in trade. A sum of Rs 4422.41 Lakhs (previous year Rs 5137.08 Lakhs) being borrowing cost incurred by the company in respect of assets / projects, carried forward as capital work in progress.

2.7. Segmental Reporting

The Company's operations predominantly relate to construction and development, real estate development, and related activities of leasing/rental of units/properties. Accordingly, real estate development represents a single primary segment in the financials of the Company and the geographical location of the projects represents the secondary segment of reporting.

During the current year, the financials of the Company represent a single primary segment (real estate development). The Revenues from Hospitality being a new Primary segment does not exceed 10% of the overall revenues of the company. With respect to secondary segment, the Company has its projects in India, which makes it a single segment. Hence, providing of segmental information is not applicable to the Company for the current financial year.

Schedule for Notes to Accounts

for the year ended 31st March 2011

2.8. Related Party Disclosure:

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

2.8.1 Relationships:

Holding Companies	NIL
Subsidiary Companies	Brigade Hospitality Services Ltd Brigade Tetrarch Pvt. Ltd Brigade Estates and Projects Pvt. Ltd Brigade Properties Pvt. Ltd. Brigade Infrastructure & Power Pvt. Ltd WTC Trades and Projects Pvt. Ltd
Associated Companies & Joint Venture	Tandem Allied Services Pvt. Ltd BCV Developers Pvt. Ltd BCV Estates Pvt. Ltd
Other related parties where common control exists	Mysore Holdings Pvt. Ltd Brigade Foundation Mr M. R. Jaishankar (HUF)
Key Managerial Personnel (KMP)	Mr M. R. Jaishankar, Chairman and Managing Director Ms Githa Shankar, Executive Director
Relatives of Key Managerial Personnel	Ms Nirupa Shankar (Daughter of KMP) Ms Pavitra Shankar (Daughter of KMP) Mr M. R. Shivram (Relative of KMP)

2.8.2 The following transactions were carried out with the related parties in the ordinary course of business. Details with respect to remuneration paid to the Directors are mentioned elsewhere in the Notes.

(Rupees in Lakhs)

Party	Managerial Remuneration	Sale of material / finished goods / services & Reimbursements	Purchase of material / finished goods / services / Other expenses	Investment in shares during the year	Outstanding receivables / (payables), as at 31.03.2011
Key Managerial Personnel	286.88	364.41	19.31	NIL	(119.89)
Relatives of Key Managerial Personnel	NIL	207.91	92.20	NIL	110.28
Brigade Hospitality Services Ltd	NIL	204.36	277.90	NIL	712.44
Brigade Estates Pvt. Ltd	NIL	NIL	4.03	NIL	4.05
Brigade Properties Pvt. Ltd	NIL	0.02	NIL	NIL	0.57
Brigade Infrastructure & Power Pvt. Ltd	NIL	10.55	NIL	NIL	26.93
Tandem Allied Services Pvt. Ltd	NIL	17.67	301.48	NIL	(12.23)
Mysore Holdings Pvt. Ltd	NIL	0.08	1.18	NIL	(1.10)
Brigade Foundation	NIL	5.00	NIL	NIL	6.00
Brigade Tetrarch Pvt. Ltd	NIL	0.09	173.64	NIL	1,010.47
WTC Trades & Projects Pvt. Ltd	NIL	6.94	NIL	367.20	105.94
BCV Developers Pvt. Ltd	NIL	653.25	NIL	NIL	11,840.25
BCV Estates Private Limited	NIL	NIL	NIL	175.00	1,955.06

2.9. Assets given under Operating Lease:

2.9.1. The Company has given certain Assets on Operating Lease. Details of assets given under Operating Lease are as under:

(Rupees in Lakhs)

Asset Description	Gross Value as on 31.03.2011	Depreciation 01.04.2010 to 31.03.2011	Total Depreciation as on 31.03.2011	Impairment
Land	370.51	—	—	NIL
Building	7,830.40	(345.33)	(1,626.17)	NIL
Interior and Furniture	3,664.96	(377.99)	(2328.72)	NIL
Office Equipment & Plant and Machinery	1,124.77	76.98	(660.88)	NIL

2.9.2. The Company has given on non-cancelable operating lease certain assets, the future minimum lease receivables in respect of which, as at March 31, 2011 are as follows:

(Rupees in Lakhs)

Minimum Lease Receivable	31st March 2011	31st March 2010
Receivable not later than 1 year	2099.10	222.46
Receivable later than 1 year and not later than 5 years	2,673.09	413.74
Receivable later than 5 years	—	—

2.9.3. The Company has taken various residential / commercial premises on cancelable operating leases. These agreements are normally renewed on expiry.

2.9.4. The Company has taken, on non-cancelable operating lease, certain assets (lands), the future minimum lease payments in respect of which, as at March 31, 2011 are as follows:

(Rupees in Lakhs)

Minimum Lease Payables	31st March 2011	31st March 2010
Payable not later than 1 year	130.62	126.38
Payable later than 1 year and not later than 5 years	598.75	566.91
Payable later than 5 years	3110.40	3,166.56

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

2.9.5. Contingent rent recognised in the Profit and Loss Account is Rs Nil.

2.10. Earnings per Share (EPS)

Particulars	Earnings per Share	
	2010-11	2009-10
Equity Share of Face Value Rs 10/- each	—	—
Net profit *** (amount used as numerator) (Rupees In Lakhs)	11,927.56	4,622.30
Number of Shares used in computing Earnings per Share (number used as denominator)	11,22,51,940	11,22,51,940
Basic & Diluted (in Rupees)	10.63	4.12

*** (Rupees in Lakhs)

Particulars	2010-11	2009-10
Net Profit after Tax	8040.40	4,595.21
Add / (Less): Prior Period Adjustments	3887.16	27.09
Net Profit considered for Earnings Per Share	11,927.56	4,622.30

2.11. Deferred Taxation:

During the year, the Company has accounted for Rs 2,446.87 Lakhs (Previous Year Rs 23.75 lakhs towards Deferred Tax Asset) towards Deferred Tax Liability In respect of

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Differences between books and Income tax WDV	2413.03	(18.90)
Expenses debited to P & L but not allowable as deduction for income tax purpose	33.84	(4.85)

and the same has been debited to Profit and Loss account of the current year.

2.12. 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 envisages the development of an Integrated Township Project in Devanahalli, Bangalore. As at March 31, 2011, the Company and the Landowners each hold 50% of the equity in BCV Developers.

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

Schedule for Notes to Accounts

for the year ended 31st March 2011

(Rupees in Lakhs)

Particulars	BCV Developers Pvt. Ltd	
	2010-11	2009-10
Assets	15,497.35	14,856.55
Liabilities	15,497.35	14,856.55
Contingent Assets	NIL	NIL
Contingent Liabilities	NIL	NIL
Capital Commitments	NIL	NIL
Income	13.08	21.42
Expenses	8.61	6.94
Tax	1.18	3.81

- 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 March 31, 2011, the Company and the Landowners each hold 50% of the equity in BCV Estates.

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

(Rupees in Lakhs)

Particulars	BCV Estates Pvt. Ltd	
	2010-11	2009-10
Assets	3,462.36	
Liabilities	3,462.36	
Contingent Assets	NIL	
Contingent Liabilities	NIL	
Capital Commitments	NIL	
Income	NIL	
Expenses	0.28	
Tax	NIL	

2.13. Contingent Liabilities:

Capital Commitments and Contingent liabilities on account of:

(Rupees in Lakhs)

Particulars	31st March 2011	31st March 2010
Capital Commitments not provided in the books	28,959.48	54,123.17
Towards Letter of Credits and Bank Guarantees	1,770.55	3,637.20
Claims from government departments not acknowledged as debts	153.14	164.95
Claims from government departments not acknowledged as debts paid under protest and under appeal	1056.24	1305.76

2.14. Managerial Remuneration:

(Rupees in Lakhs)

Particulars	2010-11		2009-10	
	Executive Directors	Other Directors	Executive Directors	Other Directors
Salary	96.00	NIL	96.00	NIL
Commission Paid / Payable	190.69	20.00	93.44	30.00
Sitting Fees	NIL	6.26	NIL	5.55
Contribution to Funds	0.19	NIL	0.19	NIL
Total	286.88	26.26	189.63	35.55

Computation of Net profit in accordance with Section 309(5) read with Section 349 of the companies Act 1956 is summarised below:

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Profit for the year before Taxation as per Profit and Loss Account	12258.67	4633.85
Add: Depreciation	1726.58	1,791.03
Add: Managerial Remuneration to Directors	306.69	189.44
Add: Loss/(Profit) on Sale of Assets	(9578.13)	(87.29)
Less: Eligible Portion from profit on sale of asset as per proviso to clause (d) of Sec 349(3).	826.63	Nil
Total	5540.44	6527.03
Less: Depreciation under Section 350	1726.58	1,791.03
Adjusted Net Profit as per Section 198 of the Companies Act, 1956	3813.86	4736.00
Permissible Commission to - Executive Directors - 10%	381.39	473.6
Remuneration Paid - Executive Directors-5% (as determined by the Board of Directors) (Previous Year 10%)	190.69	93.44
Remuneration Paid - Executive Directors as Salary	96.00	96.00
Permissible remuneration to - Independent Directors - 1%	38.14	47.36
Remuneration Paid / to be paid to - Independent Directors	20.00	30.00

2.15. Remuneration paid to Statutory Auditors debited to Profit & Loss Account:

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Audit Fees	18.75	15.24
Tax Audit Fees	3.31	5.05
Other services	2.90	4.70
Total	24.96	24.99

The above includes the applicable service tax on the fees.

2.16. As per the information available with the company, the principal amount payable to Micro, Small, and Medium Enterprises falling under the provisions of Micro, Small, and Medium Enterprises Development Act, 2006, Rs 15.70 Lakhs.

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

2.18. Prior Period income of Rs 1190.73 Lakhs (Previous Year Rs 96.77 lakhs) is accounted in the books.

2.19. During the year the Company has made a political contribution of Rs 5 Lakhs (Previous Year Rs 20 Lakhs) to Bharatiya Janata Party.

2.20. 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

paragraphs 3, 4C, and 4D of part II of Schedule VI of the Companies Act, 1956.

2.21. The Foreign Exchange Inflow & Outflow:
The details of Foreign Exchange inflow and outflow during the year are as follows:

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Inflow:		
Advance for Sale of Units, Lease Deposits & Rentals	1,138.91	226.57
Outflows:		
i. Professional charges	137.48	218.73
ii. Consultation Fees	Nil	101.77
iii. Others	148.57	1100.32

CIF Value of imports and payments for the year ended March 31, 2011, is Rs 4636.36 Lakhs (Previous year 1064.96 Lakhs).

2.22. Previous Year Amounts:

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

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

Shama Sunder R. J.
Vice President—Finance

M. R. Shivram
Director

P. Om Prakash
Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's interest in Subsidiary Company / Joint Venture Company

Sl. No.	Name of Subsidiary Company	Brigade Hospitality Services Ltd	Brigade Tetrarch Pvt. Ltd	Brigade Estates & Projects Pvt. Ltd	Brigade Properties Pvt. Ltd	Brigade Infrastructure & Power Pvt. Ltd	WTC Trades & Projects Pvt. Ltd.
1	The financial period of the Subsidiary Company ended on	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011
2	Date from which they became Subsidiary Company	1st June, 2004	22nd December, 2005	16th December, 2006	21st May, 2007	24th January, 2009	21st July, 2010
3	a. Number of Shares held by the Holding Company with its nominees in the Subsidiary at the end of the Financial Year of the Subsidiary Company	1,00,00,000	1,00,200	50,000	50,000	50,000	10,000
	b. Extent of interest of Holding Company at the end of the Financial Year of the Subsidiary Company	100%	100%	100%	100%	100%	100%
4	The Net Aggregate amount of the Subsidiary Companies' Profit / Loss so far as it concerns the members of the Holding Company						
	a. Not dealt with in the Holding Company's Accounts						
	i) For the Financial Year ended 31.03.2011	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
	b. Dealt with in Holding Company's Accounts (Rs in Lakhs)						
	i) For the Financial Year ended 31.03.2011	136.30	(14.36)	(0.25)	(0.25)	(0.27)	(22.79)
	ii) For the previous Financial Years of the Subsidiary Company since they became the Holding Company's Subsidiary	(484.99)	(22.47)	(0.71)	(0.62)	(3.02)	0.00

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

Sl. No.	Particulars	Brigade Hospitality Services Ltd	Brigade Tetrarch Pvt. Ltd	Brigade Estates & Projects Pvt. Ltd	Brigade Properties Pvt Ltd	Brigade Infrastructure & Power Pvt Ltd	WTC Trades & Projects Pvt. Ltd.
a)	Share Capital	1,000.00	10.02	5.00	5.00	5.00	1.00
b)	Reserves	(353.93)	(36.84)	(0.96)	(0.87)	(3.29)	(22.79)
c)	Total Assets	6,010.35	10.02	5.00	5.00	5.00	100.00
d)	Total Liabilities	6,010.35	10.02	5.00	5.00	5.00	100.00
e)	Details of Investment (except in case of investment in the subsidiaries)	0.13	—	—	—	—	—
f)	Turnover	4,670.82	5.12	—	—	—	—
g)	Profit before Taxation	158.30	(14.44)	(0.25)	(0.25)	(0.28)	(22.79)
h)	Provision for Taxation	22.00	—	—	—	—	—
i)	Profit after taxation	136.30	(14.36)	(0.25)	(0.25)	(0.27)	(22.79)
j)	Proposed Dividend	—	—	—	—	—	—
Note:1	There is variation between PBT & PAT where taxes are not applicable, because prior period income/expenses have been adjusted	—	(0.08)	—	—	(0.01)	—
Note:2	Provisions for taxation includes FBT	—	—	—	—	—	—

Consolidated Financial Statements

Auditors' Report on Consolidated Financial Statements

To the Board of Directors on the Consolidated Financial Statements of **Brigade Enterprises Limited** and its subsidiaries and joint ventures:

1. We have examined the attached consolidated balance sheet of Brigade Enterprises Limited and its subsidiaries and Joint Ventures (together referred to as 'the Group' as described in Note.1) as at 31st March, 2011 and the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, prepared in accordance with accounting principles generally accepted in India.
2. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain of the subsidiary companies and of the Joint Ventures included herein, whose financial statements reflect total assets of Rs 37,069.43/- Lakhs and total liabilities of Rs 33,542.62/- Lakhs as at 31st March 2011 and the total revenue of Rs 4,696.97/- Lakhs and total expenditure of Rs 4,545.68 Lakhs and cash outflows, net amounting to Rs 33.74/- Lakhs as on the year ended on that date. These financial statements and other financial

information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standard) Rules, 2006 issued by the Institute of Chartered Accountants of India and on the basis of separate financial statements of Brigade Enterprises Limited and its subsidiaries and joint venture included in the Financial Statements.

4. We report that, on the basis of the best of our information and according to the explanation given to us, and based on our audit and on consideration of the reports, as available, of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, we are of the opinion that the said consolidated financial statements, read together with the significant accounting policies and notes appearing thereon, subject to point numbers 4.5 and 4.12 of the said notes, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In case of the consolidated Balance Sheet, of the state of affairs of the Brigade Group as at March 31, 2011;
 - b) In case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Brigade Group for the year ended on that date; and
 - c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Brigade Group for the year ended on that date.

Place: Bangalore
Date: May 04, 2011

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

Patil Udaya Kumar
Partner
Membership No: 200/25589

Consolidated Balance Sheet

(Rupees in Lakhs)

PARTICULARS	SCHEDULE	As at 31st March 2011	As at 31st March 2010
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	A	11,225.19	11,225.19
Reserves and Surplus	B	101,230.18	91,663.93
		112,455.37	102,889.12
Loan Funds			
Secured Loans	C	78,047.02	65,473.81
Unsecured Loans	D	14,275.55	11,187.00
Deferred Tax Liability / (Asset)	E	2,318.77	(128.10)
Total		207,096.71	179,421.83
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	F	45,510.28	23,583.29
Less: Depreciation		6,509.46	6,190.29
Net Block		39,000.82	17,393.00
Capital Work-in-progress		83,385.02	91,093.21
		122,385.84	108,486.21
Investments	G	111.44	278.26
Current Assets, Loans & Advances			
Interest accrued but not due		11.43	—
Inventories	H	79,393.54	62,956.38
Sundry Debtors	I	1,628.47	808.47
Cash and Bank Balances	J	4,512.39	4,031.40
Loans and Advances	K	53,989.69	39,152.12
		139,535.52	106,948.36
Less: Current Liabilities & Provisions			
Current Liabilities	L	49,238.46	33,143.95
Provisions	M	7,454.30	5,086.95
		56,692.76	38,230.89
Net Current Assets		82,842.76	68,717.47
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	S	1,756.67	1,939.86
Total		207,096.71	179,421.83

Notes to Accounts forms an integral part of the Financial Statements.

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

M. R. Shivram
Director

Shama Sunder R. J.
Vice President—Finance

P. Om Prakash
Company Secretary

Consolidated Profit & Loss Account



(Rupees in Lakhs)

PARTICULARS	SCHEDULE	For the year ended 31st March 2011	For the year ended 31st March 2010
INCOME			
Contract & Other receipts	N	49,110.57	39,136.36
Increase / (Decrease) in closing stock of units		6,603.14	177.01
Total		55,713.71	39,313.37
EXPENDITURE			
Project & Hospitality Expenses	0	31,107.55	25,136.85
Personnel Expenses	P	3,866.13	2,355.59
Administrative and Selling Expenses	Q	3,848.92	3,349.55
Interest & Financial Charges	R	1,681.77	902.55
Depreciation	F	2,003.66	2,058.73
Miscellaneous Expenses Written Off	S	815.14	810.15
Total		43,323.17	34,613.44
Profit before Tax		12,390.54	4,699.93
Provision for Taxation - Current Taxes		2,686.02	758.24
Provision for Taxation - Deferred Taxes		2,446.87	23.76
Provision for Taxation - Wealth Tax		1.20	—
MAT entitlement for AY 2011-12		(914.65)	(739.53)
Profit after tax		8,171.10	4,657.46
Add: Prior Year (Expenses) / Income		1,183.41	52.79
Add: Reversal of Excess Provision for Income Tax		2,694.97	(58.02)
Add: Gratuity Excess Provision Reversed		—	49.23
Less: Diminution in value of investments		20.54	—
Add: / (Less): Share in Profit / (Loss) of Associates		23.19	40.21
Profit for the Year available for Appropriation		12,052.13	4,741.66
Appropriations			
Towards Proposed / Interim dividend		1,683.78	1,347.02
Towards Tax on Proposed / Interim dividend		279.65	228.93
Profit Transferred to General Reserve		961.40	111.29
Balance Transferred to Profit & Loss account		9,127.31	3,054.42
Total		12,052.13	4,741.66
Earnings per Share - Basic & Diluted (in Rupees)		10.74	4.22
Nominal Value of Shares		10.00	10.00

Notes to Accounts forms an integral part of the Financial Statements.

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for **Brigade Enterprises Limited**

M. R. Jaishankar
Chairman & Managing Director

M. R. Shivram
Director

Shama Sunder R. J.
Vice President—Finance

P. Om Prakash
Company Secretary

Consolidated Cash Flow Statement

(Rupees in Lakhs)

PARTICULARS	For the year ended 2010-2011	For the year ended 2009-2010
Cash Flow from Operating Activities		
Net Profit before Tax	12,390.54	4,699.93
Adjustments for:		
Depreciation	2,003.66	2,058.70
Sale of Commercial Projects	(9,575.21)	(88.09)
Dividend Income	(25.23)	(242.26)
Diminution in value of investments	(20.54)	(11.66)
(Loss)/Profit on sale of Investments (Net)	—	86.30
Prior year income/(expenses)	1,183.41	102.01
Interest Income	(242.59)	(163.25)
Sundry Debtors Written Off	5.94	0.13
Excess/ (Short) Provision for Income Tax	2,694.97	—
Utilisation of F&FE reserve	(5.24)	—
Preliminary expenses incurred / written off	815.14	810.15
Interest paid	9,599.49	7,112.76
Membership and deferred revenue expenses written off	—	(95.78)
Operating Profit before Working-Capital Changes	18,824.33	14,269.01
Adjustments for:		
Decrease / (Increase) in Sundry Debtors	(825.95)	(118.51)
Decrease / (Increase) in Inventories	(16,437.16)	(3,220.76)
Decrease / (Increase) in Loans & Advances	(11,294.64)	2,801.92
Interest accrued, but not due	(11.43)	(1.20)
Income Taxes paid	(3,391.49)	(1,960.84)
Increase / (Decrease) in Current Liabilities	16,150.35	(1,141.64)
Net Cash Flow (used in) from Operating Activities	3,014.01	10,627.98
Cash Flows from Investing Activities		
Purchase of Fixed Assets (including Capital WIP)	(20,546.60)	(28,493.69)
Sale proceeds of Fixed Assets	14,218.59	498.17
Long term Investments	(327.20)	2,001.66
Interest received	242.59	163.25
Dividend received	25.23	242.26
Pre-Operative expenses	(631.95)	—
Decrease / (Increase) in Deferred Revenue expenses	—	(51.30)
Net Cash Flow (used in) from Investing Activities	(7,019.34)	(25,639.65)
Cash Flows from Financing Activities		
Interest payment	(9,599.49)	(7,112.76)
Dividend paid	(1,347.02)	(1,347.02)
Dividend Tax paid	(228.93)	(228.93)
Increase in Share Capital / Share Application	—	10.00
Increase / (Decrease) in secured loans	12,573.21	22,614.02
Increase / (Decrease) in unsecured loans	3,088.55	83.53
Proceeds from New Membership	—	589.58
Net Cash Flow (used in) from Financing Activities	4,486.32	14,608.42

(Rupees in Lakhs)

PARTICULARS	For the year ended 2010-2011	For the year ended 2009-2010
Net Increase in Cash and Cash Equivalents	480.99	(403.25)
Cash and Cash Equivalents at the beginning of Period	4,031.40	4,434.64
Cash and Cash Equivalents at the end of Period	4,512.39	4,031.40

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

M. R. Shivram
Director

Shama Sunder R. J.
Vice President—Finance

P. Om Prakash
Company Secretary

Consolidated Schedules forming part of Balance Sheet

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
SCHEDULE A — Share Capital		
Authorised		
18,06,10,000 (Previous Year 16,56,00,000) Equity Shares of Rs 10/- each	18,061.00	16,560.00
Issued, Subscribed & Paid Up		
11,22,51,940 Equity Shares of Rs 10/- each	11,225.19	11,225.19
Total	11,225.19	11,225.19
SCHEDULE B — Reserves & Surplus		
Securities Premium Account		
Opening Balance	68,574.49	68,574.49
Add / (less): Adjustments	(368.91)	—
Closing Balance (A)	68,205.58	68,574.49
General Reserve		
Opening Balance	4,882.12	4,770.85
Add: Transfers during the Year from P&L A/c	961.40	111.29
Less: Utilised	5.22	—
Closing Balance (B)	5,838.30	4,882.12
Profit & Loss A/c		
Opening Balance	18,207.29	14,550.62
Add: Profit for the Year	9,127.31	3,042.80
Add / (Less) : Adjustment for value of Investments	(148.30)	613.87
Closing Balance (C)	27,186.30	18,207.29
Total (A+B+C)	101,230.18	91,663.93
SCHEDULE C — Secured Loans		
(Refer Notes to Accounts for securities offered)		
Loans and Advances from Banks	77,765.15	65,297.66
Interest accrued and due	281.87	176.16
(Term Loan repayable within 1 year is Rs 20,485.95 lakhs)		
Total	78,047.02	65,473.82
SCHEDULE D — Unsecured Loans		
From Companies & Directors	14,275.55	11,187.00
Total	14,275.55	11,187.00

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
SCHEDULE E — Deferred Tax Liability / (Asset)		
Fixed Assets	2,338.14	(74.89)
Expenses Disallowed	(19.37)	(53.21)
Total	2,318.77	(128.10)

SCHEDULE F — FIXED ASSETS

(Rupees in Lakhs)

Sl No.	Fixed Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		Gross Block as at 1-Apr-10	Additions	Deletions / disposals	Gross Block as at 31-Mar-11	Accumulated depreciation up to 31-Mar-2010	For the year	Adjustment for disposals during the year	Accumulated depreciation up to 31-Mar-2011	Net Block as at 31-Mar-2011
1	Land	2,146.71	1,643.60	655.39	3,134.93	—	—	—	—	3,134.93
2	Building	11,535.60	17,717.67	3,273.25	25,980.02	1,623.08	640.23	439.76	1,823.55	24,156.46
3	Office Equipment & Plant and Machinery	3,204.78	2,674.08	1,054.62	4,824.24	1,200.00	420.34	573.93	1,046.42	3,777.82
4	Interiors, Furniture and Fixtures	5,410.83	5,945.39	1,264.64	10,091.58	2,506.98	744.12	597.77	2,653.32	7,438.26
5	Computers	860.78	274.05	59.05	1,075.78	552.01	167.73	58.46	661.29	414.49
6	Vehicles	297.74	—	20.17	277.58	183.10	30.40	13.70	199.80	77.78
7	Low Value Asset	5.36	—	0.87	4.49	5.36	—	0.87	4.49	—
8	Leasehold Improvements	121.67	—	—	121.67	119.75	0.84	—	120.59	1.08
	Sub Total	23,583.47	28,254.79	6,327.99	45,510.28	6,190.28	2,003.66	1,684.49	6,509.46	39,000.82
	Capital Work-in-progress	91,093.21	40,935.24	48,643.43	83,385.02	—	—	—	—	83,385.02
	Total	114,676.68	69,190.03	54,971.42	128,895.31	6,190.28	2003.66	1,684.49	6,509.46	122,385.84

Consolidated Schedules forming part of Balance Sheet

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
SCHEDULE G — Investments (Long Term)		
A. Investment in Government Securities		
National Savings Certificate	8.01	12.45
B. Unquoted Shares		
5,000 Shares of Diagnostic Research (P) Ltd of Face Value of Rs 10/- each	0.50	0.50
2,39,406 Shares of AEC Promag Consultancy (P) Ltd of Face Value of Rs 10/- each	23.94	38.00
3,70,000 shares of Tandem Allied Services (P) Ltd of Face Value of Rs 10/- each	7.40	7.40
Add / (Less): Accumulated Share in Profit / (Loss) of Associate Companies at the beginning of the year	68.94	179.71
Add / (Less): Change in the share of networth persuant to Profit / (Loss) for the year	23.19	40.21
Less: Diminution in value of AEC Promag Consultancy (P) Ltd	20.54	—
Total	111.44	278.27
SCHEDULE H — Inventories		
(At lower of Cost or Net Realisable Value)		
Stock of Materials at sites		
- As Certified by Management	3,733.52	4,151.07
Transferable Development Rights	541.13	541.13
Land Held for Development	17,683.02	24,351.32
Work-in-Progress		
- As Certified by Management	29,394.25	32,870.49
Closing stock of unsold units	28,041.63	1,042.37
Total	79,393.54	62,956.38
SCHEDULE I — Sundry Debtors		
(Unsecured, Considered Good)		
Outstanding for more than 6 months:		
Debts considered good for which the company holds no security other than debtor personal security	14.18	11.22
Debts Due by Companies where in Directors are interested	306.69	6.07
Others (Considered Good)	65.79	68.28
Considered Doubtful	4.70	51.70
Outstanding for Less than 6 months:		
Other debts, Considered Good	1,294.75	722.89
	1,686.11	860.16
Less: Provision for doubtful debts	57.64	51.70
Total	1,628.47	808.47

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
Schedule J — Cash & Bank Balances		
Cash & Cheques in hand	95.21	16.66
Bank Balances with Scheduled Banks		
- in Current Accounts	1,045.00	682.70
- in Deposit Accounts	3,372.18	3,332.04
Total	4,512.39	4,031.40
Schedule K — Loans and Advances (Unsecured, Considered Good)		
Advances recoverable in cash, kind or value to be received:		
Associate / Joint Venture	13,780.14	11,322.97
Refundable Deposits on Joint Venture	6,751.62	7,358.26
Property Advance	9,124.71	4,068.74
Contractors/ Suppliers	4,167.96	2,448.89
Others	11,657.87	7,854.49
Advance Tax/ TDS	7,261.54	4,633.25
Deposits	1,245.85	1,465.52
Total	53,989.69	39,152.12
Schedule L — Current Liabilities		
Advances Received from Clients	27,617.65	12,453.91
Sundry Creditors:		
Associate / Joint Venture	19.78	24.67
Due to Directors	178.21	68.38
Micro, Small & Medium Scale Industries [Note (i) below]	15.69	22.24
Contractors, Suppliers & Others	21,407.13	20,574.75
Note (i): Information provided by the Company	—	—
Total	49,238.46	33,143.95
Schedule M — Provisions		
Provision for Income Tax	2,688.04	765.22
Provision for Fringe Benefit Tax	0.05	0.05
Provision for Future Liability	2,600.00	2,600.00
Provision for Leave Encashment & Gratuity	201.57	145.73
Provision For Wealth Tax	1.20	—
Provision for Dividend	1,683.78	1,347.02
Tax on Dividend	279.66	228.93
Total	7,454.30	5,086.95

Consolidated Schedules forming part of Balance Sheet

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2011	As at 31st March 2010
Schedule S — Miscellaneous Expenditure (to the Extent not Written Off)		
Initial Public Offer Expenses	1,580.13	2,389.99
Deferred Revenue Expenses	409.52	336.79
Others	582.16	23.23
Total	2,571.81	2750.01
Less: 1/5th Amortised	815.14	810.15
Balance Carried Forward to Balance Sheet	1,756.67	1,939.86

Consolidated Schedules forming part of Profit & Loss Account

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE N — Contract & Other Receipts		
Contract & Other Receipts	32,161.43	32,468.75
Sale of Commerical Project	9575.21	—
Dividend From Investments	25.23	242.26
Interest Received	242.59	233.32
Miscellaneous Income	639.21	415.31
Rent Received	2,122.10	2,758.26
Hospitality Income	4,344.82	3,016.69
Profit/(Loss) on Sale of Properties / Asset	0.09	1.78
Total of Contract and Other Receipts	49,110.57	39,136.37
SCHEDULE O — Project and Direct Expenses		
Construction Materials		
Cement	348.29	428.88
Granite/Marble (Flooring Material)	1,931.36	1,778.03
Hardware Items	601.20	551.75
Steel	1,882.43	2,607.24
Total	4,763.28	5,365.90

Consolidated Schedules forming part of Profit & Loss Account

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2011	For the year ended 31st March 2010
Land and Construction Expenses		
Construction Expenses	23,262.50	28,390.66
Architect & Consultancy Fees	797.71	643.09
Electrical Work and Power Charges	9,488.87	6,087.27
Interiors - Projects	5,234.41	1,788.86
Miscellaneous Expenses Construction	305.07	1,460.26
Land Cost	—	2,163.77
Rates & Taxes - Projects	1,968.74	852.35
Consumption of equipments - Sheraton	13.32	—
Other Direct Expenses		
Interest - Projects	8,192.60	6,546.67
Selling & Administrative Expenses - Projects	1,636.03	1,209.50
Personnel Expenses - Projects	769.47	1,002.20
Direct Agricultural Expenses	4.13	4.60
Total of Construction Material and Expenses	56,436.13	55,515.16
Increase / Decrease in Stock and WIP		
Opening Stock:		
Opening Work-in-Progress - Projects	20,867.37	16,808.05
Opening Work-in-Progress - Capital	89,816.46	67,116.17
	110,683.83	83,924.22
Less: Cost of Projects Capitalised	46,971.96	4,662.47
	63,711.87	79,261.75
Closing Stock:		
Closing Work-in-Progress - Projects	8,268.76	20,867.37
Closing Work-in-Progress - Capital	82,018.17	89,816.46
Total	90,286.93	110,683.83
(Increase) / Decrease in value of Work-in-Progress	(26,575.06)	(31,422.07)
Hospitality Expenses		
Operating	632.44	591.84
Materials Consumed	614.04	451.93
Total project Expenses	31,107.55	25,136.85
SCHEDULE P — Personnel Expenses		
Salaries & Wages	4,152.39	3,012.40
Training & Recruitment	46.64	19.96
Staff Welfare	260.02	152.55
Contributions to Funds	176.54	149.57
Less: Transferred to project Expenses Schedule - O	769.47	978.89
Total	3,866.12	2,355.59

Consolidated Schedules forming part of Profit & Loss Account

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE Q — Administrative and Selling Expenses		
Advertisement & Sales Promotion	1,171.58	970.13
Agency Commission	1,238.41	266.69
Bad Debts	6.37	14.08
Communication Expenses	184.02	146.49
Directors Sitting Fee	7.16	6.14
Discount	114.43	59.87
Donation	74.40	157.49
Miscellaneous Expenses	182.56	131.99
Insurance	74.06	88.12
Legal, Professional & Consultancy Charges	823.04	536.59
Power/Fuel Charges	41.04	33.62
Printing & Stationery	87.74	83.75
Rates & Taxes	200.95	500.59
Rent Paid	452.36	951.48
Loss on Investment	17.93	—
Repairs & Maintenance	265.91	282.73
Security Charges	233.74	204.64
Travelling & Conveyance Expenses	309.24	124.62
Less: Transferred to project Expenses Schedule - O	1,636.03	1,209.50
Total	3,848.92	3,349.55
SCHEDULE R — Interest & Financial Charges		
Bank Charges	274.88	336.47
Interest Paid	9,599.49	7,112.76
Less: Transferred to Project Expenses Schedule - O	8,192.60	6,546.67
Total	1,681.77	902.55

Schedule for Notes to Accounts for the Consolidated Financials for the year ending 31st March 2011

1. 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. BEL has following subsidiary / associates as on March 31, 2011:

- Tandem Allied Services Private Limited (referred to as “Tandem”), a company incorporated in India, is an associate company wherein 37.00% of its shares are held by the Company and is carrying on the business of Realty, Property Management Services and related financial services.
- 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, serviced apartments, and convention centres.
- Brigade Estates and Projects Private Limited (referred to as “Brigade Estates”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of real estate development.
- Brigade Tetrarch Private Limited (formally known as Tetrarch Holding Private Ltd referred to as “Tetrarch”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on business in the field of sports related activities.
- Brigade Properties Private Limited (referred to as “Brigade Properties”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of real estate development.
- Brigade Infrastructure and Power Private Limited (referred to as “Brigade Infrastructure”), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of power generation and infrastructure development.
- 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.
- 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 Estates 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.

The Company, together with its subsidiaries and associates, is hereinafter referred to as “Brigade Group”.

2. 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, and Notes, other statements and explanatory material 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 March 31, 2011. Investments in entities that were not more than 50 per cent owned or controlled as at March 31, 2011 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 and Brigade Infrastructure, WTC, BCV Developers and BCV Estates 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. 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.

Schedule for Notes to Accounts for the Consolidated Financials for the year ending 31st March 2011

3. SIGNIFICANT ACCOUNTING POLICIES:

3.1. Basis for Preparation of Financial Statements:

The Financial Statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the company. All income and expenditure having a material impact / bearing on the financial statements are recognised on the accrual basis.

3.2. 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 to 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 recognised in the period in which the results are known or materialised.

3.3. Expenditure:

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

3.4. Valuation of Inventories & Construction Work-in-Progress:

- Valuation of Inventories, representing stock of materials at project site, has been done after providing for obsolescence, if any, at lower of Cost or Net Realisable Value.
- Valuation of inventories representing food and beverages held at Sheraton Bangalore at Brigade Gateway has been done after providing for obsolescence, if any, at lower of cost or net realisable value. The cost is generally calculated on weighted average basis.
- Inventories of BHSL are valued at cost determined on first in first out basis/weighted average basis or net realisable value whichever is lower. Expenses on soft furnishing, linen, cutlery and crockery are amortised over 24 months.
- The value of Construction Work-in-Progress during the period is determined as follows:
 - The aggregate of opening stock, 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, Transferable Development Rights, and Closing Stock of unsold units is valued at Cost or Net Realisable Value whichever is lower.

3.5. 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.

3.6. Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are taken into cognisance.

3.7. 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:

- On assets held for the purpose of sale, no depreciation is charged.
- On assets leased out, depreciation is charged on Straight Line Method over the period of the lease 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
Brigade Business Suites (Formerly known as Homestead 2)	25 Years	5 Years	5 Years
Mercure Homestead Residences	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
Hulkul Brigade Centre 1st Floor	Not Applicable	3 Years	3 Years
Hulkul Brigade Centre 3rd Floor	Not Applicable	4 Years	4 Years

Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs 5,000/- is charged off 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 asset from January 1, 2005 and depreciation is provided on the Straight Line Method applying the 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 & Electronic Equipments	9.50%
Office & Other Equipments	9.50%
Motor Vehicles	20.00%
Computers & Software	33.33%
Furniture & Fittings	12.00%
Lease Hold Improvements	
a. Borewell	Over a period of 10 Years
b. Others	Over a period of 36 Months

3.8. Revenue Recognition:

- Income from operations is determined and recognised, 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 recognised 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 recognised as contract revenue during the period is based on the lower of stage of completion as determined above and percentage of actual amount received on sale (pursuant to agreements entered into by the company) of the estimated contract value of these projects. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level,

which is estimated to be at least 25%.

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.

- In respect of sale of completed units, revenue 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.
- Differential income arising on account of any charges collected including deposits and the related expenses incurred are recognised in the year of handing over of the flats to the customers.
- 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.
- In respect of Brigade Sheraton operation, revenue from rooms, restaurants, banquets and other services comprise 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. Revenue is recognised upon rendering of the services.
- Income from operation of Brigade International School at Gateway is recognised on accrual basis in accordance with the terms of agreement.
- In case of Brigade Hospitality Services Limited revenue recognition is as under:
 - 1) Revenue from room rent and facilities are recognised on usage basis.
 - 2) Membership fee received for membership of club(s) is recognised as income on a straight line basis by amortising the amount received from the year of admission up to the period of expiry of the relevant membership. The balance unamortised amount received as well as membership fees received for clubs which are not operational has been shown as a liability under the head 'Deferred Income'.
 - 3) Commission incurred for procurement of members is amortised and recognised as expense over the same period as the corresponding income.
 - 4) Subscription charges for facility usage have been accounted on monthly basis for usage of clubs.

Schedule for Notes to Accounts for the Consolidated Financials for the year ending 31st March 2011

- 5) Sale of food and beverages are accounted net of VAT.

3.9. Fixed Assets:

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation. Capital Work-in-Progress comprises the cost of fixed assets under construction and not yet ready for their intended use.

3.10. Foreign Currency Transaction:

Foreign currency transactions are restated at the rates ruling at the time of receipt/payment and all exchange losses/gains arising there from are adjusted to the respective accounts. All monetary items denominated in foreign currency are converted at the rates prevailing on the date of the financial statement.

3.11. Investments:

Investments are classified as Current Investments and Long Term Investments. Long Term Investments are carried at the cost, unless there is a permanent diminution in value of the investments and Current Investments are carried at the lower of cost or market value.

3.12. 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 recognised 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 recognised 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 recognises 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. Liability in respect of leave encashment is provided for on actuarial basis using the projected unit credit method same as above.

3.13. Borrowing Costs

Cost of funds borrowed for acquisition of fixed assets up to the date the asset is put to use is added to the value of the assets.

3.14. 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.

3.15. Provision for Taxation:

Deferred tax is recognised, 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.

The provision for taxation is made on Taxes payable method after considering the effect of deduction under Section 35D, 80IB and 115JB of the Income Tax Act, 1961, wherever it is applicable.

3.16. 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 Company (Accounts Standard) 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.

3.17. Provisions and Contingent Liabilities:

Provision is recognised 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.

3.18. Amortisation of Miscellaneous Expenditure:

Expenses incurred towards Initial Public Offer and other deferred expenses classified under Miscellaneous Expenditure are written off equally over a period of 5 years.

In case of Sheraton Hotel Bangalore 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.

3.19. Deferred Revenue Expenditure:

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

4. NOTES ON ACCOUNTS (forming an integral part of Accounts)

4.1. Share Capital

Issued, Subscribed, and Paid up Capital is Rs 11,225.19 Lakhs and there is no change in the same during the year.

4.2. Disclosure pursuant to Accounting Standard 7 (Revised):

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Contract Revenue recognised as Revenue in the year	32,157.32	32,468.75
Aggregate amount of contract cost incurred upto the Reporting Date.	1,24,841.05	1,10,031.51
Recognised Profits (less Recognised Losses) upto the Reporting Date	46,841.42	43,145.52
Advances Received from Customers	22,488.07	12,453.91

4.3. Warranty Costs:

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

4.4. Gratuity Plan:

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

(Rupees in Lakhs)

Particulars	As at 31st March 2011	As at 31st March 2010
Obligations at the beginning of the Year	140.50	98.84
Service Cost	26.30	38.16
Interest Cost	10.37	7.88
Benefits Settled	(18.34)	(1.12)
Actuarial (Gain) / Loss	48.12	(2.24)
Obligations at the end of the Year	206.93	140.50
Change in Plan Assets		
Plan Assets at the beginning of the year, at Fair Value	139.53	52.57
Difference in opening balance	7.21	Nil
Expected return on Plan Assets	14.69	10.91
Contributions	51.59	78.11
Benefits Settled	(18.34)	(2.16)
Actuarial Gain / (Loss)	0.16	0.10
Plan Assets at the end of the year, at Fair Value	194.83	139.53
Reconciliation of Present Value of the Obligation and the Fair Value of the Planned Assets		
Fair Value of Plan Assets at the end of the Year	194.83	139.53
Present Value of the defined benefit obligation at the end of the year	206.93	140.50
Asset / (Liability) recognised in the Balance Sheet	(12.10)	(0.97)

Schedule for Notes to Accounts for the Consolidated Financials for the year ending 31st March 2011

Particulars	As at 31st March 2011		As at 31st March 2010	
	Gratuity Cost for the Year			
Service Cost	26.30		38.16	
Interest Cost	10.37		7.88	
Expected Return on Plan Assets	(14.69)		(10.91)	
Actuarial (Gain) / Loss	47.96		(2.34)	
Net Gratuity Cost	69.94		32.79	
Assumptions				
	BEL	BHSL	BEL	BHSL
Interest Rate	8.00%	8.00%	7.50%	8.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%	7.50%	8.00%

The above figures do not represent the gratuity plan in respect of Brigade Estates and Projects Pvt. Ltd, Tetrach Holdings Pvt. Ltd, Brigade Properties Pvt. Ltd, Brigade Infrastructure & Power Pvt. Ltd, WTC Trades and Projects Pvt. Ltd which are the subsidiary Companies, and M/s BCV Developers Private limited and BCV Estates Pvt. Ltd, a joint venture company, as actuarial calculations were not carried out. The assumptions used by BHSL, a subsidiary company, for the year ended March 31, 2011, being different are shown separately.

4.5. A sum of Rs 1,527.91 Lakhs (Previous Year Rs Nil Lakhs), being borrowing cost incurred by the company in respect of Assets/Projects, was capitalised during the year. Sum of 1499.67 Lakhs (Previous year Rs Nil) being borrowing cost incurred by the company in respect of assets/projects is carried forward as stock-in-trade. A sum of Rs 4,422.41 Lakhs (Previous Year Rs 5,137.08 Lakhs), being borrowing cost incurred by the company in respect of Assets/Projects under Construction is carried forward as Capital Work-in-progress.

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

4.7.1. Relationships:

Associated Companies and Joint Ventures	Tandem Allied Services Private Limited BCV Developers Private Limited BCV Estates Private Limited
Other related parties where common control exists	Mysore Holdings Private Limited Brigade Foundation Mr M. R. Jaishankar (HUF)
Key Managerial Personnel (KMP)	Mr M. R. Jaishankar, Chairman and Managing Director Ms Githa Shankar, Executive Director
Relatives of Key Managerial Personnel	Ms Nirupa Shankar (Daughter of KMP) Ms Pavitra Shankar (Daughter of KMP) Mr M. R. Shivaram (Relative of KMP)

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

(Rupees in Lakhs)

Particulars	Brigade Foundation	Key Managerial Personnel	Relatives of Key managerial personnel
Sale of materials / finished goods / services	14.19	366.36	207.91
Purchase of material / finished goods / services / Other expenses	0.00	40.63	92.20
Outstanding receivables / (payables), as at 31.03.2011	7.22	(119.96)	110.28
Remuneration paid to Executive Directors	0.00	286.88	8.25

4.8. Assets under Operating Leases:

The Parent Company has given certain Assets on Operating Lease. Details of assets given under Operating Lease are as under:

(Rupees in Lakhs)

Asset Description	Gross Value as on 31.03.2011	Depreciation 01.04.2010 to 31.03.2011	Total Depreciation as on 31.03.2011	Impairment
Land	370.51	—	—	NIL
Building	7830.40	(345.33)	(1626.17)	NIL
Interior and Furniture	3664.96	(377.99)	(2328.72)	NIL
Office Equipment & Plant and Machinery	1124.77	76.98	(660.88)	NIL

The parent Company has given on non-cancelable operating lease certain assets the future minimum lease receivables in respect of which, as at March 31, 2011, are as follows:

(Rupees in Lakhs)

Minimum Lease Receivable	31st March 2011	31st March 2010
Receivable not later than 1 year	2099.10	222.46
Receivable later than 1 year and not later than 5 years	2673.09	413.74
Receivable later than 5 years	—	—

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 March 31, 2011, are as follows:

(Rupees in Lakhs)

Minimum Lease Payables	31st March 2011	31st March 2010
Payable not later than 1 year	173.38	181.46
Payable later than 1 year and not later than 5 years	699.00	708.27
Payable later than 5 years	3110.40	3,166.56

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

Contingent rent recognised in the Profit and Loss account is Rs Nil

4.9. Earnings per Share (EPS)

Particulars	Earnings per Share	
	2010-11	2009-10
Equity Share of Face Value Rs 10/- each		
Net profit *** (amount used as numerator) (Rupees In Lakhs)	12,052.13	4,741.67
Number of Shares used in computing Earnings per Share (number used as denominator)	11,22,51,940	11,22,51,940
Basic & Diluted (in Rupees)	10.74	4.22

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Net Profit After Tax	8,171.09	4,657.46
Add/(Less): Prior Period Adjustments	3,881.04	84.21
Net Profit considered for Earnings Per Share	12,052.13	4,741.67

4.10. Deferred Taxation:

During the year, the Group has accounted for Rs 2,446.87 Lakhs (Previous Year Rs 23.75 lakhs towards Deferred Tax Asset) towards Deferred Tax Liability In respect of

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Difference between books and Income tax WDV	2413.03	(18.90)
Expenses debited to P & L but not allowed as deduction for income tax purpose	33.84	(4.85)

and the same has been debited to Profit and Loss Account of the Current Year

4.11. Contingent Liabilities:

Capital commitments and Contingent liabilities on account of:

(Rupees in Lakhs)

Particulars	31st March 2011	31st March 2010
Capital Commitments not provided in the books	28,959.48	54,123.17
Towards Letter of Credits and Bank Guarantees	1,906.67	3,773.31
Claims from government departments not acknowledged as debts	153.14	359.42
Claims from government departments not acknowledged as debts but paid under protest	1056.24	1305.76
Contingent liability— Custom Duty	93.62	NIL

4.12. Non Adjustment Items:

4.12.1 Disclosure pursuant to AS-23:

Depreciation:

The depreciation policy adopted by Tandem (an associated 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 3.7 of the Accounting Policies given above.

Schedule for Notes to Accounts for the Consolidated Financials for the year ending 31st March 2011

Gratuity and Leave Encashment:

Gratuity liability of Tandem and AEC (associated companies) are based on actual basis, whereas the company follows actuarial method for the purpose of gratuity liability calculation. Tandem and AEC (associated companies) have not provided leave encashment liability and expenses are considered on cash basis.

This differs from the Policy on Employee Benefits adopted by the Company as indicated in Clause 3.12 of the Accounting Policies given above.

4.12.2. 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 Rs 3,779.68 Lakhs out of Fixed Assets amounting to Rs 39,000.82 lakhs and depreciation for the year amounting to Rs 277.00 Lakhs out of total depreciation amounting to Rs 2,003.66 Lakhs relates to BHSL.

4.13. Current Liabilities include a sum of Rs 4,892.52 Lakhs (Previous Year Rs 4,118.47 Lakhs) being deferred income of BHSP from membership of clubs.

4.14. The Foreign Exchange Inflow & Outflow:
The details of Foreign Exchange inflow and outflow during the year are as follows:

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Inflow:		
Advance for Sale of Units, Lease Deposits & Rentals	3626.83	1292.64
Outflows:		
i. Professional charges	156.86	218.73
ii. Consultation Fees	NIL	101.77
iii. Others	137.48	1254.19

CIF Value of Imports and Payments for the year ended March 31, 2011 is Rs 4,828.34 Lakhs (Previous year Rs 1130.96 Lakhs).

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

4.16 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, Rs 15.70 Lakhs.

In case of Brigade Hospitality Service Limited (a 100% Subsidiary Company), and Tandem Allied Services Private Limited (an Associated Company), companies are in the process of compiling necessary data regarding the status of creditors under the Micro, Small and Medium Enterprises Development Act, 2006. Consequently, the disclosure under the Act has not been furnished

4.17. Previous year Amounts:
The figures of previous year have been regrouped and reclassified wherever necessary.

As per our report of even date
for **Narayanan, Patil and Ramesh**
Chartered Accountants
Firm Regn No. 002395S

Patil Udaya Kumar
Partner
Membership No: 200/25589

Place: Bangalore Date: May 04, 2011

for Brigade Enterprises Limited

M. R. Jaishankar
Chairman & Managing Director

M. R. Shivram
Director

Shama Sunder R. J.
Vice President—Finance

P. Om Prakash
Company Secretary



BRIGADE ENTERPRISES LIMITED

Regd off.: Penthouse, Brigade Towers, 135, Brigade Road, Bangalore 560025.

16TH ANNUAL GENERAL MEETING—11 August 2011 at 10.00 a.m.

PROXY FORM

CLID/ Folio No. :

DPID :

No. of Shares held :

I/We of in the district of being Member(s) of Brigade Enterprises Limited hereby appoint of in the district of or failing him/her appoint of in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company to be held on Thursday, 11th August 2011 at 10.00 a.m. at MLR Convention Centre, No 9, 4th Cross Road, Whitefield Road, Mahadevapura, Bangalore 560048 and at any adjournment thereof.

Date:

Place:

Signature

Affix
Revenue
Stamp
here

Note: This proxy form duly completed must be received at the Company's Registered Office at least 48 hours before the meeting.



BRIGADE ENTERPRISES LIMITED

Regd off.: Penthouse, Brigade Towers, 135, Brigade Road, Bangalore 560025.

16TH ANNUAL GENERAL MEETING—11 August 2011 at 10.00 a.m.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

CLID/ Folio No. :

DPID :

No. of Shares held :

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 16th Annual General Meeting of the Company being held on Thursday, 11th August 2011 at 10.00 a.m. at MLR Convention Centre, No 9, 4th Cross Road, Whitefield Road, Mahadevapura, Bangalore 560048.

Name of Member / Proxy (in BLOCK letters)

Signature of Member / Proxy

Note: A member/proxy wishing to attend the meeting must fill up this Attendance Slip and hand it over at the entrance. If you intend to appoint a proxy, please complete the proxy form above and deposit it at the Company's Registered Office at least 48 hours before the meeting.

BRIGADE ENTERPRISES LIMITED
Regd off.: Penthouse, Brigade Towers, 135, Brigade Road, Bangalore 560025.

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, 2nd Floor, Hulkul Brigade Centre, 82, Lavelle Road, Bangalore 560001.

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



PRIVILEGE COUPON

SERIAL NO:

PROJECT NAME AND SFT AREA :

NAME OF THE SHAREHOLDER :

CLIENT ID (CLID) :

DEPOSITORY PARTICIPANT ID (DPID) :

GIFTED TO (OPTIONAL) :

RESIDENTIAL ADDRESS :

TELEPHONE / MOBILE NO :

EMAIL ID :

CONDITIONS

- 1) Discount will be based on the listed price on the date of booking.
- 2) The offer is valid up to 30th June 2012.
- 3) Shareholders can avail the discount only for a single booking.
- 4) The privilege coupon can be gifted. In case it is gifted, the shareholder needs to fill in the details of the person to whom it is being gifted apart from providing his details.
- 5) This 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)



Mega Malls
and a wide
range of
Retail spaces

WE are making our presence felt in another sunshine sector: Retail.

We are setting up retail facilities in several key locations in Bangalore, Mysore and Chennai. Some of them are stand-alone, while others are located within our enclaves. The 800,000 sft Orion Mall and retail spaces at Sheraton Bangalore Hotel are in Brigade Gateway; The Arcade is at Brigade Metropolis.

Orion Mall at Brigade Gateway is our largest retail facility to date. Designed as a lifestyle mall, Orion will feature specialty outlets—anchor stores, hypermarkets, boutiques, restaurants and cafés, exhibition areas and a 11-screen multiplex.

All our retail projects share a few key factors: strategic locations, convenient access, imaginative architectural planning, excellent front- and back-end infrastructural facilities and a winning mix of retail outlets. All are designed to generate footfalls and function as consumer magnets.



5-star Hotels,
state-of-the-art Convention
Centres, luxury Serviced
Residences, lifestyle Clubs...



LOUNGE—SHERATON BANGALORE HOTEL AT BRIGADE GATEWAY



GRAND MERCURE SERVICED RESIDENCES



MLR CONVENTION CENTRE, WHITEFIELD RD

BRIGADE Hospitality Services Limited (BHSL) was established in 2004. At the time, Brigade Group was pioneering a new concept in Bangalore: serviced residences. BHSL's primary purpose was to ensure their professional management.

Since then, we have grown in size and operations. Our professional portfolio and interests now include clubs, convention centres, hotels, resorts and spas. We manage a growing portfolio of hospitality ventures, operating independently and in association with leading international hospitality chains like Starwood, InterContinental, Accor and Banyan Tree under the Sheraton, Holiday Inn, Mercure and Banyan Tree and Angsana brands.

Serviced residence facilities, under the *Brigade Homestead brand*, cover a

range of properties across prime locations in Bangalore. • All our **clubs** offer exceptional social, recreational, sports and business facilities. Our very first club—*The Woodrose*, located in the Brigade Millennium enclave—won awards for its unique design and 'user appreciation' for its excellent ambience, facilities and services. This very successful first effort has been replicated in all Brigade Group's other enclaves. • Our hotel, *The Grand Mercure Bangalore*, was declared **Best New Hotel of the Year—2010**. We opened the *Sheraton Bangalore Hotel*, in the Brigade Gateway enclave, this year. The launch of other **luxury hotels, resorts and spas, across South India**, are in the pipeline. Our two **Convention Centres**—in J. P. Nagar and Whitefield—are ideal venues for corporate, social and cultural events.

OUR PARTNERS IN HOSPITALITY INCLUDE
SOME OF THE MOST WELL-KNOWN BRANDS AROUND THE WORLD:

- SHERATON—STARWOOD HOTELS
- HILTON—HILTON GROUP
- BANYAN TREE & ANGSANA
- HOLIDAY INN—INTERCONTINENTAL GROUP
- GRAND MERCURE—ACCOR
- ANANTARA



Schools, Scholarships, Awards, Wildlife Conservation ...



OVER the last 25 years, we have taken many initiatives as corporate citizens.

We established a not-for-profit trust—Brigade Foundation—in 2003. Brigade Foundation’s current thrust is on education. To date, it has set up three schools in Bangalore; all three have earned the reputation of being institutions of excellence. The Foundation has also developed unique initiatives in the area of pedagogy, curriculum development and training. The resources and information collated through these initiatives are intended for the exclusive use of The Brigade Schools.

Some of our other initiatives, in Bangalore and Mysore, include:

- Remodeling and renovation of the office building of Chief Fire Officer

Bangalore, West Zone, located at the Highgrounds Fire Station.

- Institution of scholarships and merit awards for the civil engineering students of 3rd and 4th year of R. V. College of Engineering, Bangalore.
- Institution of the annual state-wide Young Achiever Award, in association with Rotary Bangalore Midtown. Its purpose is to recognise the achievements of young people in Karnataka. This is the fifth year since its institution.
- Most recently, we are proud of our association with the Animal Adoption Scheme of Bangalore’s Bannerghatta Biological Park. As of now, we are adoptive parents to two birds and three animals.

INAUGURATION OF CFO’S OFFICE, HIGHGROUNDS FIRE STATION



The Brigade Story



Brigade Towers, where it all began.

We celebrate our Silver Anniversary this year. A quarter century in property development has seen us grow from a team of five—operating out of a small site office on our first project—to a large, professionally managed organisation headquartered in Bangalore, with branch offices in several cities in South India and a representative office in Dubai. We work in a professional environment supported by ERP, follow the best practices of HR management, draw upon a national

and international pool of professional associates and employ modern construction technology.

An early entry

Brigade Group's founder—M.R. Jaishankar—belongs to a reputed family of coffee planters from the hill town of Chikmagalur, in the Western Ghats of Karnataka. His family is well known in the region for their business integrity and philanthropy.

Jaishankar entered the field of property development in 1984. These were the pre-liberalisation, pre-IT days and, with admirable prescience, Jaishankar recognised both the emerging potential of the nascent, unorganised property

and marketing teams and filling the organisation with professionally qualified people. Brigade soon became one of the most respected names in the industry. Today, we have completed over 100 buildings, aggregating over 20 million sft—and in the process, we have created several urban landmarks. This year, in a study conducted by The Economic Times and Great Place to Work Institute (a pioneer in studying and recognising best workplaces around the world), Brigade was chosen one of 'India's Best Companies to Work for', ranking second in the Real Estate industry and one of the Top 100 Companies in India



Our new corporate headquarters at World Trade Center Bangalore—a symbol of things to come.

development industry and the potential of Bangalore.

Jaishankar established a partnership firm, Brigade Investments, in 1986, with the idea of executing just one project: a 14 storey office building. This maiden venture—Brigade Towers—became the tallest building to be built by a private developer in Bangalore at the time.

Planning for success

With a long-term vision of growing into a world-class organisation, Brigade began the process of building its engineering

As for the future...

Our future plans envision the completion of 40 projects, aggregating 31 million sft, in 7 cities—across all our domains. Jaishankar sums up the direction we hope to travel in the days to come: "We intend to continue to focus on innovation and maintain our present momentum on all fronts. We also intend to continue to use technologically advanced tools and processes, continue to enhance our architectural, design, construction and development capabilities."



Brigade Hulkul Centre, Lavelle Rd, where we consolidated and achieved phenomenal growth.

A CONTINUING TRADITION OF WINNING AWARDS ...



Best "Residential Property South" (Brigade Metropolis) in the CNBC AWAAZ CRISIL CREDAI Real Estate Awards 2010: M. R. Jaishankar, CMD Brigade Group (extreme right) received the award from Kamal Nath—Union Cabinet Minister of Urban Development (center). Also seen: Goutam Datta, GM, Projects (extreme left).



M. R. Jaishankar, CMD Brigade Group receives the Senior Builder Award from P. C. Mohan, Member of Parliament.



Brigade Group was chosen as one of INDIA'S BEST COMPANIES TO WORK FOR 2011. Awarded by The Economic Times and Great Place to Work Institute. Brigade Group was ranked 2nd in the Real Estate Industry and among the Top 100 Companies in India.



R. Ashoka, Honourable Minister for Home and Transport, Karnataka, presenting the Best Commercial Developer of the Year 2010 award to M. R. Jaishankar, CMD, Brigade Group. Roshin Mathew, COO, Brigade Group, and Manjunath Prasad, VP, Brigade Gateway Project, are also seen.



World Trade Center Bangalore won the Best Commercial Project of the Year 2010: (l to r) Subesh Ray, JMD, Lemongrass Advisors; Manjunath Prasad and M. N. Balasubramanian of Brigade Group.

OTHER AWARDS WON BY
BRIGADE GROUP IN THE RECENT PAST:

"India's Top 10 Builder 2010"
—Construction World

"Best Developer in Residential Infrastructure 2010"
—Construction Source India

"The Regional Developer of the Year—South" 2010
—Realty Plus



Brigade Enterprises Limited, Hulkul Brigade Centre
82, Lavelle Road, Bangalore 560 001 Karnataka, INDIA

Tel: +91-80-4137 9200, 4046 7600 BrigadeGroup.com

If undelivered, please return to the above address.