**Brigade Enterprises Limited**
Corporate Identity Number (CIN): L85110KA1995PLC019126
Registered Office : 29th & 30th Floor, World Trade Center
Brigade Gateway Campus, 26/1, Dr. Rajkumar Road
Malleswaram-Rajajinagar, Bengaluru - 560 055, India
T: +91 80 4137 9200 F: +91 80 2221 0784
E: enquiry@brigadegroup.com www.brigadegroup.com

BRIGADE
Building Positive Experiences

BEL/AR/NSEBSE/04092020

4th September, 2020

Listing Department
Listing
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

Department of Corporate Services -

BSE Limited
P. J. Towers
Dalal Street
Mumbai - 400 001

**NSE Scrip Symbol: BRIGADE/ BSE Scrip Code: 532929**

Dear Sir/Madam,

**Sub: Regulation 34 of SEBI (LODR) Regulations, 2015 - Annual Report for the financial year 2019-20**

Greetings from Brigade Enterprises Limited!

We are enclosing herewith the Twenty Fifth Annual Report of the Company for the financial year 2019-20 along with the Notice of the Annual General Meeting being dispatched in electronic form to all eligible Shareholders whose email ids are registered with the Company / Depositories.

The Twenty Fifth Annual General Meeting of the Company is scheduled to be held on **Tuesday, 29th September, 2020** at 11.00 a.m. Indian Standard Time (IST) through Video Conferencing in accordance with the circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India.

The Annual Report can also be accessed from the website of the Company at https://brigadegroup.com/investor/financials-and-reports/annual-reports and that of the Registrar & Transfer Agents of the Company at https://evoting.karvy.com.

The Annual Report is enclosed pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Thanking you,

Yours faithfully,
**For Brigade Enterprises Limited**

**P. Om Prakash**
**Company Secretary & Compliance Officer**
Encl.: a/a

Great Place To Work.

ISO 9001
ISO 14001
OHSAS 18001
BUREAU VERITAS

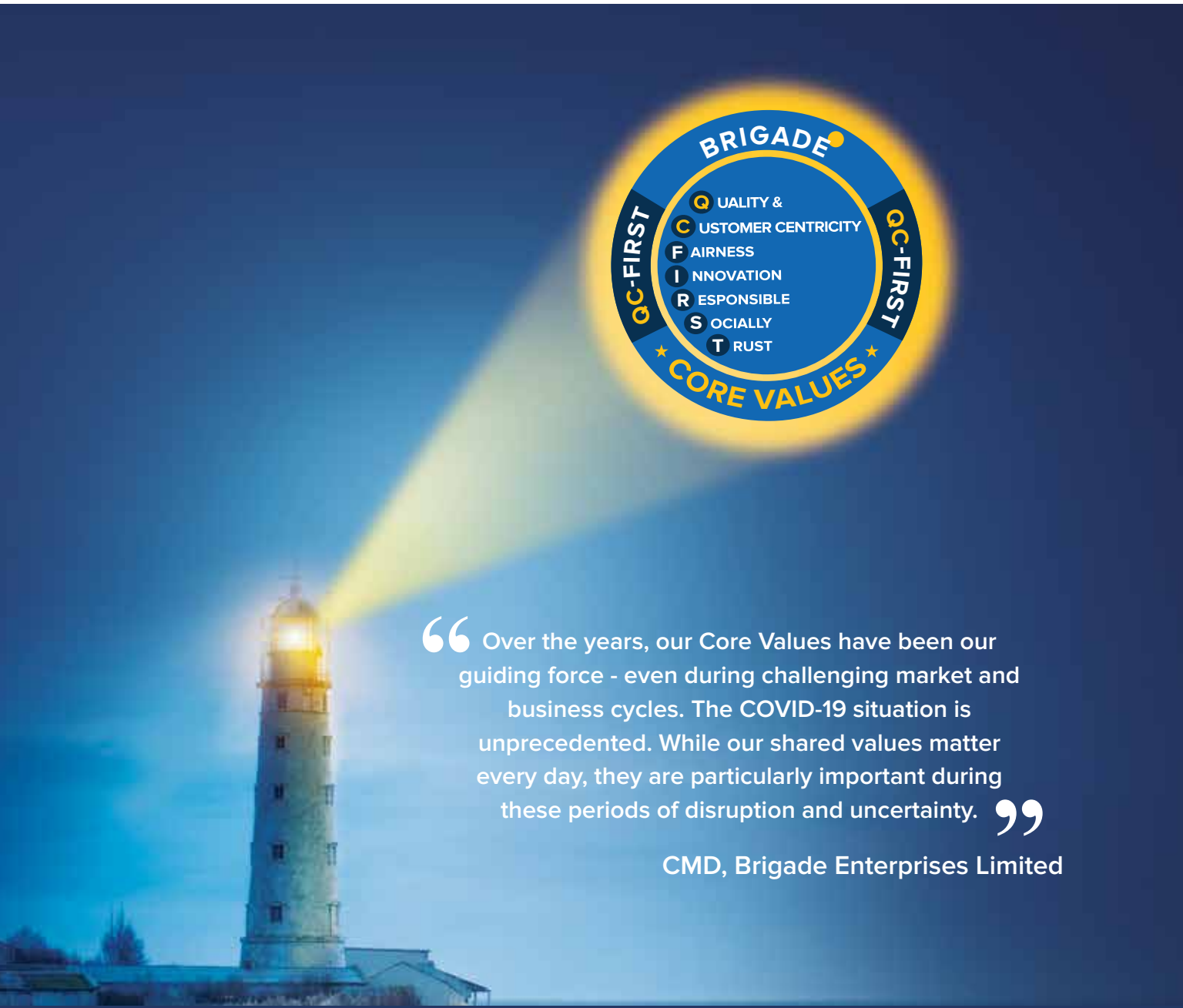
# Values at the core

## Brigade Enterprises Limited

25th Annual Report 2019-20

BRIGADE

Building Positive Experiences




"Over the years, our Core Values have been our guiding force - even during challenging market and business cycles. The COVID-19 situation is unprecedented. While our shared values matter every day, they are particularly important during these periods of disruption and uncertainty."

CMD, Brigade Enterprises Limited

**ONCE IS GREAT.**
**10/10, THAT'S THE BRIGADE WAY.**

BRIGADE ENTERPRISES LTD. - INDIA'S TOP 100
BEST COMPANIES TO WORK FOR, 10 YEARS IN A ROW.

Best Workplaces™ in Real Estate
Great Place To Work. INDIA 2020



## Cautionary Statement Regarding Forward-Looking Statement

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



*WTC Chennai*

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275 **Notice of AGM**

# The World of Brigade

Brigade is one of India's leading developers with over three decades of experience in 'Building Positive Experiences' for all its stakeholders. We have transformed the city skylines of Bengaluru, Mysuru, Hyderabad, Chennai, Kochi and Ahmedabad with our developments across Residential, Offices, Retail, Hospitality and Education sectors.

Our residential portfolio includes villas, villaments, penthouses, premium residences, luxury apartments, value homes, urban studios, independent living for seniors and mixed-use lifestyle enclaves and townships. We are among the few developers who also enjoys a reputation of developing Grade A commercial properties. We are the license owners of the World Trade Center across South India and our commercial spaces have top international clients operating out of






*Artist's impression of Brigade El Dorado Clubhouse, Bengaluru*

them. During the financial year, we launched five new residential projects including Brigade Topaz, Brigade El Dorado- Gallium and Helio and Brigade Cornerstone Utopia- Halycon.

We continue to set benchmarks in our Commercial projects which are designed for software development and business purposes. All our buildings are state-of-the-art and are offered on a built-to-suit and ready-to-occupy basis. They are located in prime commercial, business and IT localities. We have delivered best-in-class projects in Brigade International Financial Centre in GIFT City, Gujarat, World Trade Centres (WTC) in Kochi and WTC and Signature Towers in Bengaluru to name just a few. Our commercial brand is well recognised in the region with marquee clients.

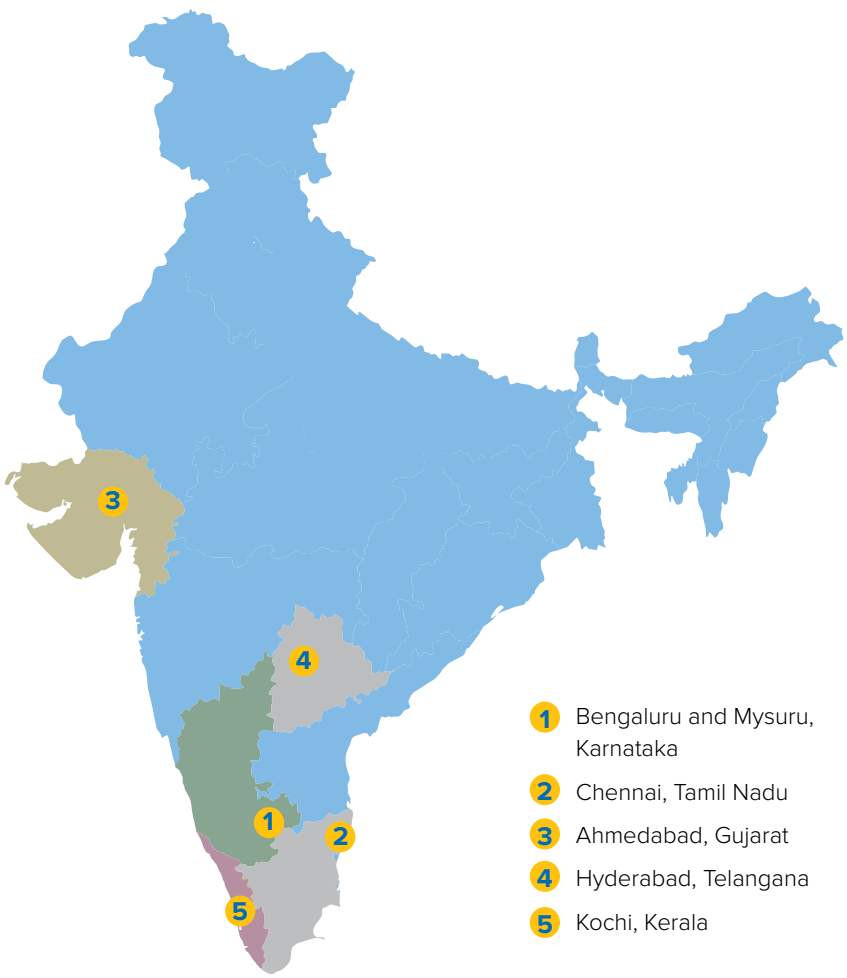
Our retail projects offer strategic locations, convenient access, imaginative architectural planning, excellent front and back-end infrastructural facilities and a winning mix of retail outlets. We have already delivered various top-class retail projects including Orion Mall, The Arcade, Orion Avenue in Bengaluru and Brigade Vantage in Chennai.

Brigade's hospitality offerings include star hotels, recreational clubs and convention centres, Celebrations Catering & Events and The Baking Company.

Since our inception in 1986, we have completed over 250 buildings aggregating to over 70 mn. sqft of developed space in residential, offices, retail and hospitality sectors across 7 cities.

We have been consistently ranked among the 100 Best Places to Work in India by Great Place to Work Institute for 10 years in a row. The Group has also been socially responsible and has vastly contributed to society. This responsible attitude and innovative mind-set combined with uncompromising quality of the projects over the years has created a reputed brand.

# Business Geographies




1. Bengaluru and Mysuru, Karnataka
2. Chennai, Tamil Nadu
3. Ahmedabad, Gujarat
4. Hyderabad, Telangana
5. Kochi, Kerala



*Brigade Tech Gardens, Bengaluru*

## VISION

**To be a world-class organisation in our Products, Processes, People and Performance.**

## MISSION

**To constantly endeavour to be the preferred developer of residential, commercial and hospitality spaces in the markets in which we operate without compromising on our core values, for the benefit of all our Stakeholders.**



# What sets us apart

## Our investor value proposition



## Brand Equity

- Strong brand equity - earned and nurtured over three decades of delivering positive spaces.
- Steady year-on-year growth in business across, residential, offices, retail and hospitality spaces.
- Preferred choice across domains and markets in which we operate.



## ESG – our Winning Mantra

- Environmentally conscious construction – right from the planning stage to usage.
- Strong focus on CSR and impacting thousands of lives everyday – at our construction sites, office & retail spaces, schools, hotels and residential projects.
- A qualified and diverse Board of Directors– 30% female and 50% independent directors with average age of 55 years.



## Business Diversity

- Three mature business segments – Real Estate, Lease Rentals and Hospitality.
- Integrated development model – mixed use development, integrated townships – supports the three business segments.
- Expanding presence in key cities across India – Bengaluru, Chennai, Kochi, Hyderabad and Mysuru.



## Customer Trust

- Robust and steady year-on-year growth across our various segments - residential, offices, retail and hospitality spaces.
- Recipients of top awards highlight the quality of the projects.
- Large percentage of our new property sales/leasing happen due to the strong testimonials of our existing customers.



## Performance Track Record

- Consistent EBITDA Margin of over 25% for the past 5 years .
- Completed and delivered over 250 buildings aggregating to over 70 mn sq.ft.
- Consistent dividend payout in the past 12 years.
- 'A' Stable rating by CRISIL and ICRA for the previous 3 years.

# Our Performance through the Years

## BUSINESS HIGHLIGHTS

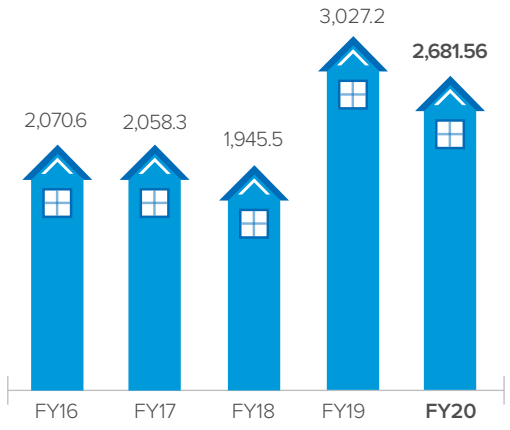
### Financial Highlights (Consolidated)

(₹ in crores)

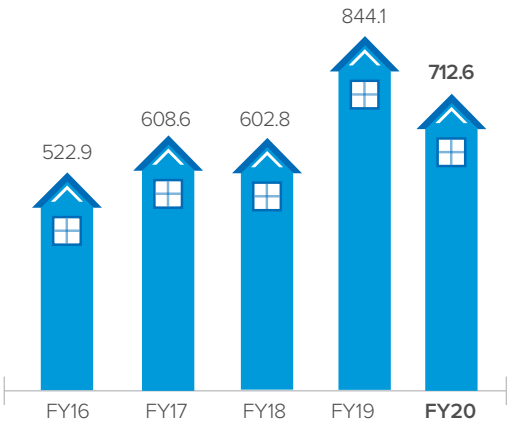
| Particulars | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 |
|---|---|---|---|---|---|
| Revenue | 2,681.6 | 3,027.2 | 1,945.5 | 2,058.3 | 2,070.6 |
| EBITDA | 712.6 | 844.1 | 602.8 | 608.6 | 522.9 |
| EBIT | 520.6 | 704.1 | 465.1 | 487.3 | 418.3 |
| Interest | 340.3 | 278.5 | 254.9 | 246.5 | 199.0 |
| PBT | 161.4 | 425.6 | 205.7 | 240.8 | 219.3 |
| PAT | 114.0 | 281.9 | 132.9 | 167.2 | 139.1 |
| Net Worth | 2,447.0 | 2,357.8 | 2,510.1 | 1,922.4 | 1,661.6 |
| Debt | 3,953.0 | 3,335.3 | 2,953.0 | 2,177.2 | 1,999.0 |
| Net Fixed Assets | 5,091.0 | 4,273.7 | 3,921.3 | 2,981.7 | 2,650.0 |
| Inventory | 5,209.4 | 4,816.1 | 2,179.5 | 2,263.9 | 2,306.7 |
| Debtors | 430.6 | 421.0 | 177.0 | 37.4 | 42.9 |
| Cash & Bank | 304.9 | 222.2 | 146.6 | 136.3 | 108.9 |
| **Per Share Ratio** | | | | | |
| Earnings per share (EPS) | 6.4 | 11.7 | 6.9 | 9.0 | 7.3 |
| Dividend per share (DPS) | 3.0 | 2.0 | 2.0 | 2.5 | 2.0 |
| Book Value per share (BVPS) | 111.7 | 106.2 | 112.1 | 99.5 | 86.6 |
| **Growth Ratio (%)** | | | | | |
| Revenue Growth | (11.4) | 55.6 | (5.5) | (0.6) | 55.6 |
| EBITDA Growth | (15.6) | 40.0 | (1.0) | 16.4 | 29.7 |
| PAT Growth | (59.6) | 112.1 | (20.5) | 20.2 | 19.5 |
| Growth in Book Value per Share | 5.2 | (5.3) | 12.7 | 14.9 | 7.9 |
| Inventory Growth | 8.2 | 121.0 | (3.7) | (1.9) | 49.4 |
| **Margin Ratios (%)** | | | | | |
| EBITDA Margin | 26.6 | 27.9 | 31.0 | 29.6 | 25.3 |
| EBIT Margin | 19.4 | 23.3 | 23.9 | 23.7 | 20.2 |
| Net Profit Margin | 4.3 | 9.3 | 6.8 | 8.1 | 6.7 |
| **Other Key Ratios (%)** | | | | | |
| Return on Equity (RoE) | 5.8 | 11.6 | 7.5 | 8.7 | 8.2 |
| Dividend Payout | 44.0 | 11.6 | 30.7 | 18.5 | 18.3 |
| Debt Equity Ratio (D/E) x | 1.6 | 1.4 | 1.2 | 1.1 | 1.2 |
| Interest Coverage Ratio x | 2.5 | 3.0 | 2.3 | 2.5 | 2.6 |

# Key Performance Indicators

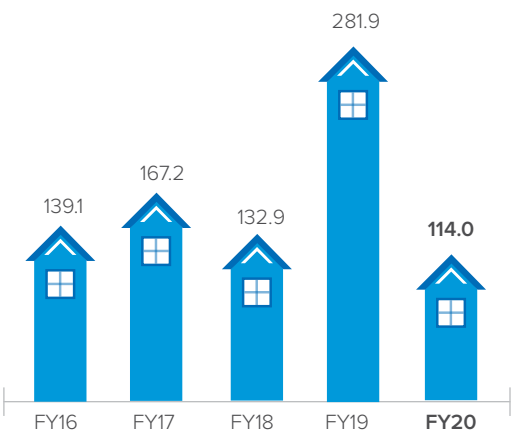
**Revenue** (₹ in crores)



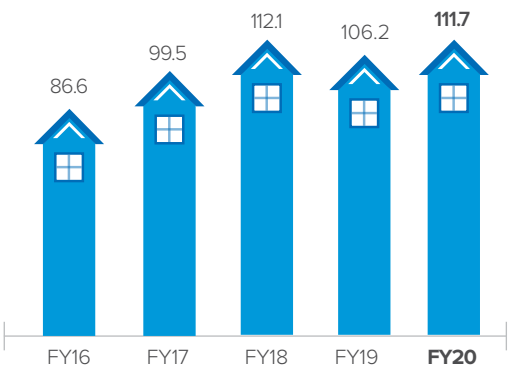

**EBITDA** (₹ in crores)



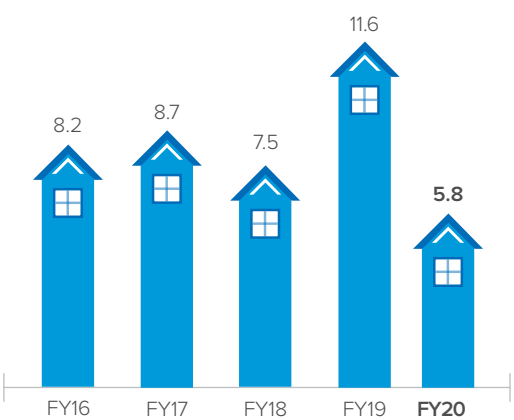

**PAT** (₹ in crores)



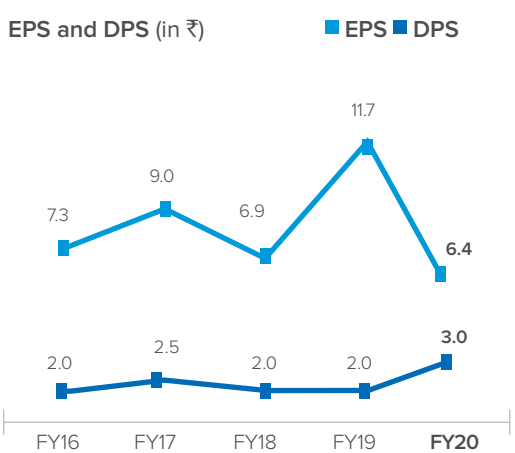

**Book Value Per Share** (in ₹)




**RoE** (in %)




**EPS and DPS** (in ₹)



# CMD's Communiqué



**Dear Shareholders,**

It has been an eventful year for us as we went through cycles of hope, despair and desolation. With an unprecedented victory in the general elections by a single party, we were hopeful that infrastructure and real estate development will see a huge upswing in activities and get the industry out of its cyclical 10-year business slowdown. We are no strangers to economic slowdown / recession, particularly for the real estate sector and had seen similar trends in the years 1988-1991, 1998-2001, 2008-2011 and now. Our current slowdown cycle for the industry started quite early in 2016-2017 due to demonetisation, the introduction of RERA and Goods and Service Tax. However, the hope set into despair as the liquidity crisis plagued the country furthering the negative consumer sentiment across the country. While we did see some green shoots by the third quarter of the financial year 2019-20, the year ended on a desolate note with the outbreak of the COVID-19 across the globe.

It was certainly a tough, uncertain and challenging financial year. In the past and even during the current slowdown, we did what we do best – treat challenges as opportunities. Brigade with its diverse portfolio, and more importantly due to following its core values, is managing not only to survive but also grow during the financial year.

We launched multiple projects across residential and commercial and ensured that we are on track to complete our projects. During the year, we saw a sale of 4.3 million square foot (msf), an increase of 44% over FY19 of which 3.9 msf was for residential including three projects in the affordable housing segment and 0.4 million msf of commercial projects. Further, we launched Real Estate projects of 5.28 msf during the financial year 2019-20 even as we added 151 keys to our hospitality portfolio taking our total keys to 1345 keys for financial year 2019-20. This was Brigade's best operational performance in a financial year, where we have sold an area of 4.3 million sft and cash collections at ₹ 2,539 crores. All our business segments- Residential, Lease Rental and Hospitality, have performed strongly in FY20 and the same is reflected in the numbers. Brigade Group has posted revenue of ₹ 2,682 crores with Earnings before Depreciation, Interest, Tax & Amortization (EBDITA) margin of 27% at ₹ 713 crores and a Net Profit after Tax & Minority Interest of ₹ 131 crores for the financial year 2019-20.

The unprecedented crisis due to COVID-19 pandemic resulting in the nationwide lockdown has had a negative impact on all sectors. However, we expect business to gradually pick up from the third quarter of the financial year 2020-21. We had undertaken COVID-19 relief efforts and initiatives during the lockdown period for around 10,000 migrant workers at our various project sites. The details of the same are listed out in this Annual Report as you read further.

> Our commitment to our customers ensured that we continued to deliver them best-in-class quality and top facilities in projects. Another core feature of our projects is focusing on sustainability and making them environment friendly.

Our commitment to our customers ensured that we continued to deliver them best-in-class quality and top facilities in projects. Another core feature of our projects is focusing on sustainability and making them environment friendly. I am proud to mention that we received a 'Platinum' rating by the US GBC Council for our Brigade Tech Gardens IT SEZ project at Bengaluru, which is a clear testimony of our commitment to the environment.

The year saw our continued commitment for our customers and public at large as we signed an MoU with the reputed St. John's Hospital to set up a 'Not for Profit' health centre to start with, and a Hospital subsequently for the benefit of the neighbourhood at our large residential project - Brigade Meadows, Near Art of Living, Kanakapura Road, in Bengaluru South.

The Indian Music Experience (IME) museum was our contribution to the city of Bengaluru. We formally launched the IME Museum during the financial year with an outstanding music event by Padma Bhushan Ustad Zakir Hussain in July 2019. Each one of us at Brigade is elated with the continued appreciation for the concept and content of IME, by all those who have visited the museum.

Looking forward, the financial year 2020-21 will be a challenging year due to the impact of COVID-19 and the consequent lockdown . The COVID-19 uncertainties will continue to haunt us, directly impacting each one of us, our business, our way of working and the economy. At Brigade, we are geared up to face these challenges and wade through these tough times. Let us stay positive and believe in our capabilities. Remember, The Sun will Rise and the Shadows will fall behind.

Your Company has been "Ranked 43" and recognised as one of India's Top 100 Best Companies to Work For 2020, in one of India's largest workplace study conducted by the Great Place to Work® Institute and The Economic Times. Your Company has the distinction of being among India's Top 100 Best Companies to Work For, 10 years in a row. Brigade Hospitality Services Ltd. has been ranked 3rd amongst India's Great Mid-Size Workplaces in 2020 by the Great Place to Work Institute and The Economic Times. Employees are the greatest assets for any organisation and I wish to thank them for their contribution and take the Group to the next level of growth in the near future.

I take this opportunity to thank all the banks, business partners, employees and our customers for their unstinted support and actively contributing to our success. Equally, I am humbled with your continued support and grateful for standing with us in times of prosperity and adversities. We will continue in our efforts to keep delivering even better value to you.

Wishing you all the best,

**M. R. Jaishankar**
Chairman & Managing Director

# Profile of Directors



**M. R. JAISHANKAR,** Chairman & Managing Director

Mr. Jaishankar, 66 years, holds a Bachelors degree in Science and a Master's in business administration. He hails from a well-known Coffee Plantation Family in Chikmagalur, Karnataka with a 100-year reputation for trust and integrity in business.

He has over three decades of rich experience in the field of construction and real estate development. His leadership, commitment to quality and passion for innovation has enabled Brigade to grow from that single-building, small private enterprise to a diverse multi-domain, multi-city public limited company, a recognised leader in the field of property development. Today, Brigade Group is in business for over 3 decades with portfolio covering a wide range of projects in the domains of property development, property management services, hospitality and education.

**AROON RAMAN,** Independent Director

Mr. Aroon Raman, 60 years, holds a Post-Graduate degree in Economics and a Master's in Business Administration from the Wharton School, University of Pennsylvania, USA. He was the Managing Director of Raman Boards and then Raman Fibre Science Private Limited - an advanced material science company - both of which he divested to multinationals.

He has served as Chairman of Confederation of Indian industry, Karnataka. He is a recipient of the state's highest civilian honour - the Karnataka Rajyotsava Award for 2010 for his contribution to the industrial development of the state. He advises companies on technology innovation and strategy and is on the boards of various companies and charitable trusts.





**NIRUPA SHANKAR,** Executive Director

Ms. Nirupa Shankar, 37 years, holds a Bachelor's degree in Economics from the University of Virginia, USA and has done her Master's of Management in Hospitality from Cornell University. She forms part of the Promoter Group and is associated with the Group since 2009 with a rich and versatile experience. She oversees the Company's Hospitality, Office & Retail Ventures, Human Resources, Public Relations and Innovation functions.

**PAVITRA SHANKAR,** Executive Director

Ms. Pavitra Shankar, 40 years, holds a Bachelor's degree in Economics and Mathematics from the University of Virginia, USA and Master's in Business Administration in Real Estate and Finance from Columbia Business School, USA. She forms part of the Promoter Group and has over a decade of rich experience and looks after Residential Sales & Marketing and IT at Brigade.





**AMAR MYSORE,** Executive Director

Mr. Amar Mysore, 41 years, holds a Master's in Engineering from Pennsylvania State University USA. He has more than a decade of diverse experience in the fields of Supply Chain Management, Manufacturing, Power Sector and Real Estate. He has been instrumental in tying up green power for the Company's commercial, retail and hotel properties. He is actively involved in the Company's IT initiatives in adopting tech in the business processes to bring in higher efficiency.

**BIJOU KURIEN,** Independent Director

Mr. Bijou Kurien, 61 years, is a science graduate and did his PG Diploma in Business Management from XLRI, Jamshedpur. He has been associated with marquee brands in the fast moving consumer products, consumer durables and retail industry in India for over 35 years. Currently, he is an independent consultant and member of the strategic advisory board of L Catterton Asia. He advises several consumer product companies and mentors a few start-ups. He is also on the Board of several listed and unlisted companies.





**LAKSHMI VENKATACHALAM,** Independent Director

Ms. Lakshmi Venkatachalam, 66 years, has over three decades of experience in the public sector and more recently, in development banking. She joined the Indian Administrative Service in 1978 and held many senior management positions including during her tenure. Some of the important senior positions held in the State Government of Karnataka included Commissioner of the Bangalore Development Authority and Principal Secretary in the Departments of Industry. Her assignments in the Government of India included Director, Ministry of Steel and Chairperson Coffee Board of India.

From 2010 to 2015, Ms. Lakshmi Venkatachalam served in the Asian Development Bank as the first Vice President for Private Sector and Co-financing Operations.

Ms. Lakshmi Venkatachalam holds a Master's of Arts degree in Economics and a Master's Degree in Business Administration from Boston University, USA. She also holds a Master of Arts degree in English Literature from Jadavpur University, Calcutta, India.

**DR. VENKATESH PANCHAPAGESAN,** Independent Director

Dr. Venkatesh Panchapagesan, 52 years, is a Chartered Accountant, Cost Accountant and is an alumnus of IIM Kolkata. He works as an Associate Professor of Finance and heads the NS Raghavan Centre for Entrepreneurial Learning as well as the Real Estate Research Initiative at the IIM Bangalore. He was, until recently, India's sole academic representative in the advisory committee for World Economic Forum's Initiative on Real Estate.

He has more than 20 years of experience in academia and in global financial services industry. Prior to joining IIM Bangalore in September 2011, he was associated with the world's largest hedge fund, Bridgewater Associates, where he was the global currency trading strategist even as he led efforts to revamp trading and research analytical infrastructure. He has also worked with Goldman Sachs Asset Management in New York between 2005 and 2008 overseeing trading research for their quantitative hedge funds.





**PRADEEP KUMAR PANJA,** Independent Director

Mr. Pradeep Kumar Panja, 64 years, has done his Master's in Science (Statistics) from the University of Madras and is a Certified Associate of Indian Institute of Bankers (CAIIB). He has around four decades of rich experience in banking with State Bank of India (5 years at the Board level) which encompasses various areas of Corporate, International, Treasury, Information Technology, Retail and Transaction Banking. He also has rich Board level exposure at the top bank of the country and other organisations. He has exposure to Treasury and Investment Management and served as Head of Treasury, Global Markets Group.

**ROSHIN MATHEW,** Executive Director

Mr. Roshin Mathew, 57 years, holds a degree in B Tech (Civil Engineering) from Kerala University, India and a Master in Building Engineering and Management, School of Planning and Architecture, New Delhi. He has more than 3 decades of diverse experience in the fields of Project Management, Civil Contracting and Real Estate development. He has been associated with Brigade Group for close to two decades and heading the Engineering function of the Group since 2007.



# Corporate Information

## BOARD OF DIRECTORS

**Mr. M. R. Jaishankar**
Chairman & Managing Director
**Mr. Roshin Mathew**
Executive Director
**Mr. Amar Mysore**
Executive Director
**Ms. Pavitra Shankar**
Executive Director
**Ms. Nirupa Shankar**
Executive Director
**Mr. Aroon Raman**
Independent Director
**Mr. Bijou Kurien**
Independent Director
**Ms. Lakshmi Venkatachalam**
Independent Director
**Mr. Pradeep Kumar Panja**
Independent Director
**Dr. Venkatesh Panchapagesan**
Independent Director

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mr. P. Om Prakash**

## CHIEF FINANCIAL OFFICER

**Mr. Atul Goyal**

## AUDITORS

### INTERNAL AUDITORS

**Grant Thornton India LLP**
5th Floor, 65/2, Block A, Bagamane Tridib,
Bagamane Tech Park, CV Raman Nagar,
Bengaluru - 560093, India

### STATUTORY AUDITORS

**Messrs. S. R. Batliboi & Associates LLP**
Chartered Accountants
UB City, Canberra Block, 12th Floor
No 24, Vittal Mallya Road,
Bengaluru – 560001

## COST AUDITORS

**Messrs. Murthy & Co., LLP**
Cost Accountants
#8, 1st Floor, 4th Main, Chamarajpet,
Bengaluru – 560018

## SECRETARIAL AUDITORS

**Mr. K Rajshekar**
Practicing Company Secretary,
328/B, 1st Floor, 5th Main,
14th Cross, Sadashivanagar
Bengaluru- 560 080

## REGISTERED & CORPORATE OFFICE

29th & 30th Floors, World Trade Center
Brigade Gateway Campus,
26/1, Dr. Rajkumar Road,
Malleswaram-Rajajinagar,
Bengaluru – 560 055.
Telephone No. : 080 41379200
Email Id.: investors@brigadegroup.com
www.brigadegroup.com
**Corporate Identity Number (CIN):**
**L85110KA1995PLC019126**
**ISIN: INE791I01019**

## EQUITY SHARES LISTED AT

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

## REGISTRAR & SHARE TRANSFER AGENTS

**KFin Technologies Pvt Limited**
(formerly Karvy Fintech Pvt Limited)
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone No: 040 67161500
Fax No. : 040 23420814
Email Id.: rajusv@karvy.com

## BANKERS

Allahabad Bank
Axis Bank Limited
Canara Bank Limited
Corporation Bank
Indusind Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
Standard Chartered Bank
State Bank of India
The Federal Bank Limited
The Jammu & Kashmir Bank Limited
The Karur Vysya Bank Limited

# Awards and Accolades

- Brigade Enterprises Ltd has been "Ranked 43", in the coveted Top 50 category, across companies.
- Brigade Enterprises Ltd also has the distinction of being among India's Top 100 Best Companies to Work For, 10 years in a row.
- Brigade Hospitality Services Ltd. has been ranked 3rd amongst India's Great Mid -Size Workplaces in 2020 by the Great Place to Work Institute and The Economic Times.
- Brigade Enterprises has been ranked one among India's 75 Best Places to Work for Women in 2019 by the Great Place to Work Institute and The Economic Times.
- Brigade International Financial Centre in GIFT City, Gujarat received the 'Commercial Project of the Year Award' at the Realty Plus Awards 2019
- Brigade Mountain View won the award for 'Best Residential Dwellings above 50 units in Mysuru' at the CARE Awards 2019
- 'India Top Challengers' award at the CWAB Awards, 2019
- 'Integrated Township Project of the Year' award for Brigade Cornerstone Utopia at 11th Realty Plus Awards, 2019
- Brigade Opus won the Best Commercial Complex Award at the CARE Awards 2019
- Brigade Group was awarded the 'Best Developer of the Year, South India' at the Common Floor and India Property Realty Awards 2020
- 'Best Developer of the Year' award at the Times Business Awards 2019
- Mr. M R Jaishankar received the 'Lifetime Achievement Award' at the 11th Realty Plus Awards, 2019
- Brigade Panorama received the 'Excellence in Delivery' award at the 11th Realty Plus Awards, 2019



*Mr. M R Jaishankar receiving the 'Lifetime Achievement Award'*


INDIA'S BEST COMPANIES TO WORK FOR 2020
Brigade Enterprises Ltd.
Rank 43


Brigade Enterprises Ltd.


Brigade Hospitality Services Ltd.
Rank 03


WINNER


ಸಂತ ಜಾನರ ಆರೋಗ್ಯ ಕೇಂದ್ರ
ST. JOHN'S HEALTH CENTRE
BRIGADE
MEADOWS
ST. JOHN'S HEALTH CENTRE

# Our COVID-19 Response



*St. John's Health Centre at Brigade Meadows, Bengaluru*

The outbreak of the COVID-19 pandemic declared by WHO in March, 2020 has had a huge impact across the globe. The COVID-19 continues to have negative impact on consumer sentiments, stakeholder sentiments and spending appetite across the country. While the nationwide lockdown period impacted on our Hospitality business and Retail Malls in terms of revenues and profits, we have resumed activities immediately after the lockdown was lifted across all our business segments with adequate social distancing norms. From a business perspective, we continue to be positive about all our business segments and already aligned our Hospitality and Retail businesses to the new normal caused by the pandemic. We have undertaken substantial reduction of overheads and hope to tide over this pandemic.

However, the brunt of the lockdown was borne by the migrant population. With our core values of being 'Responsible Socially', we supported around 9,500-10,000 migrant workers and around 3,500 families in Bengaluru with dry ration. We also distributed over 7 truckloads of rice in Chennai and provided bread loaves to over 11,500 people for the economically weaker section of society. Further, we provided around 3,65,000 meals during the lockdown period to migrant workers and the economically weaker section of the society. We remitted money to our migrant workers Jan Dhan Bank Accounts or gave it to them, if they did not have an account. Beyond such supports, we counselled the workers and also did engagement programmes like exercises, aerobics, yoga, etc.

# Values at the Core

We believe that core values are the most important aspect of our business as they lay down the way we do business. Values support our vision, help us to shape the culture of our company and is the thread that strongly ties our multiple businesses across multiple segments.

Quality and Customer Centricity - Fairness, Innovation, Responsible Socially, Trustworthy. QC – FIRST, our core values, are the essence of our company's identity and continues to guide each employee of the organization to work toward a common goal.

While real estate has been an unorganised sector for a long time, branded and organised players like us having strong core values have changed the way the industry functions.

Our core values – QC – focus on building trust amongst our customers by offering best-in-class product every time.



*Artist's Impression of Brigade Cornerstone Utopia, Bengaluru*

*“ Values reflect what is important to the way you live and work.”*

**Anonymous**

*“ When your values are clear to you, making decisions becomes easier.”*

**Roy E. Disney**

*“ Great people have great values and great ethics.”*

**Jeffrey Gitomer**

*“ Our mission and core values drive our culture and are the foundation of our practice. We measure each decision against these standards.”*

**Chris Hanslik**

*“ Values are like fingerprints. Nobody's are the same but you leave them all over everything you do.”*

**Elvis Presley**



It is only by keeping the ‘customer’ at the centre of our scheme of things and delivering on quality that we have firmly established a reputation of developing Grade A properties across residential, hospitality and commercial segments. In fact, a large percentage of our new property sales happen due to the strong testimonials of our existing customers. And no wonder, year after year, we have been honoured with awards from various organisations.

Along with QC, our other values - Fairness, Innovation and Trustworthy – continue to shape how we deliver to our customers, how we build our projects, how our customers continue to repose faith in the company. We set up a Real Estate focused startup Accelerator Program in 2016. The start-ups in the REAP programme support our quest to create innovation in the real estate segment. Some of these are being incorporated in our own projects like treating sewage without electricity or chemicals and creating better air quality. We offer the best value for money to our customers and have a host of flexible transparent offers to ensure that customers have nothing but love and trust for the company.

We take our Social Responsibility very seriously as we believe that it should be the karma of every organization to give back to society and the people. As Jon Stewart, American comedian, director, writer, producer, activist and television host, quoted, “If you don’t stick to your values when they are being tested, they’re not values, they’re hobbies.”

COVID-19 has tested the values of each individual and companies. We are proud to say that not only as a company, but each employee lived up to the value of being Socially Responsible with elan. Our employees made voluntary financial contributions supporting the cause.

Also, we recently commenced the ‘Not for Profit’ Health Centre in association with the St. John’s Hospital at Brigade Meadows in Bengaluru South.

With over three decades of existence, we continue to build ‘positive experiences’ for all our stakeholders.

# Management Discussion and Analysis



Cedar at Brigade Orchards, Bengaluru

## ECONOMIC OVERVIEW

The Indian economy has been amongst the fastest growing economies in the world. While the Financial Year 2018-19 (FY19) did close on a sub 7% GDP growth rate, it was expected that the economic powerhouse will outshine its previous year and be back on a northward trajectory.

The Financial Year(FY) began in midst of the general elections and saw a lull in the economic activity during the first quarter of the FY. With an unprecedented victory, it was expected that remaining quarters will show strong economic growth. However, the economy was plagued with a liquidity crisis of the previous FY which choked the credit flow to the economy, especially the Micro, Small and Medium Enterprises (MSME) sector. As the situation worsened, consumer sentiments too took a beating and resulting in low demand generation in the economy. Even as the Reserve Bank of India eased policy to tackle the evident slowdown, the government widened budget deficit goals to spur economic growth.

While we did see consumer sentiment moving in the positive zone in the third quarter of the financial year, the news of COVID-19 pandemic and its spread quickly in parts of the world and India dashed all hopes of the economic gains in the quarter and the whole FY. According to data released by the National Statistical Office, India saw its

economy growth hitting a 11-year low of 4.2% for FY20.

## INDUSTRY OVERVIEW

Real estate sector comprises of four key segments – residential, offices, retail and hospitality.

The economic slowdown along with poor consumer sentiment played the devil to the residential segment. Coupled with the COVID-19 pandemic it further deteriorated the fortunes of the segment. The subdued sentiments saw consumers keen to focus solely on ready-to-move-in or almost-complete homes.

According to data from PropTiger, housing sales declined by 11% during the last fiscal to 3.22 lakh units across nine cities, but demand for ready-to-move-in flats increased by over 19 per cent, driven by nil GST and no risk of any delays. Further, the sales of under-construction apartments dipped 16% to 2,58,281 units in FY20 as against 3,08,113 units in FY19.

According to India Rating, the affordable housing segment (homes valued up to ₹ 50 lakh), had shown steady growth in the past 2-3 years. At the other end of the spectrum - Luxury and ultra-luxury segments - remained limited to end-user interest with no serious investor activity.

However, the silver lining for real estate player in the residential sector is that the top tier / Grade-I residential players continued to generate strong sales due to the ongoing market consolidation. The other big news for the residential sector was the announcement of the alternative investment fund of ₹ 25,000 crores to facilitate the completion of stuck affordable and mid-segment homes.

On the Retail segment, the situation was no different as consumers spends took a major hit during the financial year, both in terms of purchase volumes and ticket sizes. Overall retail leasing activity reduced drastically. The struggles were faced by all segments of the economy including automobiles, fashion and telecom industries impacting space absorption. Nevertheless, few segments like F&B, family entertainment centres, cinemas and beauty/ wellness boutiques saw some appreciable growth. This led to a drop in leasing activity in the major cities. According to ANAROCK Property Consultants, the top 7 cities saw retail leasing activity drop by 35% in 2019 over 2018 - from 5.5 mn sq. ft. in 2018 to 3.6 mn sq. ft. in 2019. However, the average vacancy levels improved by a percentage point to almost 14% in 2019 as against nearly 15% a year ago.

The government further relaxed FDI norms for single-brand retail and widened the definition of mandatory 30% domestic sourcing norms. While this will see increased space absorption by big players like IKEA and Apple, the FY did not witness much traction due to this norm.

During the FY, the Commercial segment did better than the other segments of real estate industry. Commercial segment had the highest absorption in the FY. The segment saw good traction from investors as private equity inflows continued to pour into this segment. As per estimates, commercial realty attracted the maximum private equity investments, totalling nearly $3 billion in the first three quarters of the financial year. With the first Real Estate Investment Trust (REIT) being rolled out in FY19, India entered the league of mature markets. The successful REIT will be a boost for the segment as it will provide infusion of liquidity in commercial property and developers will come up with more projects in this segment. Further, the year also saw the emergence of the other sub-segments in the commercial space including co-living, warehousing, data centres, etc.

In the Hospitality segment Leading global investors and steady infrastructure development in metros as well as Tier 2 and Tier 3 are driving the demand for more hotels. “Industry-friendly policies, including GST reduction from 28% to 18% for premium and luxury hotels, reduction of corporate tax and UDAN (Ude Desh ka Aam Naagrik), the regional airport development and regional connectivity scheme aimed at making air travel affordable, will pave way for market demand. All these initiatives along with general positive business and consumer sentiments saw renewed interest by established real estate developers as

they announced expansion plans across key corporate markets in India. While the sector saw good growth in the first months of the year, the growth could not be sustained in the last quarter on back of two events in India. Firstly, with the introduction of Citizenship Amendment Act, the country saw communal unrest dampening travel across the country. This was followed by outbreak of COVID-19 and with prohibited travel across business and leisure sectors, the occupancy level dipped considerably. According to estimates by JLL, March 2020 saw hotels nationwide witnessing a decline of more than 65% in occupancy levels as compared to the same period of the previous year.

## INDUSTRY AND COVID-19

The COVID-19 pandemic has come at a time when the industry was already battling a crisis and it will make matters only worse for lot of real estate players. For instance, we already saw a visible, direct impact on housing sales in the last quarter of FY20 as March is usually one of the biggest months for sales. With the lockdown and people working from home, office segment will see a huge disruption due to the pandemic with co-working spaces bearing the brunt. Further the continued fear of COVID-19 will see lower footfalls in malls and other retail outlets.

For the hospitality segment, it is very hard to quantify the actual impact of lockdown. It will be a long time before people start travelling. Across industries, companies are trying to conserve cash and looking at cutting costs including travel of its employees. The businesses of hotels are very capital intensive and also have very high fixed costs and we see lot of players putting new projects on hold.

The other aspect of COVID-19 which will have a greater impact is the mass exodus of migrant population from the top cities. Even as construction activities have come to a virtual halt, we are not sure how soon normalcy returns to the industry and the migrant population returns back to work. Experts estimate that even after the lockdown is lifted, activity will only recommence gradually, which will cause project delays of anywhere between 4 to 6 months at the least. This will have a severe impact on developer's cash flows and project delivery capabilities, giving rise to wider credit negative implications and making it extremely difficult for the industry to get back on its feet for a long time.

## COMPANY PERFORMANCE REVIEW - STRATEGIC, OPERATIONAL, FINANCIAL

### Consolidated

FY20 saw our continuing focus to build top of line facilities, best in class design, world class quality and sustainable projects for our stakeholders. As a responsible developer, our goal is to enrich the lives of those who spend time in our buildings through human-centric, sustainable designs and seamless operational best practices. We have also taken up the sustainable journey and continued to focus on developing a portfolio of green buildings across the country in the last couple of years. Our Brigade Tech Gardens, for instance, is a prime example of a paradigm shift from conventional office spaces.

During the year, we launched around 12 projects including nine projects in Bengaluru, two in Chennai and one in Mysuru. The projects launched aggregated to a total of 5.28 msf of which 4.16 msf was for residential including two projects in the affordable housing segment of 1.4 msf. Further, we launched commercial projects of 1.12 msf and added 151 keys to our hospitality portfolio.

The financial results for FY20 has been our best year since inception operationally. We did the highest ever sales of 4.3 msf during the year. The consolidated revenue for FY20 stood at ₹ 2,682 crores versus ₹ 3,027 crores in FY19. The real estate segment clocked a turnover of ₹ 1,974 crores in FY20 as compared to a turnover of ₹ 2,398 crores in FY19. It has to be noted that the decline in revenue is due to the disparity in revenue recognition criteria as per the Ind-AS115 which is being followed by all real estate companies.

## BUSINESS SEGMENTS

### Real Estate Segment

The financial year 2019-20 was another record breaking year in terms of new

The financial results for FY20 has been our best year since inception operationally. We did the highest ever sales of 4.3 msf during the year. The consolidated revenue for FY20 stood at ₹ 2,682 crores and real estate segment clocked a turnover of ₹ 1,974 crores.

sales and collections in the residential business for Brigade Group. Riding on the success of a record 3 mn sft area sold in FY19, the overall sales volume in FY20 saw a 44% growth in volume 4.3 mn. sft. The sale value grew by 45% from ₹ 1,644 crores in the financial year 2018-19 to ₹ 2,377 crores in the financial year 2019-20. This growth was enabled by a series of new launches, significant push on marketing the products through channel partners and a significant strengthening of sales team quality and capability. The year saw four new projects being launched in Bengaluru and Chennai. Despite the slowdown in the last month of the year due to Covid-19 pandemic and the nationwide lockdown, the fourth quarter of the financial year 2019-20 was the best ever as we achieved 1 mn sft of new sales. This was enabled by launches in Whitefield, Bengaluru as well as two projects in Chennai.

During the year, we launched 5.28 mn sft in residential projects with a pipeline of 2.65 mn sft for the coming financial year, as the market sentiment was severely impacted by the pandemic and lockdown. We expect the effect to be short-lived and hope to see a revival by the second half of the financial year.

- **Affordable Housing**

Brigade has initiated a series of projects with an intent to contribute to the affordable housing mission of Government of India. Our objective is to provide housing that fits within the budget of the common man, yet ensuring that such projects are designed



*Deodar at Brigade Orchards, Bengaluru*



*Signature Towers at Brigade Golden Triangle, Bengaluru*

with all the amenities such as community gardens, swimming pool, community areas which are the hallmarks of Brigade projects. We launched three blocks in Brigade El Dorado in Aerospace Park in North Bangalore, a proposed 50 acre township to be developed over multiple phases. The project has received an overwhelming response from customers, since almost all units are under 45 lakhs and 1% GST.

• **Brigade Residences at World Trade Centre, Chennai**

The year also saw the launch of a one-of-a-kind project, the Brigade Residences at the World Trade Center, Chennai, in Perungudi, OMR, with 298 units of 3 and 4 bedrooms in a 26-storyed twin tower residential development, adjacent to the World Trade Center, Chennai. Despite the market conditions, the high-end project has done well thus far, showing there is appetite for unique, differentiated product from a trusted name.

The revenue in the real estate business segment during the year was ₹ 1,974 crores, which accounts for 74% of the total revenue of the Company. The EBITDA in the business segment for the year came in at ₹ 392 crores, which accounts for 55% of the Company's total EBITDA. The EBITDA margin for the year has been 20%.

As of March 31, 2020, a total of 15.62 mn. sft. of real estate space is under development.



**Projects under development as of March 31, 2020 (mn. sft.)**

| | Project Area | LO/JV Share | Brigade's Share |
|---|---|---|---|
| Real Estate Projects | 8.15 | 2.02 | 6.13 |
| Brigade Orchards* | 1.82 | 0.91 | 0.91 |
| Brigade Cornerstone Utopia* | 4.00 | 1.34 | 2.66 |
| Brigade Residences at WTC, Chennai* | 0.57 | 0.28 | 0.29 |
| Brigade El Dorado* | 1.08 | - | 1.08 |
| **Total** | **15.62** | **4.55** | **11.07** |

* Special Purpose Vehicles [SPVs]

**Lease Rental**

The total leasable area during the year financial year 2019-2020 is 4.78 mn. sft., out of which 3.64 mn. sft. has been leased out. In addition, 2.0 mn. sqft in WTC Chennai is poised for handover in the financial year 2020-21. Brigade Tech Gardens in Bengaluru and WTC Chennai the marquee IT SEZ development projects are in the advanced stages of completion. A total of 2.45 mn. sft. of new office space has been leased out in the financial year 2019-20 which is estimated to yield incremental rental of ₹ 237 crores. We also have Hard Options totalling 0.67 mn. sft. apart from the area already leased. The Lease Rental business segment will scale up in terms of area and revenue in the next couple of years. Lease rental is a strong and fast-growing segment of the Group with exit rentals of ₹ 737 crores.

The Lease Rental business segment posted revenue of ₹ 373 crores, which forms 12% of the total revenue. The EBITDA, for the year, came in at ₹ 231 crores with an EBITDA margin of 62%.

**Under Construction Projects as on March 31, 2020 (Mn Sft)**

| | Project Area | Brigade's Economic Share |
|---|---|---|
| Brigade Tech Gardens | 3.0 | 1.5 |
| WTC Chennai | 2.0 | 1.0 |
| Brigade Southfield | 0.15 | - |
| **Total** | **5.15** | **2.5** |

Over the years, we have focussed on building a robust commercial / retail lease portfolio. We believe that we can offer our stakeholders a better valuation and return on investment via our lease portfolio.

It is a testimony to the world class quality and amenities provided in our office projects that they have become a choice for top Indian and numerous Fortune 500 Companies, prominent MNCs and Knowledge Leaders.

**Retail:**

Our Retail portfolio is currently 1.04 mn. sft. generating a revenue of ₹ 143 crores in the financial year 2019-20 which forms part of the overall leasing income. Orion Uptown in Bengaluru with 0.27 mn. sft. will be operational in the financial year 2020-21. "Orion Uptown" is the retail extension of "Brigade Golden Triangle", an integrated mixed –use development with strategically located and equidistant from the international airport, MG road and Whitefield, Bengaluru.

At Brigade, we have always stood for adding value to the spaces we create. A defining feature to our developments has been offering our occupants, be it residential or office spaces, easy access to their lifestyle needs. One way of doing this is by adding retail component to our mixed use developments in the form of Shopping Arcades. The Arcades are uniquely positioned retail offerings for the functional requirements and daily essentials of the campus and neighbourhood such as supermarkets, restaurants, ATM's, clinics, pharmacies, spas and salons.

**Hospitality**

The Group has a total of 1,345 keys which are operational as on March 31, 2020. The revenue, from the hospitality segment, for the financial year 2019-20 was ₹ 334 crore accounting for 12% of the total revenue. The revenues have increased by 8% as compared to the previous financial year. The EBITDA



for the segment was ₹ 90 crore making 12.6% of the total EBITDA of the Company. The EBITDA margin for the year was 27%. The hotel assets are under a wholly owned subsidiary of the Company to enhance the focus and tap the strong growth prospects in this segment.

**Hotel Projects Under Construction**

| Nos. | Hotel Projects | No. of keys |
|---|---|---|
| 1 | Holiday Inn Express & Suites Bengaluru OMR | 129 |
| 2 | Ibis Styles Mysuru | 154 |
| | **Total** | **283** |

## COVID-19 IMPACT AND OUTLOOK

The COVID-19 pandemic has created negative impact on customer sentiments, stakeholder sentiments and spending appetite due to nation-wide lockdown in the short term due to economic uncertainties. Lockdown period had impact on the Hospitality business and Retail Malls in terms of revenues and profits. Residential business was impacted as the demand remain muted during the lockdown period. During the lockdown period we had intensified our strategy of online sales to reach out to prospective customers. We resumed business activities immediately after the lockdown was lifted with adequate social distancing norms.

We have a positive outlook on all our business segments. Residential business is slowly gaining traction. We are seeing steady increase in the number of bookings from NRI customers. The demand for large size units and finished inventory is also gaining momentum. Office business remained stable with 95% lease rental collections during the lockdown period. The Hospitality and Retail businesses are being aligned to the new normal caused by the Pandemic. Substantial reduction in overheads across all business segments was carried out during this period.

Organised developers like us having a strong balance sheet are in good position to manage the operations and continue to maintain liquidity to meet all business obligations.

In this dynamic situation, it is difficult to ascertain the impact on the business segments for the financial year 2020-21.

## FINANCIAL REVIEW (CONSOLIDATED)

### Equity Share Capital

The authorised share capital of the Company has increased from ₹ 150 crores to ₹ 250 crores during the financial year 2019-20. The paid up equity share capital of the Company as of March 31, 2020 was ₹ 204.4 crores as against ₹ 136.18 crores in the previous year. The increase is due to bonus issue of equity shares in the ratio of 1:2 and ESOP allotment made during the year.

### Net Debt

The Net Debt of the Group as of March 31, 2020 stood at ₹ 3,518 crores and against the debt as on March 31, 2019 at ₹ 2,955 crores. The net debt to equity ratio is 1.17:1.

### Credit Rating

The credit rating of A stable has been provided by ICRA as well as CRISIL for the credit facilities availed from Banks by the Company.

### Revenue

The consolidated total income during the year FY20 stood at ₹ 2,682 crores as compared to ₹ 3,027 crores in the previous year. Revenue is being recognised based on registration of sold units which results in variation year on year.

### EBITDA

The EBITDA, for the year, came in at ₹ 713 crores as compared to ₹ 844.2 crores in the previous year.

### Net Profits

The Net Profits for the year, post adjustments for minority interest, stood at ₹ 131 crores, as compared to ₹ 240 crores in the previous year. The net profit margin for the year, came in at 4% as against 9% in the previous year.

### Return Ratios

The return on equity for the year stood at 5.8% whereas the return on operating capital employed at 15%.

**Cash Collections**

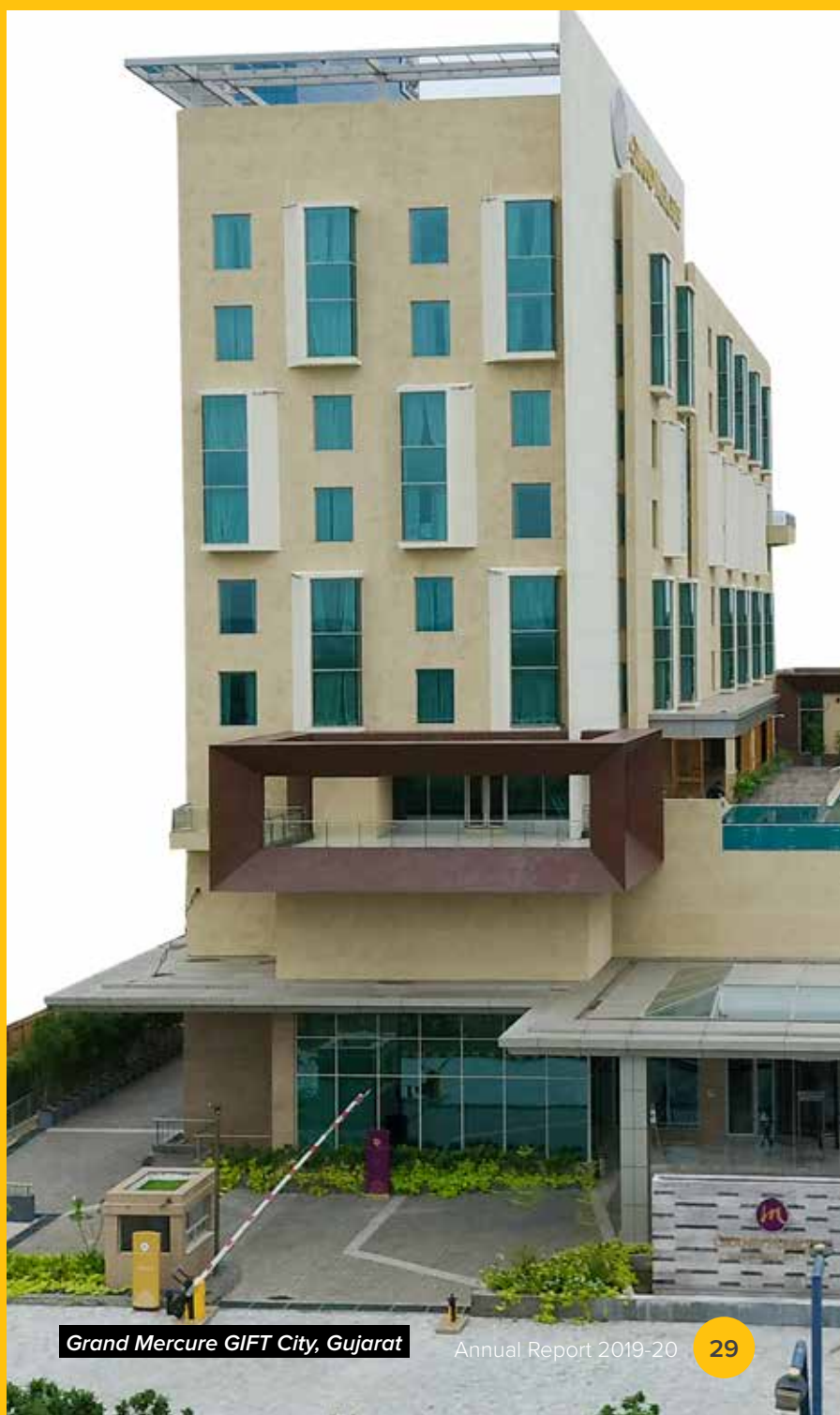
Apart from the highest sales, Our collections was also the highest at ₹ 2,538, an increase of 13% as compared with the financial year 2018-19. We ended the financial year 2019-20 with a positive cashflow of ₹ 60 crores.

## RISK REVIEW

Brigade operates in various domains of real estate like residential, commercial-office spaces & retail and hospitality which leverages risk to a certain extent. We have implemented robust risk management policies and guidelines that set out the tolerance for risk and our general risk management philosophy. We believe that a proactive approach in identifying, analysing, evaluating, mitigating, monitoring and reporting the risks associated with the business is the key to sustained operations without any disruption. It thereby helps in protecting shareholder value, improving governance process and achieving strategic objectives.

Some challenge for future developments include inter alia, credit risks, liquidity risks, counter party risks, regulatory risks, commodity inflation risks and market risks.

The focus of risk management is to assess risks and deploy mitigation measures. This is done by integrating concepts of defining internal control, ICFR, internal audits, COSO 2017



*Grand Mercure GIFT City, Gujarat*




framework, strategic planning and periodic review meetings of the risk management committee of the Board.

## INTERNAL CONTROLS

Brigade believes that Internal Control is one of our key pillars of governance and adequate internal control framework which has been instituted considering the nature, size and risks in the business. Our framework is supported by documented policies, guidelines and procedures to monitor business and operational performance. This is done to ensure business integrity and for promoting operational efficiency. This framework is complimented by a management information and monitoring system. Our Internal Audit Department and independent audit firms conduct periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with applicable laws and regulations.

**The scope of work includes:**

- Reviewing of internal controls on accounting, efficiency and economy of operations
- Presenting to the audit committee the findings of the internal auditor's audit
- Recommending better practices by the internal auditors
- Reporting on the status of implementation of their recommendations
- Continuously reviewing of the efficiency and effectiveness of the internal controls based on the reports from our internal audit team

*Orion Avenue, Bengaluru*

and the Internal Auditors Audit Committee and board reviews

**Environment Health and Safety Strategy**

EHS is an integral part of our routine work with defined EHS policy at Brigade and is regarded to be of the highest importance as an ISO 14001:2005 and ISO 45001:2008 (OHS) certified company, safety is viewed with utmost importance with references to safety compliance in terms of the Work orders for trade contractors as well.

Our proactive approach through periodic review of statutory approvals is key to ensuring all compliances are met on the project and extensions applied for on time.

We have well established procedures for EHS Operational controls. The control mechanism is defined for the all key aspects that is necessary for effective EHS management. The operational control manual defines the Objective of the Control, the scope, the responsible departments/ teams followed by the tried & tested procedures with list of records required for the process.

We stringently follow the procedures and safety plans established to mitigate the identified hazards and risk and environmental impacts. In addition to it, we have a EHS Annual Activity Plan. Our EHS activity plan identify the key activities that are undertaken during construction along with the periodicity. The activity plan includes Safety Hazard Identification and Risk Assessment (HIRA) and Environmental aspect impact evaluation, compliance to statutory requirement, monthly 'Helmet of Honour' rating, internal audits. External audits and training calendar.

We follow the HIRA mechanism for all activities. This procedure is applicable for all the activities which have impact on Environment Health & Safety. Our vendor partners submit safe work method statements which will undergo our scrutiny before it is implemented at site. Considering that the building is a high-rise, our focus on height works, deep excavation, hot works shall be highest. The equipment's shall undergo regular maintenance with periodic inspection by third-party.

Activity specific Checklists and Permits are followed to ensure safety of workmen and workplace. All the construction Emergencies are listed, detailed emergency response plan is prepared considering the roles and responsibilities of the Emergency response team. Trainings are conducted to Emergency response team and regular mock drills are conducted to check the preparedness of the Emergency response team.

EHS awareness trainings are conducted regularly to educate the vendor partners on the system implementations, monitoring and ensure safe work place. Workers undergo EHS induction, job specific training and regular toolbox talks are held to educate on the hazards and risks associated with the job, procedure to be followed and to use applicable personal protective equipment's.

Monthly Safety committee meetings are held with 50% participation of contractor representatives to record and address the issues.

We have a sustained initiative started in 2009 for monthly rating the EHS system implemented at project sites known as Helmet of honor rating. Every month Helmet of Honour awarded to the maximum scorer contractors in the Engineers meet. We have yearly EHS Star awards known as Brigade Platinum Star, Golden star and Silver star for best EHS implementation.

Safety week celebrations in the month of March to motivate and create awareness among work force by organizing skit, Quiz, safety poster painting competition, athlete meet and exhibition on Personal Protective Equipment's. World environment day, Road safety week, Fire safety week are observed.

## HUMAN RESOURCES

We at Brigade with over 3 decades of market presence and many successful projects creating landmarks, have been able to grow and sustain because, we Learnt, Collaborated, and Improvised at every opportunity. Collaboration has been our success mantra and an effective tool for achieving business goals. We believe that a strong collaborative work culture and engaged workforce is what creates the most productive workplaces. Our people philosophy of ensuring

corporate Credibility, Care for individuals and Career opportunities have kept our team engaged at every level. Our focus is always to enhance people efficiency through optimised resources, enhanced performance and market competitiveness.

HR initiatives in 2019-20 were in line with these priorities with concentrated efforts on anchoring our values (QC-FIRST) and people practices like Talent acquisition, Performance management, Talent development, Compensation and Benefits. Increased employee communication channels and frequent interactions have ensured creating an open and transparent environment with greater employee accountability. In the Financial Year 2019-20, we have strengthened our practices to drive cross functional collaboration, customer & business focus through some of the initiatives listed below:

1. **Talent Acquisition – Brigade's way of sowing the seed for the future.**

- TA Automation - "BHARAT" – "Brigade's Hiring and Resume Administration Tool" is the automated Talent Acquisition and pre-On-boarding System at Brigade. BHARAT allows us to manage the full process of Talent acquisition from Requisition to Onboarding on one platform.

2. **Rewarding @ Brigade- A means to Appreciate Brigadiers for making the difference and telling them- This is the difference we needed.**

- STAR AWARDS – Our commitment to help employees achieve higher performance standards. STAR (Special Thanks & Recognition) Awards @ Brigade are the candy floss, the expression of high performance and the value generated by an employee. They act as the echoes of extraordinary performances and the value created. Our STAR awards help to sweeten the relationship between the organization and the high performers and create a sense of self-assurance within the employees. It instils a sense of pride to express that their work is being valued and is of great significance.

- Exchanging - Thank You Cards – "A Small moment with Big Ripples of Camaraderie and Compassion among Brigadiers. We have designed physical and digital "Thank you" cards that are made available at ease at designated places and on the HRMS platform which makes it convenient to express the feelings of gratitude. The design and message of the Thank you card envisaged to give the right message. We have ensured to capture every single emotion and each card has a "Capitative emoji and a heart touching message" which invariably brings smile on the face of the receiver.

- The Dogma of Value Cards: We do not act Rightly because we have Virtue or Excellence, but we rather have those because we have acted rightly. We at Brigade, Appreciate, Acknowledge, Reward, and Emulate the person who lives by our Brigade core values – QCFIRST. Recognition for the help extended is done far and wide but recognition for the character and the value demonstrated is something that makes Brigade stand out. To add to the brilliance... this card is given by anyone to anyone irrespective of the levels, designations or functions they belong to. These Cross functional appreciations have fostered teamwork, built camaraderie, broken the barriers, and built strong relationship which has become a strong pillar and sustained Brigade.

3. **Initiatives @ Brigade – Brigade's way of expanding the horizons and achieving milestones:**

- Did You Know: In the era of Information Technology, everyone has access to lot of more information than ever, yet employees are struggling to find the Right Information in the midst of the informational noise, as Knowledge silos become harder and harder to break. In this regard we have our DYK Series to educate and engage employees and support them in being the best versions of themselves.

Our DYK Series is an internal communication which are shared as a mailer to all the employees of Brigade every week with a Curated information on varied topics.

- Knowledge Series: Knowledge is for awareness or understanding of someone or something, such as facts, information, descriptions, or skills, which is acquired through experience or education by perceiving, discovering, or learning. Knowledge Series at Brigade helps Brigadiers in their personal growth by helping them widen their skillset. Knowledge series is communicated in the form of a mailer to all the employees of Brigade fortnightly.

- Capability Building Training Program for – Sales Team: The real estate industry has significantly changed over the last few years and continues to change with each passing day. In our kind of industry where product differentiation does not play a huge role, customer service is a major differentiator. Hence, it is imperative that we create and deliver a consistent and impeccable experience to our customers throughout the sales journey. To accentuate this, we organized a comprehensive training cum certification program for our staff.

  We have tied up with Industry Best consultants specialised in Sales



*Customer Centricity Training*

training with focus on providing practical, highly customised, and implementable solutions through its consulting and organisation development engagements. 100+ employees from Residential Sales have undergone this training. The trained employees were assessed and certified as "Sales Professionals" and this is a mandatory programme for any sales personnel at Brigade. Brigade L&D team is relentlessly working on enhancing the capability of employees and help company achieve its "VMVG". (Vision, Mission, Values & Goals).

4. **Brigade Symphony: We found solution to every problem by collaborating. We divided the task, Ignited Teamwork and multiplied success through these initiatives.**

- We launched AIM-BIG- All Ideas Matter! Brigade Ideas Galore – The SPIRIT of innovation because every Innovation Begins with an IDEA!- AIM-BIG is a means to INSPIRE... INNOVATE... IGNITE Imagination amongst Brigadiers. This initiative provides an opportunity to all the Brigadiers to bring forward ideas that they think will add value to the business or to their work. All ideas shared on this form will go through a evolutionary process before becoming a "AIM-BIG Idea". Every idea is received with respect and suitably rewarded.

- BOOST an initiative to foster the culture of putting the "CUSTOMER" in the centre of everything. We emphasise with every brigadier that, No matter the department, every single person in the organization should understand sales as at the end of the day, it's everyone's job to sell the brand and impact customer. In order to enable every Brigadier to deeply imbibe our Core Value – 'Customer Centricity', and experience the complete sales process, we have launched the BOOST program. BOOST is an acronym - Brigadier Operate On Site as Sales Champion To experience moments of truth. As part of this drive, every brigadier (barring the direct sales team) will spend 3 days in a year (Friday to Sunday) as a Salesperson on site during their respective month of joining Brigade. During these 3 days, brigadiers will wear the hat of salesperson and shadow the assigned Sales Resource at the Project Site, meet & assist customers, and answer their queries. The learnings from the program will serve as a significant feedback on all that needs to be collectively translated back to the workplace to delight and create a wow factor for the ultimate customer.

- Big-6-Employee Engagement Club to achieve the 3 C's – Communicate, Collaborate & Connect- Different people with Different Perspective to demonstrate "1+1 ≠2 but =11". Big-6- Employee Engagement Club is a cross functional team with an underlying theme of 3 C's.
  - o Connect employees Emotionally
  - o Communicate Core Values
  - o Collaborate- Create cross functional teams and enhance Trust.

  Cross functional team driving "Employee Engagement Initiatives" breaks down silos and acts as a gateway for business alignment, greater involvement and comprehend customer centric mindset. To enable this, all employees at Brigade are divided into 6 teams each representing our "Core Value- QC First", Viz, "Quality Team", "Customer Centricity Team", "Fairness Team", "Innovation Team", "Responsible Socially Team" and "Trust Team". Through this we intend to connect employees with Brigade Core Values, resonate their personal values and have the sense of belongingness. Under the banner of Big-6-Employee Engagement Club we conducted following competitions
  - Story Writing Competition on Core Values
  - BPL- Big6 Premier League
  - Dussera competitions

- Value Workshop: QC FIRST - Brigade's Core values is the

essence of Brigade's identity, the Principles and belief system. QC FIRST Core values is ingrained in every brigadier through "Living the vales- Value workshop" run by our Business Leaders. All the way through the workshop we make our employees understand:

- The Meaning of Our Core Value: "Quality", "Customer Centricity", "Fairness", "Innovation", "Responsible Socially", "Trust".
- The values of the employee themselves
- Alignment of the values of the employee and Brigade's values
- Framework to understand the use of values in decision-making

- Blood Donation Camp - Every blood donor is a life saver.

  Blood cannot be manufactured it can only be collected from volunteers. There's no substitute for blood. One donation can save 3 lives and there is no greater joy than gifting life to someone. Our fellow Brigadiers enthusiastically volunteered in the Blood Donation camp conducted at Brigade. This year we conducted this camp not only at our Corporate Office but also at our Project sites and our Clubs. We collected over 500 bottles of blood under the auspices of the Indian Red Cross.



*Leadership Development Programme*




*Dasara Celebration 2019*

5. **Employer of Choice: Recognised as the "Great Place to Work" for 10 Consecutive Years.**

   At Brigade, it is not about doing 'more'. It is about doing things 'differently'. We are focused and committed to building a culture where employees trust the people they work for, take pride in what they do, and enjoy working with peers and other colleagues. For consecutive 10 years in a row, we have excelled on the five dimensions of building a high trust, high performance culture (Credibility, Respect, Fairness, Pride, Camaraderie) and have been recognized as India's best company to work for. Our ranking this year in one of the India's largest workplace study conducted by The Economic Times & Great place to Work Institute, has seen a significant shift from 69 to 43, among the top 100 companies across different industries. We have also retained the feat of being among the best in the Industry – 'Construction & Real Estate'. This recognition is a testimony of our commitment and solidarity to the organizational goals and reinforces our strong belief that people are one of the prime movers in fuelling organizational growth & success.

6. **BCMS:**

   Brigade Compliance Management System- an effort by Brigade to

be a statutory complaint company. We strongly believe that, It takes less time to do things right than to explain why you did it wrong. To ensure this, "Statutory Compliance tool – BCMS" was launched. BCMS will help us track all compliances at our offices and project sites online. It captures Compliance under the various acts like BOCW, Contract Labour, Factories act, PF Act, ESI Act, Workmen Compensation, Shops and Establishment Act, Interstate Migrant Workmen Act, Payment of Bonus, etc. Through BCMS we are able to track notices received and responses. Project site heads can view online status of all compliances. Quarterly Audits of our Vendors/contractors at project sites by 3rd Party Organization nominated by Brigade would now be done online by checking these records updated by the vendors. Reports and analytics of all Compliances which are accurate and up to date can be generated.

We are truly grateful to all our Employees, Senior Leadership team and Management for their unstinted support and cooperation in the financial year 2019-20 which helped us to achieve the milestones and make "Brigade The Best Place to Work".

## OUTLOOK

The country's real estate sector has seen a slump since late 2016 due to demonetisation, goods & services tax and RERA. Since this the slowdown in the economy along with the liquidity crisis have only aggravated the problems of the real estate companies. And now a virus-driven lockdown dealt a fresh blow.

According to a report by KMPG, the Indian India's real estate sector is estimated to face losses of as much as ₹ 1 lakh crore by the end of the current FY21 due to the COVID-19 pandemic. The report suggests that the pandemic will have serious repercussion of the real estate industry in the next 6-12 months and things are likely to look up only after 18-24 months.

While continued liquidity crisis might see to a further contraction of residential sales, we are hopeful that the new ways of working from home will put in more money in the hand of people and spurring the demand for residential homes. However, the demand is the commercial segment is expected to see upswing, especially from the IT and BPM sector is likely to continue driving demand for office space. While Work for Home will become a reality, however companies will have to be much more conscious of their own responsibility and give sufficient space to the people. So this might see a an increased requirement of office space will happen, even as companies focus on partial working from home. The industry also needs to tap into the untapped real estate segments such as data centres, integrated supply chains, warehousing, self-sustaining industrial parks, etc.

The Hospitality and Retail businesses are being aligned to the new normal caused by the Pandemic. We are confident that these businesses will revive in the second half of the financial year 2020-21.

We are hopeful that the government supports the industry, given that it is one of the largest contributors to employment and directly impacts the GDP growth in the country. The government can give multiple sops stamp duty waiver or tax benefit to encourage a positive sentiment for the industry.

From our perspective, it is heartening to note that the industry is seeing some signs of mild consolidation as consumers are preferring grade A developers with better brand and execution ability. With a well-established, premium brand, we will certainly benefit from this shift in the coming years as we continue to deliver best-in-class projects with top design and appeal.

# Board's Report

Dear Members

Your Directors have the pleasure in presenting the Twenty Fifth Board's Report of the Company ("the Company" or "Brigade") together with the Audited Financial Statements (Consolidated and Standalone) for the year ended March 31, 2020.

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Total Revenue | 1,99,350 | 1,92,861 | 2,68,156 | 3,02,726 |
| Operating Expenditure | 1,35,853 | 1,32,398 | 1,96,893 | 2,18,311 |
| **Earnings before Interest, Depreciation & Amortization** | **63,497** | **60,463** | **71,263** | **84,415** |
| Depreciation & Amortization | 7,560 | 6,822 | 19,204 | 14,000 |
| Finance Costs | 20,050 | 17,784 | 34,034 | 27,850 |
| **Profit before Tax from Continuing Operations** | **35,887** | **35,857** | **18,025** | **42,565** |
| Exceptional Items | 1,450 | | 2,050 | - |
| **Profit before tax** | **34,437** | **35,857** | **15,975** | **42,565** |
| **Tax Expense** | | | | |
| Current Tax | 6,966 | 8,179 | 7,190 | 10,287 |
| Deferred tax charge/(credit) | 1,391 | 4,256 | (2,455) | 4,265 |
| **Profit for the year** | **26,080** | **23,422** | **11,240** | **28,013** |
| Share of profit from associate | - | - | 160 | 177 |
| **Net Profit after taxes & Share of Profit of Associate** | **26,080** | **23,422** | **11,400** | **28,190** |
| Other Comprehensive income (net of tax) | (9) | 19 | (153) | 67 |
| **Total Comprehensive income for the year** | **26,071** | **23,441** | **11,247** | **28,257** |
| **Profit/(loss) attributable to:** | | **-** | | |
| Equity holders of the Parent | | - | 12,905 | 24,058 |
| Non-Controlling Interests | | | (1,658) | 4,199 |

**Details of Appropriations:**

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Surplus in the retained earnings as per last financial statements | 90,100 | 92,435 | 68,095 | 80,778 |
| Total Comprehensive income for the year (net of Non-controlling interest) | 26,071 | 23,441 | 13,027 | 24,031 |
| **Less:** Cash dividends declared and paid | | | | |
| Final Dividend for FY 2018-19 | 2,724 | 2,722 | 2,724 | 2,722 |
| Interim Dividend for FY 2019-20 | 2,044 | - | 2,044 | - |
| **Less:** Tax on dividends paid on Final Dividend | 498 | 360 | 498 | 560 |
| **Less:** Tax on dividend paid on Interim Dividend | 369 | - | 481 | - |
| **Less:** Profit Reversal due to IND AS 115 (net of tax MI) | - | 22,694 | - | 33,005 |
| **Add:** Adjustment pursuant to Scheme of Amalgamation | - | - | 784 | - |
| **Less:** Other adjustments (Net) | - | - | 456 | 427 |
| **Net Surplus in the statement of profit and loss carried forward** | **1,10,536** | **90,100** | **75,703** | **68,095** |

## FINANCIAL OVERVIEW

During the financial year 2019-20, the Company has on a standalone basis, clocked a total income of ₹ 1,99,350 Lakhs as compared to ₹ 1,92,861 Lakhs for the previous year ended March 31, 2019, an increase of 3% on a year-on-year basis. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) has increased from ₹ 60,463 Lakhs to ₹ 63,497 Lakhs an increase of 5%. Total Comprehensive income was at ₹ 26,071 Lakhs for the financial year ended March 31, 2020 as compared to ₹ 23,441 Lakhs for the previous year, an increase by 11%.

The consolidated revenue for the Company for the financial year 2019-20 was ₹ 2,68,156 Lakhs as compared to ₹ 3,02,726 Lakhs in the previous year, a decrease of 11% on year-on-year basis. Earnings before Depreciation, Interest, Tax and Amortization (EBITDA) decreased to ₹ 71,263 Lakhs in the previous year from ₹ 84,415 lakhs, for the financial year 2019-20. Total Comprehensive income was at ₹11,247 Lakhs for the financial year ended March 31, 2020 as compared to ₹ 28,257 Lakhs for the previous year, a decrease by 60%.

## SUBSIDIARIES/ JOINT VENTURES AND ASSOCIATES:

The Company had 13 direct subsidiaries, 1 step down subsidiary, 3 limited liability partnerships and 1 associate company as at March 31, 2020.

## MATERIAL SUBSIDIARIES

The Company doesn't have any material subsidiary as per the thresholds laid down under the SEBI Listing Regulations as at March 31, 2020.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the SEBI Listing Regulations. The Policy has been uploaded on the Company's website at: https://brigadegroup.com/investor/corporate-governance/policies

## FINANCIAL STATEMENTS OF SUBSIDIARIES AND ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company for the year 2019-20 are prepared in compliance with the applicable provisions of the Act including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated financial statements together with the Auditors' Report thereon form part of the Annual Report.

Pursuant to Section 129(3) of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Statement containing salient features of the financial statements of each of the Subsidiaries, Associates and Joint Venture Companies in the prescribed Form AOC-1 is enclosed as **Annexure-1** to this Report.

Audited financial statements together with the related information and other reports of each of the subsidiary Companies have also been placed on the website of the Company at: https://www.brigadegroup.com/investor/financials-and-reports/financials-subsidiaries-and-associates

## KEY FINANCIAL RATIOS FOR FINANCIAL YEAR 2019-20 COMPARED WITH FINANCIAL YEAR 2018-19:

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Net Profit Margin | (54%) | 36% |
| Return on Equity (RoE) | (50%) | 54% |
| Dividend Payout | 278% | (62%) |

Net profit/ROE is reduced due to capitalisation of Brigade Opus, Brigade WTC Kochi Tower 2, Brigade Vantage, Brigade Tech Gardens Phase 1, Orion Uptown Four Points – Sheraton at kochi and Grand Mercure at Gift City and Where Depreciation and interest cost post completion of the projects are charged to profit and loss for full year/part year from the date of capitalisation in FY2019-20. In the FY2018-19 impact of the above capitalisation is only for January 2019 to March 2019.

## TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserves during the financial year 2019-20.

## DIVIDEND

The Board of Directors of the Company on March 16, 2020 declared Interim Dividend of ₹ 1 (Rupee One) per equity share of ₹ 10/- each (i.e. 10%) out of the profits for the financial year 2019-20 and paid to the shareholders on March 27, 2020. The total payment on account of Interim Dividend (Including Interim Dividend Tax) was ₹ 2,412 Lakhs. The Board has not recommended any final dividend on the equity shares and the Interim Dividend declared by the Company is the final Dividend for the financial year 2019-20.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has formulated a Dividend Distribution Policy. The policy is given in **Annexure-2** to this Report. It is also accessible from the Company's website at https://brigadegroup.com/investor/corporate-governance/policies/dividenddistributionpolicy.

## FIXED DEPOSITS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and no amount of principal or interest was outstanding as on the Balance Sheet date.

## DEBENTURES

During the year under review, the Company has not issued any Debentures. As on date, the Company does not have any outstanding Debentures.

## DEPOSITORY SYSTEM

Company's equity shares are tradable only in electronic form. As on March 31, 2020, nearly 100% of the Company's total paid up equity share capital representing 20,43,80,115 shares are in dematerialised form.

## TRANSFER TO INVESTOR PROTECTION FUND

Pursuant to applicable provisions of the Companies Act 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the Demat account created by IEPF Authority. Accordingly, the Company has transferred ₹ 2,73,998/- to the Investor Education and Protection Fund, the amount in unpaid Dividend Account opened in 2011-12 which was due & payable and remained unclaimed & unpaid for a period of seven years. Further 3,192 shares were transferred to the demat account of the Investor Education and Protection Fund Authority as mentioned above. Pursuant to Rule 6(8) of the Rules, under the bonus issue, 8,423 equity shares were allotted to the IEPF authority based on their shareholding as on the record date of August 29, 2020 and an amount of ₹ 20,727.03 pertaining to sale proceeds of fractional bonus shares were transferred to the IEPF.

The details of the above are provided in the website of the Company at : https://brigadegroup.com/investor/investor-information/unclaimed-shares.

## EMPLOYEE STOCK OPTION SCHEME

The Employee Stock Option Scheme titled "Brigade Employee Stock Option Plan 2011" was rolled out in the financial year 2014-15.

The Employee Stock Option Scheme titled "Brigade Employee Stock Option Plan 2017" was rolled out in the financial year 2017-18. Statement giving detailed information on the plan in accordance with SEBI Regulations is contained in **Annexure-3** to this Report.

There are no material changes to the ESOP Schemes referred above and the Schemes are in due compliance of the SEBI (Share Based Employee Benefits) Regulations, 2014. Messers S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration Number 101049W/E00004) Statutory Auditors of the Company have certified that the aforesaid Schemes have been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014. Disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is uploaded in the Company's website and can be accessed at https://brigadegroup.com/investor/investor-information/investor-updates

## ISSUE OF BONUS EQUITY SHARES

The Board of Directors at their meeting held on July 15, 2019 recommended issue of bonus equity shares in the proportion of 1:2 i.e. 1 (One) equity share of ₹ 10/- each for every 2 (Two) fully paid-up equity shares held. The said bonus issue was approved by the Members of the Company through resolution passed through e-voting and instapoll in the twenty fourth annual general meeting held on August 14, 2019, 6,81,01,581 bonus shares were allotted to the members whose names appeared in the register of members on August 29, 2019, being the record date fixed for this purpose.

As part of the aforesaid allotment, 12,222 bonus equity shares representing fractional entitlement(s) of eligible Members were consolidated and allotted to M/s. SNACO Consulting Private Limited, an Independent Professional Company appointed by the Board. Subsequently, M/s. SNACO Consulting Private Limited sold such equity shares at the prevailing market price and distributed the net sale proceeds, after adjusting the costs and expenses in respect thereof, among the eligible Members in proportion to their respective fractional entitlements.

## ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS

The Board of Directors at their meeting held on July 15, 2019 approved the preferential issue of 42,75,000 Convertible Warrants at ₹ 269 per Convertible Warrant to 3 Promoter Group person(s)/ entity pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Each Convertible Warrant is convertible into or exchangeable for One (1) equity share of face value of ₹ 10/- each ("the Equity Shares") at a premium of ₹ 259/- per share within a period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable. The Committee of Directors of the Company had approved the allotment of 42,75,000 Convertible Warrants to 3 Promoter Group person(s)/ entity on August 28, 2019 after receiving initial warrant subscription amount of ₹ 28,74,93,750 (Rupees Twenty Eight Crores Seventy Four Lakhs Ninety Three Thousand and Seven Fifty only) equivalent to 25% of the warrant issue price as prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The record date for the bonus issue of equity shares was August 29, 2019. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2018 enables making for appropriate adjustments to be made for convertible instruments in case of any corporate action viz. bonus issue. Accordingly the adjusted number of Convertible Warrants after giving effect to on the bonus issue of equity shares is 64,12,500 and the adjusted price of Convertible Warrants is ₹ 179.33 per Warrant.

## SHARE CAPITAL

During the year the authorised share capital of the Company has increased from ₹ 150,00,00,000/- divided into 15,00,00,000 equity shares of ₹ 10/- each to ₹ 250,00,00,000/- divided into 25,00,00,000/- equity shares of ₹ 10/- each which was approved by the Members through e-voting and instapoll in the twenty fourth Annual General Meeting of the Company held on August 14, 2019. The following allotment of equity shares has been made during the year:

- Allotment of 6,81,98,756 equity shares of the Company to Existing Members on August 30, 2019 in the form of Bonus issue by capitalization of sums standing to the credit of the free reserves and/or the securities premium account and/or the capital redemption reserve account of the Company.
- Allotment of an 21,600 equity shares to eligible employees on exercise of options granted under the Brigade Enterprises Limited Employee Stock Option Scheme, 2011 and
- 75,575 equity shares under the Brigade Enterprises Limited Employee Stock Option Scheme, 2017.

The issued, subscribed and paid–up equity share capital of the Company has increased from to 13,61,81,561 equity shares of ₹ 10/- each to 20,43,80,317 equity shares of ₹ 10/- each due to the aforesaid allotment of equity shares.

During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

## OPERATIONAL REVIEW

Your Company is a leading real estate developer in South India, based in Bengaluru and slowing expanding its area of operations in other parts of India. With a vast experience of a decade in building landmark structures across residential, commercial and hospitality sectors, the Company has garnered exceptional customer trust and brand equity in the real estate space. The operations of the Company can be classified into two main Segments:

1. Income from construction and development of Real Estate Projects
2. Lease Rental Income from Office and Retail Assets

A detailed information of ongoing projects as on March 31, 2020 has been given in the Management Discussion and Analysis Report which is forming part of the Annual Report.

## PROPOSED PROJECTS

The group proposes to launch 4.49 mn. sq.ft. in the Financial year 2020-21. This will comprise of 2.65 mn. sq.ft. of residential space, 1.84 mn. sq.ft. of commercial space.

## COMPLETED PROJECTS

During the financial year 2019-20 a total of 5.82 mn. sq. ft. has been constructed.

## ONGOING PROJECTS

The Group is currently having ongoing real estate projects aggregating to 21.37 mn. sq.ft. of saleable area, residential projects aggregating to 15.62 mn. sq.ft. commercial projects aggregating to 5.55 mn. sq.ft. and hospitality projects aggregating to 285 Keys.

## COVID-19 PANDEMIC

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company suspended the operations in all ongoing projects of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations by way of interruption in Project execution, supply chain disruption, unavailability of personnel and closure of retail spaces during the lock-down period. The operations commenced after the lockdown was lifted. The details of the same are elaborated in the Management Discussion & Analysis Report.

## BOARD OF DIRECTORS

As at March 31, 2020, the Board of the Company comprised 10 Directors of which 5 are Executive Directors and 5 are Non-Executive Independent Directors. The composition of the Board of Directors is in due compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of Section 152(6)(e) of the Companies Act, 2013, Mr. Amar Mysore (DIN: 03218587) and Ms. Nirupa Shankar (DIN: 02750342), Executive Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment

Mr. Aroon Raman (DIN: 00201205) has been re-appointed as an Independent Director of the Company for a further period of 5 years with effect from August 5, 2019 and the Company has received his declaration of Independent Status and

statement that he doesn't suffer from any disqualifications as per Section 149 of the Companies Act, 2013 and as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Githa Shankar (DIN: 01612882) Director of the Company tendered her resignation from the position of Wholetime Director of the Company with effect from closing hours of November 06, 2019 as a part of succession planning.

The Board of Directors of the Company on November 06, 2019, based on recommendation of Nomination & Remuneration Committee (NRC) appointed Mr. Roshin Mathew (DIN: 00673926) as an Additional Director and Wholetime Director designated as Executive Director of the Company for a period of 5 (Five) years with effect from November 07, 2019 subject to shareholder's approval in the ensuing general meeting.

Mr. Bijou Kurien (DIN: 01802995) has completed his first term as an Independent Director of the Company on January 31, 2020. He has given his consent for re-appointment and he has not been disqualified for reappointment as an Independent Director for a second term of five years subject to approval of the Members in the ensuing Annual general Meeting by special resolution.

The Notice convening the twenty fifth Annual General Meeting includes the proposals for the reappointment of the Directors. Brief resume of the Directors proposed to be appointed, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship/ membership/ chairmanship of the Board or Committees, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided as an annexure to the Notice convening the Twenty Fifth Annual General Meeting.

None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

## BOARD MEETINGS

During the year under review, the Board of Directors of the Company has met 6 times on the following dates:

- May 7, 2019
- July 15, 2019
- August 14, 2019
- November 6, 2019
- February 05, 2020
- March 16, 2020
- In accordance with the provisions of the Companies Act, 2013, a separate meetings of the Independent Directors and other Directors of the Company was held on March 19, 2020.

A detailed note on the composition of various Committees of the Board and their meetings including the terms of reference were given in the Corporate Governance Report forming part of the Annual Report.

## DECLARATION OF INDEPENDENT DIRECTORS

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015.

The Independent Directors have also given undertaking that they are not aware of any circumstance/situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with objective independent

## POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has formulated the criteria for identification and Board nomination of the suitable candidates as well as the policy on remuneration for Key Managerial Personnel and other senior employees of the Company. The Committee, while evaluating potential candidates for Board membership, considers a variety of personal attributes, including experience, intellect, foresight, judgment and transparency, and match these with the requirements set out by the Board.

The Company's Remuneration policy provides the framework for remunerating the members of the Board, Key Managerial Personnel and other employees of the Company. This Policy is guided by the principles and objectives enumerated in Section 178(4) of the Companies Act, 2013. The Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel is available on the website of the Company at https://brigadegroup.com/investor/corporate-governance/policies.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Over the years, the Company has developed a robust familiarisation process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act, and other related regulations. This process inter alia includes providing an overview of the Real Estate industry, the Company's business model, the risks and opportunities and quarterly updates

on the important changes in the regulatory environment along with the nomination of directors for various training programmes. etc. Details of the familiarisation programme are explained in the Report on Corporate Governance Report and are also available on the Company's website at https://brigadegroup.com/investor/corporate-governance/policies/Directorsfamiliarisationprogramme-2019-20.

## ANNUAL PERFORMANCE EVALUATION OF THE BOARD

The Board, along with the Nomination and Remuneration Committee, developed and adopted the criteria and framework for the evaluation of each of the Directors and of the Board and its Committees pursuant to the provisions of the Companies Act 2013 and the Corporate Governance requirements under Regulation 25 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015.

The Board evaluation was conducted through Structured assessment questionnaire designed with qualitative parameters and feedback based ratings through an online portal, Board evaluation comprises of various aspects of the Board's functioning in terms of structure, its roles & responsibilities, competency, quality, quantity and timelines of flow of information, transparency in the discussions amongst the Board, interest of shareholders, its meetings, strategy, corporate governance and other dynamics of its functioning besides the financial reporting process, level of independence, risk management, succession planning.

The evaluation of the Committees were based on their terms of reference fixed by the Board besides the dynamics of their functioning in terms of meeting frequency, effectiveness of contribution etc. Separate questionnaires were used to evaluate the performance of individual Directors on parameters such as attendance, familiarisation of Company values, policies, beliefs & code of conduct, effective communication, their level of engagement and contribution, objective judgement etc.

The Chairman and Managing Director's evaluation was based on the key aspects of his role, leadership qualities, commitment, strategic & financial planning, communication, engagement with the Board, compliance etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, the Board as whole and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held during the year.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process through online, the Board's freedom to express its views on matters transacted at the Meetings and the openness and transparency with which the Management discusses various subject matters specified on the agenda of meetings.

The consolidated Board evaluation report was provided to the Chairman of the Nomination and Remuneration Committee who will brief the Independent Directors on the same and Board Chairperson. The Board Chairperson discussed the results of evaluation of the individual Directors separately with them in detail and also the action areas identified in the process are being implemented to ensure a better interface at the Board/Management level.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby confirms that:

a) in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) 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 of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual financial statements have been prepared on a going concern basis;

e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## KEY MANAGERIAL PERSONNEL

Mr. M. R. Jaishankar, Chairman & Managing Director, Mr. Atul Goyal, Chief Financial Officer and Mr. P. Om Prakash, Company Secretary & Compliance Officer are the Key Managerial Personnel in accordance with the provisions of Section 203 of the Companies Act, 2013. There has been no change in the Key Managerial personnel during the year.

## REMUNERATION DETAILS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed as **Annexure-4**

to this Directors' Report.

The details of employees who are in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure-5**. In terms of Section 136(1) of the Companies Act, 2013 and the Rules made there under, the Annual Report is being sent to the shareholders and others entitled thereto excluding the aforesaid annexure. Any shareholder interested in obtaining the same may write to the Company Secretary & Compliance Officer.

## STATUTORY AUDITORS:

Messers S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration Number 101049W/E00004) were reappointed at the Twenty Fourth Annual General Meeting held on August 14, 2019 as the Statutory Auditors of the Company for a period of 5 years till the conclusion of Twenty Ninth Annual General Meeting of the Company. They have confirmed their eligibility for the FY 2020-21 under Section 141 of the Companies Act, 2013 and the Rules framed there under.

There are no qualifications or adverse remarks in the Statutory Auditor's Report for the financial statements for the year ended March 31, 2020 which requires any explanation from the Board of Directors.

## SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India.

## SECRETARIAL AUDIT REPORT

Pursuant to provisions of the Companies Act, 2013, the Board of Directors of the Company have appointed Mr. K Rajshekar, Practicing Company Secretary (CP No.2468) to conduct the Secretarial Audit for the financial year 2019-20. The report of the Secretarial Auditor is annexed to and forms part of this Report as **Annexure-6**. There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditor in the Report.

## COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records. Further, the cost accounting records maintained by the Company are required to be audited. The Board of Directors of the Company have appointed Messrs Murthy & Co. LLP, Cost Accountants (LLP ID No. AAB-1402) as Cost Auditors to audit the cost accounting records maintained by the Company under the said Rules for the financial year 2019–20 at a fees of ₹ 1.25 lakhs plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the Shareholders at the Annual General Meeting. Accordingly, a resolution seeking the shareholder's ratification of the remuneration payable to the Cost Auditor for the FY 2019-20 is included in the Notice convening the 25th Annual General Meeting.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations, 2015 is forming part of the Annual Report.

## CORPORATE GOVERNANCE REPORT

Your Company provides utmost importance to best Governance practices and are designed to act in the best interest of its stakeholders. The Fundamentals of Governance at Brigade includes transparency, accountability, integrity and Independence. In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on Corporate Governance including a certificate from Ms. Aarthi G. Krishna, Practicing Company Secretary (CP No.5645) confirming compliance is annexed to and forms an integral part of this Report.

## BUSINESS RESPONSIBILITY REPORT

A separate section on Business Responsibility Reporting forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015.

## SUSTAINABILITY REPORT

Sustainability Report for the financial year 2019-20 as per the Global Reporting Initiative (GRI) standards is annexed to this Annual Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given, investments made, securities provided and guarantees given as required under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 are provided in note 6 and 7 forming part of the standalone financial statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the Financial Year 2019-20, all the transactions with related parties were entered into at arm's length basis and in the ordinary course of business. All transactions with Related Parties are placed before the Audit Committee for approval. Prior approval of the Committee is obtained on a quarterly basis for transactions which are of foreseen and repetitive nature. Omnibus approvals in respect of transactions which are not routine or which cannot be foreseen or envisaged are also obtained as permitted under the applicable laws.

The details of transactions proposed to be entered into with Related Parties are placed before the Audit Committee for approval on an annual basis before the commencement of the financial year. Thereafter, a statement containing the nature and value of the transactions entered into by the Company with Related Parties is presented for quarterly review by the Committee.

There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large. None of the Directors and the Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

Transactions with related parties during the year are listed out in note 34 forming part of the standalone financial statements.

The Company's policy on dealing with Related Parties as approved by the Board is available on the Company's website at the following link: https://www.brigadegroup.com/investor/corporate-governance/policies.

## INTERNAL FINANCIAL CONTROL SYSTEM

As per Section 134 of the Companies Act, 2013, the term 'Internal Financial Controls' (IFC) means the policies and procedures adopted by the Company for ensuring:

(a) orderly and efficient conduct of its business, including adherence to company's policies,

(b) safeguarding of its assets,

(c) prevention and detection of frauds and errors,

(d) accuracy and completeness of the accounting records, and

(e) timely preparation of reliable financial information.

The Company has adequate internal financial control systems in place with reference to the financial statements.

The Company's internal financial controls are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses identified either in their design or operations of the controls were observed.

## COMMITTEES OF THE BOARD

As on March 31, 2020, the Board had 5 Committees:

1. Audit Committee
2. Nomination and Remuneration Committee (NRC)
3. Corporate Social Responsibility Committee (CSR)
4. Stakeholders Relationship Committee (SRC)
5. Risk Management Committee (RMC)

## AUDIT COMMITTEE

The Audit Committee comprises four members. The Chairman of the Committee is an Independent Director. The Committee met five times during the year. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Corporate Governance Report.

## NOMINATION & REMUNERATION COMMITTEE

The NRC Committee comprises of three members, all being Independent Directors. The Committee met five times during the year. Details of the role and functioning of the Committee are given in the Corporate Governance Report.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee comprises three Members. The Committee is governed by a Charter. The details of the constitution of the Committee, scope and functions are listed out in the Corporate Governance Report annexed to this Report.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A Corporate Social Responsibility (CSR) Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013. The Committee comprises four members. The details of the constitution of the Committee, scope and functions are listed out in the Corporate Governance Report annexed to this Annual Report.

The disclosures as required under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as **Annexure-7** to this Report.

## RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee aligned with the requirements of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 consisting of Executive Director, Non-Executive Director and Independent Directors to identify and assess business risks and opportunities. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has a well-established whistle blower policy as part of vigil mechanism for observing the conduct of Directors and employees and report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct to the Ethics Committee members or the Chairman of the Audit Committee. This mechanism also provides for adequate safeguards against victimization of Director(s)/ employee(s) who avail of the mechanism

and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The details of the Whistle Blower Policy and the Committee which oversees the compliance are explained in detail in the Corporate Governance Report.

## EXTRACT OF ANNUAL RETURN:

In terms of Section 134(3)(a) and Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2019-20 in Form No. MGT-9 is appended as **Annexure-8** to this Report.

## CODE OF CONDUCT

Your Company has in place a Code of Conduct which helps to maintain high standards of ethics for the Company's employees. The Code lays down the standard of conduct which is expected to be followed by the Directors and by the senior management employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Company has adopted a Code of Conduct which applies to all its Directors and employees in terms of Regulation 17 of the SEBI (LODR) Regulations, 2015. All the Board Members and the Senior Management Personnel of your Company have affirmed their compliance with the Code of Conduct for the current year.

A declaration signed by the Chairman and Managing Director and Chief Financial officer affirming compliance of the Code of Conduct by the Directors and senior management personnel of the Company for the financial year 2019-20 is annexed and forms part of the Corporate Governance Report.

## PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors and Designated Persons.

The Code requires pre-clearance for dealing in the Company's shares for all transactions by Directors and designated employees (together called Designated Persons) and prohibits the purchase or sale of Company's securities by Designated Persons while in possession of unpublished price sensitive information in relation to the Company. Further, trading in securities is also prohibited for Designated Persons during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

The Company also has in place a Code for practices and procedures for fair disclosure of unpublished price sensitive information which is available on the website of the Company at: https://brigadegroup.com/investor/corporate-governance/policies/preventionofinsidertrading.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is appended as an **Annexure-9** to this report.

## HUMAN RESOURCES

Your Company is determined to accelerate its growth story by corresponding to the changing needs of diverse workgroup by fostering an engaging work environment, to constantly build the unique capabilities and skills of the people. Robust HR policies are in place which enables building a stronger performance culture and at the same time developing current and future leaders.

The employee strength of the Company, at the end of FY i.e. March 31, 2020 was 770.

Your Company has in place Code of Ethics for all the employees which serves as a common guide to employees and decision makers in the organisation. It specifies how the organisation expects its employees to behave, what kind of behavior it considers acceptable or unacceptable, the kind of business practices it endorses, the values that it holds in high regard. This enables a healthy corporate culture and makes it possible for individuals to exercise their judgment confidently, knowing the decisions they are making are in sync with the organisation's point of view and systems of operation.

In order to provide women employees a safe working environment at workplace and also in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated a well defined policy on prevention, prohibition and redressal of complaints relating to sexual harassment of women at the workplace. As an organization, the Company is committed to ensure that every employee is treated with dignity and respect and works in a conducive work environment, which promotes professional growth of employee and encourages equality of opportunity.

All women who are associated with the Company–either as permanent employees or temporary employees or contractual persons including service providers at Company sites are covered under the above policy. Further, to provide an empowering and enabling atmosphere to women employees

the Company has continuously endeavoured to build the work culture, which promotes the respect and dignity of all women employees across the organisation. The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy has been made available on the internal portal of the Company for information of all employees.

A "Complaints Redressal Committee" (CRC) has been set up comprising of three female and two male employee. One of the female employees is the Chairperson of the Committee. There is one external member on the Committee who is a specialist in dealing with such matters.

No complaints pertaining to sexual harassment of women employees were received during the year ended March 31, 2020.

The Company believes that only way it can excel is by empowering its people and consistently providing opportunities to learn and grow. Our Learning & Development process for employees is focused on supporting high performance through various approaches driven comprehensively by HR, Business Excellence, QA/QC, Safety & Technical training teams. The Company aims to contribute to the overall development of its employees through extensive training & motivational programs. The Board of Directors would like to express their appreciation to employees for their sincerity, hard work, dedication and commitment.

## AWARDS AND RECOGNITIONS

During the year under review, your Company received numerous awards and accolades which were conferred by reputable organizations. Some of the awards and recognitions your Company received in 2019-20 are:

- 'Best Developer of the year' Award at the Times Business Awards 2019.
- Recognised as the' Best Place to Work in the Real Estate Category' for the 10th year in a row by Great Place to Work Institute.
- Brigade Hospitality Services Ltd has for the first time been certified by the Great Place to Work Institute and ranked 15th amongst India's Great Mid-size workplaces.
- Orion Mall received the 'Most admired shopping centre of the year' Award at the Times Business Awards 2019.
- Nalapad Brigade Centre awarded the 'Best Commercial project – South Zone' at the CNBC AWAAZ Awards 2019.
- 'India Top Challengers' Award at the CWAB Awards, 2019
- Integrated Township Project of the Year Award for Brigade Cornerstone Utopia at 11th Realty Plus Awards, 2019.
- Lifetime Achievement Award for Mr. M. R. Jaishankar at 11th Realty Plus Awards, 2019.
- Excellence in Delivery Award for Brigade Panorama at 11th Realty Plus Awards, 2019.
- Ranked one among India's 75 Best Places to Work for Women.
- Brigade International Financial Centre, Gujarat- our flagship project in GIFT City, Ahmedabad received the 'Commercial Project of the Year Award' at the Realty Plus Awards 2019
- Brigade Mountain View won the award for 'Best Residential Dwellings above 50 units in Mysuru' at the CARE Awards 2019.
- Brigade Opus won the Best Commercial Complex Award at the CARE Awards 2019
- Brigade Group was awarded the Best Developer of the Year, South India at the Common floor and India property Realty Awards 2020

## ADDITIONAL INFORMATION TO SHAREHOLDERS

All important information such as financial results, investor presentations, press releases, new launches and project updates are made available on the Company's website https://BrigadeGroup.com/investor on a regular basis.

## DISCLOSURES

There were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year till the date of this report.

There is no change in the nature of the business of the Company.

There are no differential voting rights shares issued by the Company.

Neither the Managing Director nor the Whole-time Director have received any remuneration or commission from any of the subsidiaries, joint ventures or associates.

There were no sweat equity shares issued by the Company.

## ACKNOWLEDGEMENTS:

Your Directors would like to thank shareholders for reposing confidence and faith in the Company and its management. Your Directors would also like to take this opportunity to thank customers, employees, suppliers, contractors, bankers, business associates, partners and statutory authorities for their continuous support, co-operation, encouragement and patronage.

By order of the Board
For **Brigade Enterprises Limited**

Place: Bangalore
Date: June 18, 2020

**M. R. Jaishankar**
Chairman and Managing Director

# ANNEXURE-1

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

## Part "A": Subsidiaries

(Amount in ₹ Lakhs)

| Particulars | Brigade Tetrarch Private Limited | Brigade Estates and Projects Private Limited | Brigade Infrastructure and Power Private Limited | Orion Property Management Services Limited | Brigade Hospitality Services Limited |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Reporting period | 2019-20 | 2019-20 | 2019-20 | 2019-20 | 2019-20 |
| Reporting currency | INR | INR | INR | INR | INR |
| Share capital | 10 | 5 | 5 | 100 | 1,000 |
| Other Equity | 10,962 | 4,897 | 27,161 | 418 | 1,369 |
| Total Assets | 21,167 | 4,917 | 27,842 | 1,921 | 7,205 |
| Total Liabilities | 21,167 | 4,917 | 27,842 | 1,921 | 7,205 |
| Investments | -- | -- | -- | -- | 153 |
| Turnover | 20 | -- | 5 | 4,255 | 3,750 |
| Profit/(Loss) before Taxation | (1,118) | (57) | (17) | 354 | 546 |
| Provision for Taxation | 274 | -- | -- | 109 | 101 |
| Profit/ (Loss) after Taxation | (844) | (57) | (17) | 244 | 445 |
| Other Comprehensive income | -- | -- | -- | (4) | (10) |
| Total Comprehensive income | (844) | (57) | (17) | 240 | 435 |
| Proposed Dividend | -- | -- | -- | -- | -- |
| % of Shareholding | 100% | 100% | 100% | 100% | 100% |

(Amount in ₹ Lakhs)

| Particulars | SRP Prosperita Hotel Ventures Limited | WTC Trades and Projects Private Limited | Celebrations LLP | Brigade Properties Private Limited | Brigade Flexible Office Space LLP |
|---|---|---|---|---|---|
| | 6 | 7 | 8 | 9 | 10 |
| Reporting period | 2019-20 | 2019-20 | 2019-20 | 2019-20 | 2019-20 |
| Reporting currency | INR | INR | INR | INR | INR |
| Share capital | 40 | 288 | 30 | 3,827 | 100 |
| Other Equity | 6,925 | 926 | 134 | 8,474 | 179 |
| Total Assets | 17,123 | 3,858 | 664 | 1,37,697 | 2,616 |
| Total Liabilities | 17,123 | 3,858 | 664 | 1,37,697 | 2,616 |
| Investments | 1 | 402 | -- | -- | -- |
| Turnover | 4,190 | 2,850 | 3,092 | 9121 | 208 |
| Profit/(Loss) before Taxation | (1,370) | 311 | 303 | (3,900) | 45 |
| Provision for Taxation | 11 | 71 | 100 | (1,177) | 16 |
| Profit/ (Loss) after Taxation | (1,359) | 240 | 203 | (2,723) | 29 |
| Other Comprehensive income | 2 | -- | (1) | -- | -- |
| Total Comprehensive income | (1,357) | 240 | 202 | (2,723) | 29 |
| Proposed Dividend | -- | -- | -- | -- | -- |
| % of Shareholding | 50.01% | 100% | 95% | 51% | 99.99% |

(Amount in ₹ Lakhs)

| Particulars | BCV Developers Private Limited | Brigade (Gujarat) Projects Private Limited | Perungudi Real Estates Private Limited | Mysore Projects Private Limited | Brigade Hotel Ventures Limited |
|---|---|---|---|---|---|
| | 11 | 12 | 13 | 14 | 15 |
| Reporting period | 2019-20 | 2019-20 | 2019-20 | 2019-20 | 2019-20 |
| Reporting currency | INR | INR | INR | INR | INR |
| Share capital | 2,850 | 200 | 12,457 | 400 | 100 |
| Other Equity | 10,037 | 3,502 | (747) | 15,980 | 22,548 |
| Total Assets | 1,09,022 | 10,982 | 1,54,014 | 1,18,080 | 92,207 |
| Total Liabilities | 1,09,022 | 10,982 | 1,54,014 | 1,18,080 | 92,207 |
| Investments | -- | -- | -- | 1,248 | 11,877 |
| Turnover | 23,625 | 140 | 52 | 9,769 | 22,857 |
| Profit/(Loss) before Taxation | 1,719 | (1,445) | (451) | (463) | (4,646) |
| Provision for Taxation | 491 | 46 | -- | (117) | (1,402) |
| Profit/ (Loss) after Taxation | 1,228 | (1,491) | (451) | (346) | (3,244) |
| Other Comprehensive income | (2) | -- | -- | -- | 5 |
| Total Comprehensive income | 1,226 | (1,491) | (451) | (346) | (3,249) |
| Proposed Dividend | -- | -- | -- | -- | -- |
| % of Shareholding | 50.01% | 100% | 51% | 100% | 100% |

(Amount in ₹ Lakhs)

| Particulars | Augusta Club Private Limited | Brigade Innovations LLP |
|---|---|---|
| | 16 | 17 |
| Reporting period | 2019-20 | 2019-20 |
| Reporting currency | INR | INR |
| Share capital | 5 | 870 |
| Other Equity | 377 | (832) |
| Total Assets | 830 | 186 |
| Total Liabilities | 830 | 186 |
| Investments | -- | 16 |
| Turnover | 270 | 26 |
| Profit/(Loss) before Taxation | 69 | (291) |
| Provision for Taxation | 16 | -- |
| Profit/ (Loss) after Taxation | 53 | (291) |
| Other Comprehensive income | -- | (178) |
| Total Comprehensive income | 53 | (469) |
| Proposed Dividend | -- | -- |
| % of Shareholding | 100% | 99.82% |

**Notes:**

1. Names of subsidiaries which have been liquidated or sold during the year: **1 – Merger of Brookefields Real Estates & Projects Private Limited with Brigade Properties Private Limited.**

## Part "B": Associates

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies**

(Amount in ₹ Lakhs)

| Name of associates | | | Tandem Allied Services Private Limited |
|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | | March 31, 2020 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | | |
| | (i) | No. | 14,80,000 |
| | (ii) | Amount of Investment in Associates/Joint Venture | 7 |
| | Extend of Holding% | | 37% |
| 3. | Description of how there is significant influence | | NA |
| 4. | Reason why the associate/joint venture is not consolidated | | NA |
| 5. | Net worth attributable to shareholding as per latest audited Balance Sheet | | 1,273 |
| 6. | Profit/Loss for the year | | |
| | (i) | Considered in Consolidation | 205 |
| | (ii) | Not considered in Consolidation | 348 |

**Notes:**

1. Names of associates which are yet to commence operations: **NA**
2. Names of associates which have been liquidated or sold during the year: **NA**

# ANNEXURE-2

## DIVIDEND DISTRIBUTION POLICY OF BRIGADE ENTERPRISES LIMITED

**1) Introduction**

Brigade Enterprises Limited (the "Company") has framed the Dividend Distribution Policy in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

**2) Scope of the Policy**

This policy sets out the various parameters considered by the Board of Directors of the Company for recommending final dividend / declaring interim dividend.

**3) Dividend Distribution**

The Board of Directors of the Company recommends dividend distribution based on the following factors:

1. Net Profits of the Company, debt equity ratio, operating cash flows and future capital expenditure etc.
2. The track record of dividend pay outs during the last three financial years.
3. Macro economic factors and business cycle of the Company apart from Regulatory requirements.
4. Strategic growth opportunities.

The Board of Directors of the Company may declare interim dividend(s) as and when it may deem fit and recommend final dividend to be approved by the shareholders in a general meeting.

In case the Board of Directors of the Company decide not to recommend dividend then reasons for the same and the details of the utilisation of profits, if any, shall be disclosed in the Annual Report of the Company pertaining that financial year.

The dividend recommendation and distribution shall be in accordance with the Articles of Association of the Company, the provisions of the Companies Act, 2013 & the Rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

# ANNEXURE-3

**Disclosures as per SEBI Regulations relating to ESOP 2011 as on March 31, 2020:**

| Sl No | Particulars | Disclosures |
|---|---|---|
| 1. | Options granted (outstanding as on 01/04/2019)<br>Options granted during the year | 35,350<br>- |
| 2. | Pricing Formula | Discount to the market price on the date of issue of options |
| 3. | Options Vested during the year | 5,000 |
| 4. | Options Exercised | 21,600 |
| 5. | Total number of equity shares arising as a result of exercise of Options | 21,600 |
| 6. | Options lapsed/ forfeited | - |
| 7. | Variation of terms of options | N.A |
| 8. | Money realised by exercise of options | ₹ 10,80,000 |
| 9. | Total number of options in force | 13,750 |
| 10. | Employee wise details of options granted during the financial year 2019-20:<br>a. Senior Managerial Personnel (CXOs & above).<br>b. Any other employee who receives a grant in any one year of option amounting to 5% or more of the options granted during the year.<br>c. Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of the grant. | Nil |
| 11. | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with {Indian Accounting Standard (Ind AS) 33 '"Earnings Per Share"} | 12.66 |
| 12. | Where the company calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of options and the impact of the difference on profits and EPS of the Company | Not Applicable since the Company has adopted Indian Accounting Standards from April 1, 2016 |

| | | | | |
|---|---|---|---|---|
| 13. | Weighted average exercise price and weighted average fair value of options whose exercise price is equals or exceeds or is less than the market price of the stock | Exercise Price is ₹ 50/- per share.<br>Weighted Average Fair value of Options for Grant 1-2 is ₹ 131.68<br>Weighted Average Fair value of Options for Grant 3 is ₹ 275.30 | | |
| 14. | Description of the method and significant assumptions used during the year to estimate the fair value of the options | The Company has used Black-Scholes Model for computation of fair valuation considering the following significant assumptions: as on March 31, 2020 : | | |
| | | | **Grant 1-2** | **Grant 3** |
| | | Dividend Yield (%) | 1.52 | 1.21 |
| | | Expected Life of options granted (in years) (vesting and exercise period) | 7.66 | 7.66 |
| | | Risk Free Interest Rate (%) | 7.81 | 6.80 |
| | | Volatility (%) | 48.42 | 34.90 |

**Disclosures as per SEBI Regulations relating to ESOP 2017 as on March 31, 2020:**

| Sl No | Particulars | Disclosures | | |
|---|---|---|---|---|
| 1. | Options granted (outstanding as on 01/04/2019)<br>Options granted during the year | 13,01,900<br>9,12,583 | | |
| 2. | Pricing Formula | Discount to the market price on the date of issue of options | | |
| 3. | Options Vested during the year | 4,27,143 | | |
| 4. | Options Exercised | 75,575 | | |
| 5. | Total number of equity shares arising as a result of exercise of Options | 75,575 | | |
| 6. | Options lapsed/ forfeited | 2,99,606 | | |
| 7. | Variation of terms of options | N.A | | |
| 8. | Money realised by exercise of options | 1,25,96,085 | | |
| 9. | Total number of options in force | 18,39,302 | | |
| 10. | Employee wise details of options granted during the financial year 2019-20:<br>a. Senior Managerial Personnel (CXOs & above). | **Name** | **Designation** | **Options Granted** |
| | | Roshin Mathew | ED & President - Engineering | 25,480 |
| | | Gnanaseelan K S | COO - Chennai | 8,606 |
| | | Manjunath Prasad M P | COO - Projects | 16,630 |
| | | Arindam Mukherjee | COO - Projects | 14,136 |
| | | Shashie Kumar S | COO - Retail | 12,050 |
| | | Subrata K C Sharma | COO - Commercial | 12,044 |
| | | Rajendra Joshi | CEO - Residential | 60,642 |
| | | Atul Goyal | CFO | 18,510 |
| | b. Any other employee who receives a grant in any one year of option amounting to 5% or more of the options granted during the year. | NIL | | |
| | c. Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of the grant. | NIL | | |
| 11. | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with {Indian Accounting Standard (Ind AS) 33 '"Earnings Per Share"} | 12.66 | | |

| | | |
|---|---|---|
| 12. | Where the company calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of options and the impact of the difference on profits and EPS of the Company | Not Applicable since the Company has adopted Indian Accounting Standards from April 1, 2016 |
| 13. | Weighted average exercise price and weighted average fair value of options whose exercise price is equals or exceeds or is less than the market price of the stock | Exercise Price is ₹ 166.67/- per share.<br>Weighted Average Fair value of Options for Grant 1 is ₹ 255<br>Weighted Average Fair value of Options for Grant 2 is ₹ 214<br>Weighted Average Fair value of Options for Grant 3 is ₹ 161<br>Weighted Average Fair value of Options for Grant 4 is ₹ 198 |
| 14. | Description of the method and significant assumptions used during the year to estimate the fair value of the options | The Company has used Black-Scholes Model for computation of fair valuation considering the following significant assumptions: as on March 31, 2020 : |

| | Grant-1 | Grant-2 | Grant-3 | Grant-4 |
|---|---|---|---|---|
| Dividend Yield (%) | 0.78 | 0.78 | 0.78 | 0.78 |
| Expected Life of options granted (in years) (vesting and exercise period) | 7.50 | 7.50 | 7.50 | 7.50 |
| Risk Free Interest Rate (%) | 6.41 | 7.20 | 7.20 | 7.20 |
| Volatility (%) | 35.24 | 37.30 | 35.20 | 47.40 |

# ANNEXURE-4

**Remuneration Details of Directors, Key Managerial Personnel and Employees:**

(Pursuant to Section 134 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014) as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

I. Ratio of remuneration of each director to the median remuneration of the employees and percentage increase in remuneration:

| Sl No. | Name of Director / KMP | Designation | Ratio of Remuneration to Median Remuneration | % Increase/ Decrease in Remuneration Y-O-Y |
|---|---|---|---|---|
| 1. | Mr. M. R. Jaishankar | Chairman & Managing Director | 77.85 : 1 | -39% |
| 2. | Ms. Githa Shankar* | Wholetime Director | 9.44 : 1 | -56% |
| 3. | Ms. Pavitra Shankar | Executive Director | 5.85 : 1 | -49% |
| 4. | Ms. Nirupa Shankar | Executive Director | 5.92 : 1 | -49% |
| 5. | Mr. Roshin Mathew* | Executive Director | 8.34 : 1 | --- |
| 6. | Mr. Amar Mysore | Executive Director | 6.07 : 1 | -43% |
| 7. | Mr. Aroon Raman | Non-Executive Independent Director | --- | --- |
| 8. | Mr. Bijou Kurien | Non-Executive Independent Director | --- | --- |
| 9. | Ms. Lakshmi Venkatachalam | Non-Executive Independent Director | --- | --- |
| 10. | Mr. Pradeep Kumar Panja | Non-Executive Independent Director | --- | --- |
| 11. | Dr. Venkatesh Panchapagesan | Non-Executive Independent Director | --- | --- |
| 12. | Mr. Atul Goyal | Chief Financial Officer | 22.65 : 1 | **149% |
| 13. | Mr. P. Om Prakash | Company Secretary | 5.77 : 1 | 16% |

Note : * Part of the year

** Part of the previous financial year

II. The Non-Executive Directors were paid sitting fees for attending the Board / Committee Meetings.

III. The Non- Executive Independent Directors were paid remuneration by way of commission apart from sitting fees for attending the Board/ Committee Meetings.

IV. The median remuneration of employees during the financial year 2019-20 was ₹ 8.85 Lakhs.

V. The percentage increase/(decrease) in the median remuneration of employees in the financial year 2019-20 was 7.27% vis-à-vis 3.13% in the financial year 2018-19.

VI. The number of permanent employees on the rolls of Company as on March 31, 2020 was 770.

VII. Average percentage increase in the salaries of employees other than the managerial personnel during 2019-20 was 10.5%.

VIII. Justification including any exceptional circumstances for increase in managerial remuneration: N. A.

IX. The remuneration is as per the Nomination and Remuneration Policy formulated by the Nomination, Remuneration and Governance Committee and approved by the Board of Directors of the Company.

## ANNEXURE-6

# Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
**Brigade Enterprises Limited**
Bengaluru.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Brigade Enterprises Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Brigade Enterprises Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Brigade Enterprises Limited** ("the Company") for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;[1]

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;[2]

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;[3]

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;[4]

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;[4] and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.[4,5]

(vi) Other Laws as applicable to Real Estate Company carrying on Real Estate Activities such purchase, sale, mortgage, lease, development of immovable property, viz:-

1 Real Estate (Regulation & Development) Act, 2016 read with Karnataka Real Estate (Regulation & Development) Rules, 2017

2 Indian Contracts Act, 1872, Transfer of Property Act, 1882, Registration Act, 1908, Specific Relief Act, 1963

3 State Laws such as Stamp Act, Rent Control Act, Municipal Laws, Rules and Procedures

4 Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act,1974

5 Energy Conservation Act, 2001 and other related State laws for Lifts, Escalators & Passenger Conveyors, Fire & Safety.

I have also examined compliance with applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) The listing Agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited;[6]

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above.

My opinion is based on audit evidence, explanations and information given to me during the audit and the Management Representation Letter in support of compliances in respect of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above.

**I Further Report That**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

**I Further Report That** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit period the Company has:

a. Obtained the approval of the Shareholders at the 24th Annual General Meeting for:

i) Appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants for a second term of 5 years from the 24th AGM up to the conclusion of 29th AGM.

ii) Appointment an Independent Directors for a second term of 5 years with effect from 05.08.2019.

iii) Increase of the Authorised Share Capital of the Company to ₹ 250 Crores.

iv) Issue of Bonus Shares in the ratio of 1 Equity Share for every 2 existing Equity Shares held by the Members.

v) Issue of 42,75,000 Convertible Warrants on Preferential basis to Members under Promoter Group subject to appropriate adjustment for any issue by the Company.

b. Issue and allotted 42,75,000 Convertible Warrants on Preferential basis to Promoter Group persons/entities at an issue price of ₹ 269 per warrant on 28.08.2019 on receipt of 25% of the total consideration of ₹ 11,499.75 Lakhs with right to convert each Warrant into one Equity Share on receipt of the balance consideration, within a period of 18 months from the date of Allotment.

c. Allotted 6,81,01,581 Bonus Equity Shares on 30.08.2019 in the ratio of 1:2 to the Shareholders as on 29.08.2019.

d. Allotted additional 21,37,500 Convertible Warrants as per the approval of the Shareholders for price adjustment post the Bonus Issue thereby total warrants allotted is 64,12,500 Warrants and the revised issue price is ₹ 179.33 per warrant.

e. Transferred to the Investor Education & Protection Fund

   i) 3,192 Equity Shares pertaining to the Unclaimed Dividend for the year 2011-12

   ii) 8,423 Bonus Equity Shares and amount of ₹ 20,727 for 110 fractional Equity Shares.

f. Accepted the Resignation of a Wholetime Director with effect from 06.11.2019.

g. Appointed a Wholetime Director with effect from 07.11.2019.

h. Allotted to Employees who exercised their option;

   i) 21,600 Equity Shares at a price of ₹ 50/- per Equity Share under the Employee Stock Option Plan, 2011

   ii) 75,575 Equity Shares at an adjusted price of ₹ 166.67/- per share under the Employee Stock Option Plan, 2017

i. Granted to the eligible Employees under the Employee Stock Option Plan, 2017 a total of 9,12,583 options at a revised exercise price of is ₹ 166.67/- per share, which includes 2,83,862 fresh grants and 6,28,721 additional options to give effect to the Bonus issue adjustment.

j. Declared an Interim Dividend of ₹ 1 per equity Share on 16.03.2020

Place: Bengaluru
Date: June 18, 2020
UDIN: F004078B000351755

Signature:
Name of Company Secretary in practice: K RAJSHEKAR
FCS No.: 4078
C P No.: 2468

♣ To be read with our letter annexed hereto which forms an integral part of this report

[1] Replaced with SEBI (Prohibition of Insider Trading) Regulations, 2015

[2] Replaced with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

[3] Replaced with SEBI (Share Based Employee Benefits) Regulations, 2014

[4] There were no actions necessitating compliance under these Regulations

[5] Replaced with SEBI (Buy-back of Securities) Regulations, 2018

[6] Read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## ANNEXURE

To
The Members
**Brigade Enterprises Limited**
Bengaluru.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on our Audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Bengaluru
Date: June 18, 2020

Signature:
Name of Company Secretary in practice: K RAJSHEKAR
FCS No.: 4078
C P No.: 2468

# ANNEXURE-7

**CSR Initiatives undertaken by the Company during the financial year 2019-20:**

1. **Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

As a part of Corporate Governance Report, the Company has in place Corporate Social Responsibility Policy in accordance with Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014 together with Schedule VII of the Companies Act, 2013.

Activities of CSR Committee includes the following:

i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries: promotion and development of traditional arts and handicrafts;

vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), [Department of Biotechnology (DBT)], Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).;

x) Rural development projects;

xi) slum area development:

xii) disaster management, including relief, rehabilitation and reconstruction activities.

**2. The composition of the CSR Committee:**

The Composition of the CSR Committee is as follows:

| Sl. No. | Name | Position |
|---|---|---|
| 1. | Mr. M.R. Jaishankar | Chairman |
| 2. | Mr. Aroon Raman | Member |
| 3. | Ms. Pavitra Shankar | Member |
| 4. | Ms. Lakshmi Venkatachalam | Member |

**3. Average Net Profit of the company for last three financial years:**

| Financial Year | Net Profit Before Tax (in ₹ In Lakhs) |
|---|---|
| 2018-19 | 37,453 |
| 2017-18 | 26,162 |
| 2016-17 | 25,087 |
| **Average Profit of 3 years** | **29,567** |

**4. Prescribed CSR Expenditure (two percent of the amount as in item No.3 above):**

2% of the average Net Profit is ₹ 591/- Lakhs

**5. Amount unspent last year and carried forward from last year:**

₹517/- Lakhs

**6. Details of CSR spent during the financial year:**

a. Total amount to be spent for the financial year including unspent amount for the previous years: ₹ 1,108/- Lakhs.

b. Total amount spent for the financials year is ₹ 1,133/- Lakhs

c. amount unspent: Nil

d. manner in which the amount spent during the financial year is detailed below:

(₹ In Lakhs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sl No.** | **CSR project or activity identified** | **Sector in which the Project is covered** | **Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken** | **Amount outlay (budget) project or programs wise** | **Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:** | **Cumulative expenditure upto to the reporting period.** | **Amount spent: Direct or through implementing agency** |
| 1 | Donation to Indian Music Experience Trust | To promote & preserve art & culture or objects of historical importance | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 50 | 40 | 40 | Direct |
| 2 | Donation to Karnataka State Disaster Management | Flood Rehabilitation & Reconstruction | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 10 | 10 | 10 | Through Implementing Agency |
| 3 | Donation to Jana Seva Trust | Protection of under privileged children (Education, food, & shelter) | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 50 | 50 | 50 | Direct |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sl No.** | **CSR project or activity identified** | **Sector in which the Project is covered** | **Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken** | **Amount outlay (budget) project or programs wise** | **Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:** | **Cumulative expenditure upto to the reporting period.** | **Amount spent: Direct or through implementing agency** |
| 4 | Donation to Karnataka Arya Vysya | Promoting Higher Education Scholarship | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 5 | 5 | 5 | Direct |
| 5 | Donation to The Association of People with Disability | Serves children's and Adult's having a disability and Rehabilitation | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 10 | 10 | 10 | Direct |
| 6 | Donation to Bangalore Environment Trust | Protection of environment (Pollution prevention ,lake restoration, urban tree protection & afforestation) | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 1 | 0.50 | 0.50 | Through Implementing Agency |
| 7 | Donation to Brigade Foundation Trust | To promote education, to set up of orphanages, old age homes & health facilities for senior citizens & to promote / preserve art & culture or objects of historical importance. | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 900 | 800 | 800 | Direct |
| 8 | Donation to Brigade Foundation Trust | Gifting of land for construction of hospital by St. John's hospital Bangalore | (1) Local area (2) Project was undertaken in Bangalore, Karnataka State | 300 | 217 | 217 | Direct |
| | **Total** | | | **1,326** | **1,133** | **1,133** | |

**7. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report.**

N.A. The Company has spent the 2% of the Average Net Profit of the last 3 financial years (including unspent of the previous financial years and carried forward from last year's amount).

**8. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.**

The CSR Committee ensures that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and Policy of the Company.

**Chairman & Managing Director and**
**Chairman of CSR Committee**

Place: Bangalore
Date: June 18, 2020

# ANNEXURE-8

# FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**
**financial year ended As on 31.03.2020**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

## I. REGISTRATION & OTHER DETAILS

| | | |
|---|---|---|
| 1 | CIN | **L85110KA1995PLC019126** |
| 2 | Registration Date | **November 08, 1995** |
| 3 | Name of the Company | **Brigade Enterprises Limited** |
| 4 | Category/Sub-category of the Company | **Company Limited by Shares**<br>**Indian Non Government Company** |
| 5 | Address of the Registered office & contact details | **29th & 30th Floors, World Trade Center, 26/1, Brigade Gateway Campus, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560 055** |
| 6 | Whether listed company | **Yes** |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | **KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Selenium Tower B,**<br>**Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Tel no.: 040 - 67161500** |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | Real Estate | 45201 | 85% |
| 2 | Leasing | 70106 | 15% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Name and address of the Company | CIN/GLN | Holding /Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|
| Brigade Tetrarch Private Limited | U92412KA1995PTC018247 | Subsidiary Company | 100% | 2(87) |
| Brigade Estates & Projects Private Limited | U70101KA2006PTC041132 | Subsidiary Company | 100% | 2(87) |
| Brigade Infrastructure & Power Private Limited | U70109KA2007PTC044008 | Subsidiary Company | 100% | 2(87) |
| Orion Property Management Services Limited | U70109KA2011PLC060288 | Subsidiary Company | 100% | 2(87) |
| Brigade Hospitality Services Limited | U55101KA2004PLC034060 | Subsidiary Company | 100% | 2(87) |
| SRP Prosperita Hotel Ventures Limited | U55101KA2012PLC099437 | Step down Subsidiary Company | 50.01% | 2(87) |
| WTC Trades & Projects Private Limited | U74900KA2010PTC056191 | Subsidiary Company | 100% | 2(87) |
| Brigade Properties Private Limited | U70200KA2007PTC042824 | Subsidiary Company | 51% | 2(87) |
| Brookefields Real Estates and Projects Private Limited** | U70100KA2007PTC085237 | Step down subsidiary Company | 51% | 2(87) |
| BCV Developers Private Limited | U45201KA2008PTC045861 | Subsidiary Company | 50.01% | 2(87) |
| Brigade (Gujarat) Projects Private Limited | U70100KA2015PTC079490 | Subsidiary Company | 100% | 2(87) |
| Perungudi Real Estates Private Limited | U70200TN2015PTC102278 | Subsidiary Company | 51% | 2(87) |
| Mysore Projects Private Limited | U70102KA2010PTC054771 | Subsidiary Company | 100% | 2(87) |
| Brigade Hotel Ventures Limited | U74999KA2016PLC095986 | Subsidiary Company | 100% | 2(87) |
| Augusta Club Private Limited | U74999KA2016PTC096214 | Subsidiary Company | 100% | 2(87) |
| Tandem Allied Services Private Limited | U70102KA2000PTC027302 | Associate Company | 37% | 2(6) |

** Brookefields Real Estates and Projects Pvt Ltd has been merged with Brigade Properties Private Limited, Holding Company pursuant to order of Scheme of Amalgamation issued by Ministry of Corporate Affairs, Office of the Regional Director, Hyderabad on April 25, 2019

## IV. SHARE HOLDING PATTERN :

(Equity share capital breakup as percentage of total equity)

### (i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 6,34,68,915 | | 6,34,68,915 | 46.61% | 9,52,03,367 | | 9,52,03,367 | 46.58% | -0.03% |
| b) Central Govt | - | | - | 0.00% | | | | - | 0.00% |
| c) State Govt(s) | - | | - | 0.00% | | | | - | 0.00% |
| d) Bodies Corp. | 3,19,779 | | 3,19,779 | 0.23% | 4,79,668 | | 4,79,668 | 0.23% | 0.00% |
| e) Banks / FI | - | | - | 0.00% | | | | | 0.00% |
| f) Any other | - | | - | 0.00% | | | | | 0.00% |
| **Sub Total (A) (1)** | **6,37,88,694** | **-** | **6,37,88,694** | **46.84%** | **9,56,83,035** | | **9,56,83,035** | **46.82%** | **-0.02%** |
| **(2) Foreign** | | | | | | | | | |
| a) NRI Individuals | - | | - | - | | | | | 0.00% |
| b) Other Individuals | - | | - | - | | | | | 0.00% |
| c) Bodies Corp. | - | | - | - | | | | | 0.00% |
| d) Any other | - | | - | - | | | | | 0.00% |
| **Sub Total (A) (2)** | **-** | | **-** | **-** | | | | | **0.00%** |
| **TOTAL (A)** | **6,37,88,694** | **-** | **6,37,88,694** | **46.84%** | **9,56,83,035** | | **9,56,83,035** | **46.82%** | **-0.02%** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 1,89,02,482 | - | 1,89,02,482 | 13.88% | 3,38,61,583 | | 3,38,61,583 | 16.57% | 2.69% |
| b) Banks / FI | 8,43,924 | | 8,43,924 | 0.62% | 12,28,493 | | 12,28,493 | 0.60% | -0.02% |
| c) Central Govt | - | | - | 0.00% | | | | 0.00% | 0.00% |
| d) State Govt(s) | - | | - | 0.00% | | | | 0.00% | 0.00% |
| e) Venture Capital Funds | - | | - | 0.00% | | | | 0.00% | 0.00% |
| f) Insurance Companies | 18,96,913 | | 18,96,913 | 1.39% | 27,58,087 | | 27,58,087 | 1.35% | -0.04% |
| g) FIIs | 1,70,07,486 | | 1,70,07,486 | 12.49% | 2,60,85,225 | | 2,60,85,225 | 12.76% | 0.27% |
| h) Foreign Venture Capital Funds | - | | - | 0.00% | | | | 0.00% | 0.00% |
| i) Alternate Investment Funds | 33,232 | | 33,232 | 0.02% | 45,016 | | 45,016 | 0.02% | 0.00% |
| j) Others (specify) | - | | - | 0.00% | | | | 0.00% | 0.00% |
| **Sub-total (B)(1):-** | **3,86,84,037** | **-** | **3,86,84,037** | **28.41%** | **6,39,78,404** | | **6,39,78,404** | **31.30%** | **2.89%** |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 13,37,814 | | 13,37,814 | 0.98% | 699679 | | 699679 | 0.34% | -0.64% |
| i) Indian | | | | | | | | | |
| ii) Overseas | - | | - | 0.00% | | | | 0.00% | 0.00% |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 58,15,804 | 520 | 58,16,324 | 4.27% | 66,79,769 | 202 | 66,79,971 | 3.27% | -1.00% |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 2,59,10,987 | - | 2,59,10,987 | 19.03% | 3,66,92,757 | | 3,66,92,757 | 17.95% | -1.08% |
| c) Others (specify) | | | | | | | | | |
| NBFC Registered with RBI | 6,087 | - | 6,087 | 0.00% | 525 | | 525 | 0.00% | 0.00% |
| Directors | - | | - | 0.00% | | | | 0.00% | 0.00% |
| IEPF | 17,066 | | 17,066 | 0.01% | 28,567 | | 28,567 | 0.01% | 0.00% |
| Non Resident Indians | 5,77,436 | | 5,77,436 | 0.42% | 5,73,601 | | 5,73,601 | 0.28% | -0.14% |
| Overseas Corporate Bodies | - | | - | 0.00% | | | | 0.00% | 0.00% |
| Foreign Nationals | - | | - | 0.00% | | | | 0.00% | 0.00% |
| Clearing Members | 40,259 | | 40,259 | 0.03% | 43,517 | | 43,517 | 0.02% | 0.01% |
| Employees | - | - | - | - | | | | - | - |
| HUF | - | - | - | - | | | | - | - |
| Trusts | 2857 | | 2857 | 0.00% | 261 | | 261 | 0.00% | 0.00% |
| Foreign Bodies - D R | - | | - | 0.00% | | | | 0.00% | 0.00% |
| **Sub-total (B)(2):-** | **3,37,08,310** | **520** | **3,37,08,830** | **24.75%** | **4,47,18,676** | **202** | **4,47,18,878** | **21.88%** | **-2.87%** |
| **Total Public (B)** | **7,23,92,347** | **520** | **7,23,92,867** | **53.16%** | **10,86,97,080** | **202** | **10,86,97,282** | **53.18%** | **0.02%** |
| **C. Shares held by Custodian for GDRs & ADRs** | | | | 0.00% | | | | 0.00% | 0.00% |
| **Grand Total (A+B+C)** | **13,61,81,041** | **520** | **13,61,81,561** | **100.00%** | **20,43,80,115** | **202** | **20,43,80,317** | **100.00%** | **0.00%** |

### (ii) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | M R JAISHANKAR | 23045178 | 16.92% | - | 34567767 | 16.91% | - | -0.01% |
| 2 | GITHA SHANKAR | 18700500 | 13.73% | - | 28050749 | 13.72% | - | -0.01% |
| 3 | NIRUPA SHANKAR | 9326625 | 6.85% | - | 13989937 | 6.85% | - | 0.00% |
| 4 | M R JAISHANKAR - HUF | 2764125 | 2.03% | - | 4146187 | 2.03% | - | 0.00% |
| 5 | M R KRISHNA KUMAR | 3951687 | 2.90% | - | 5927530 | 2.90% | - | 0.00% |
| 6 | M R SHIVRAM - HUF | 2035847 | 1.49% | - | 3053770 | 1.49% | - | 0.00% |
| 7 | M R SHIVRAM | 1741243 | 1.28% | - | 2611864 | 1.28% | - | 0.00% |
| 8 | GURUMURTHY.M.R | 1128784 | 0.83% | - | 1693175 | 0.83% | - | 0.00% |
| 9 | G R ARUNDHATI | 535393 | 0.39% | - | 803089 | 0.39% | - | 0.00% |
| 10 | A R RUKMINI | 239533 | 0.18% | - | 359299 | 0.18% | - | 0.00% |
| 11 | MYSORE HOLDINGS PRIVATE LIMITED | 319779 | 0.23% | - | 479668 | 0.23% | - | 0.00% |

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | **M R JAISHANKAR** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 2,30,45,178 | 16.92% | | |
| | Changes during the year | | Bonus Issue | 1,15,22,589 | -0.01% | | |
| | At the end of the year | 31.03.2020 | | 3,45,67,767 | 16.91% | 3,45,67,767 | 16.91% |
| 2 | **GITHA SHANKAR** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 1,87,00,500 | 13.73% | | |
| | Changes during the year | | Bonus Issue | 93,50,249 | -0.01% | | |
| | At the end of the year | 31.03.2020 | | 2,80,50,749 | 13.72% | 2,80,50,749 | 13.72% |
| 3 | **NIRUPA SHANKAR** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 93,26,625 | 6.85% | | |
| | Changes during the year | | Bonus Issue | 46,63,312 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 1,39,89,937 | 6.85% | 1,39,89,937 | 6.85% |
| 4 | **M R JAISHANKAR - HUF** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 27,64,125 | 2.03% | | |
| | Changes during the year | | Bonus Issue | 13,82,062 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 41,46,187 | 2.03% | 41,46,187 | 2.03% |
| 5 | **M R KRISHNA KUMAR** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 39,51,687 | 2.90% | | |
| | Changes during the year | | Bonus Issue | 19,75,843 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 59,27,530 | 2.90% | 59,27,530 | 2.90% |
| 6 | **M R SHIVRAM - HUF** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 20,35,847 | 1.49% | | |
| | Changes during the year | | Bonus Issue | 10,17,923 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 30,53,770 | 1.49% | 30,53,770 | 1.49% |
| 7 | **M R SHIVRAM** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 17,41,243 | 1.28% | | |
| | Changes during the year | | Bonus Issue | 8,70,621 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 26,11,864 | 1.28% | 26,11,864 | 1.28% |
| 8 | **GURUMURTHY.M.R** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 11,28,784 | 0.83% | | |
| | Changes during the year | | Bonus Issue | 5,64,391 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 16,93,175 | 0.83% | 16,93,175 | 0.83% |
| 9 | **G R ARUNDHATI** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 5,35,393 | 0.39% | | |
| | Changes during the year | | Bonus Issue | 2,67,696 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 8,03,089 | 0.39% | 8,03,089 | 0.39% |
| 10 | **A R RUKMINI** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 2,39,533 | 0.18% | | |
| | Changes during the year | | Bonus Issue | 1,19,766 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 3,59,299 | 0.18% | 3,59,299 | 0.18% |
| 11 | **MYSORE HOLDINGS PRIVATE LIMITED** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 3,19,779 | 0.23% | | |
| | Changes during the year | | Bonus Issue | 1,59,889 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 4,79,668 | 0.23% | 4,79,668 | 0.23% |

### (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | **FRANKLIN INDIA SMALLER COMPANIES FUND** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 63,51,325 | 4.66% | | |
| | Changes during the year | | Bonus Issue & Purchase | 32,48,161 | 0.03% | | |
| | At the end of the year | 31.03.2020 | | 95,99,486 | 4.70% | 95,99,486 | 4.70% |
| 2 | **ICICI PRUDENTIAL MIDCAP FUND** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 56,60,106 | 4.16% | | |
| | Changes during the year | | Bonus Issue & Sale | 2,49,030 | -1.27% | | 0.00% |
| | At the end of the year | 31.03.2020 | | 59,09,136 | 2.89% | 59,09,136 | 2.89% |
| 3 | **AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | - | 0.00% | | |
| | Changes during the year | | Purchase | 54,74,543 | 2.68% | | |
| | At the end of the year | 31.03.2020 | | 54,74,543 | 2.68% | 54,74,543 | 2.68% |
| 4 | **THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUST** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 53,77,139 | 3.95% | | |
| | Changes during the year | | Bonus Issue & Sale | 17,26,755 | -0.47% | | |
| | At the end of the year | 31.03.2020 | | 71,03,894 | 3.48% | 71,03,894 | 3.48% |
| 5 | **MANJULA M K** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 45,44,748 | 3.34% | | |
| | Changes during the year | | Bonus Issue | 22,72,373 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 68,17,121 | 3.34% | 68,17,121 | 3.34% |
| 6 | **KOTAK FUNDS - INDIA MIDCAP FUND** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 38,74,376 | 2.85% | | |
| | Changes during the year | | Bonus Issue & Purchase | 19,38,247 | -0.01% | | |
| | At the end of the year | 31.03.2020 | | 58,12,623 | 2.84% | 58,12,623 | 2.84% |
| 7 | **M G SURAJ** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 26,76,457 | 1.97% | | |
| | Changes during the year | | Bonus Issue & Sale | 11,24,678 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 38,01,135 | 1.86% | 38,01,135 | 1.86% |
| 8 | **M G SURAJ HUF** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 24,69,053 | 1.81% | | |
| | Changes during the year | | Bonus Issue & Purchase | 12,76,226 | 0.02% | | |
| | At the end of the year | 31.03.2020 | | 37,45,279 | 1.83% | 37,45,279 | 1.83% |
| 9 | **L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSIN** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 24,42,874 | 1.79% | | |
| | Changes during the year | | Bonus Issue & Purchase | 35,86,122 | 1.16% | | |
| | At the end of the year | 31.03.2020 | | 60,28,996 | 2.95% | 60,28,996 | 2.95% |
| 10 | **SUNDARAM MUTUAL FUND A/C SUNDARAM INFRASTRUCTURE** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 24,35,064 | 1.79% | | |
| | Changes during the year | | Bonus Issue & Sale | 8,20,847 | -0.20% | | |
| | At the end of the year | 31.03.2020 | | 32,55,911 | 1.59% | 32,55,911 | 1.59% |

(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | **M. R. Jaishankar** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 2,30,45,178 | 16.92% | | |
| | Changes during the year | | Bonus Issue | 1,15,22,589 | -0.01% | | |
| | At the end of the year | 31.03.2020 | | 3,45,67,767 | 16.91% | 3,45,67,767 | 16.91% |
| 2 | **Amar Mysore** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 12,93,773 | 0.95% | | |
| | Changes during the year | | Bonus Issue | 6,46,886 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 19,40,659 | 0.95% | 19,40,659 | 0.95% |
| 3 | **Nirupa Shankar** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 93,26,625 | 6.85% | | |
| | Changes during the year | | Bonus Issue | 46,63,312 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 1,39,89,937 | 6.85% | 1,39,89,937 | 6.85% |
| 4 | **Roshin Mathew** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 40,000 | 0.03% | | |
| | Changes during the year | | Bonus Issue & ESOP Allottment | 9,555 | -0.01% | | |
| | At the end of the year | 31.03.2020 | | 49,555 | 0.02% | 49,555 | 0.02% |
| 5 | **P. Om Prakash** | | | | | | |
| | At the beginning of the year | 01.04.2019 | | 23,300 | 0.02% | | |
| | Changes during the year | | Bonus Issue & ESOP Allottment | 16,237 | 0.00% | | |
| | At the end of the year | 31.03.2020 | | 39,537 | 0.02% | 39,537 | 0.02% |

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹ Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 1,90,695.00 | - | - | 1,90,695.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 119.00 | - | - | 119.00 |
| **Total (i+ii+iii)** | **1,90,814.00** | **-** | **-** | **1,90,814.00** |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | 50,506.00 | - | - | 50,506.00 |
| * Reduction | (37,484.00) | - | - | (37,484.00) |
| Net Change | 13,022.00 | - | - | 13,022.00 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 2,03,522.00 | - | - | 2,03,522.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 314.00 | - | - | 314.00 |
| **Total (i+ii+iii)** | **2,03,836.00** | **-** | **-** | **2,03,836.00** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:.

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | | Total Amount (₹/Lakhs) |
|---|---|---|---|---|---|---|---|
| | Name | M.R. Jaishankar | Githa Shankar* | Amar Mysore | Pavitra Shankar | Nirupa Shankar | |
| | Designation | Chairman and Managing Director | Wholetime Director | Executive Director | Executive Director | Executive Director | |
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 156.00 | 80.00 | 51.00 | 51.00 | 51.00 | 389.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | | | |
| 2 | Stock Option | | | | | | |
| 3 | Sweat Equity | | | | | | |
| 4 | Commission | | | | | | |
| | - as % of profit | 533.00 | 4.00 | 3.00 | 1.00 | 2.00 | 543.00 |
| | - others, specify | | | | | | |
| 5 | Others, please specify | | | | | | |
| | **Total (A)** | **689.00** | **84.00** | **54.00** | **52.00** | **53.00** | **932.00** |
| | **Ceiling as per the Act** | **1,779.99** | **1,779.99** | **1,779.99** | **1,779.99** | **1,779.99** | **3,559.98** |

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount (₹/Lakhs) |
|---|---|---|---|
| | Name | Roshin Mathew** | |
| | Designation | Executive Director | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 57.00 | 57.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | |
| 2 | Stock Option | - | |
| 3 | Sweat Equity | - | |
| 4 | Commission | - | |
| | - as % of profit | 10.00 | 10.00 |
| | - others, specify | - | |
| 5 | Others, please specify | - | |
| | **Total (A)** | **67.00** | **67.00** |
| | **Ceiling as per the Act** | **1,779.99** | **3,559.98** |

* Resigned as Whole Time Director w.e.f November 6, 2019

** Appointed as an Executive Director w.e.f. November 7, 2019

B. Remuneration to other Directors

| SN. | Particulars of Remuneration | Name of Directors | | | | | Total Amount (Rs/Lakhs) |
|---|---|---|---|---|---|---|---|
| | | Aroon Raman (1) | Biju Kurien (2) | Pradeep Kumar Panja (3) | Lakshmi Venkatachalam (4) | Dr. Venkatesh Panchapagesan (5) | |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board committee meetings | 1.90 | 2.20 | 1.80 | 1.50 | 1.60 | 9.00 |
| | Commission | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 60.00 |
| | Others, please specify | | | | | | - |
| | **Total (1)** | **13.90** | **14.20** | **13.80** | **13.50** | **13.60** | **69.00** |
| 2 | Other Non-Executive Directors | | | | | | - |
| | Fee for attending board committee meetings | | | | | | - |
| | Commission | | | | | | - |
| | Others, please specify | | | | | | - |
| | **Total (2)** | | | | | | **-** |
| | **Total (B)=(1+2)** | **13.90** | **14.20** | **13.80** | **13.50** | **13.60** | **69.00** |
| | Total Managerial Remuneration | | | | | | 69.00 |
| | **Overall Ceiling as per the Act** | | | | | | **355.99** |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| SN. | Particulars of Remuneration | Name of Key Managerial Personnel | | Total Amount (₹/Lakhs) |
|---|---|---|---|---|
| | Name | Atul Goyal | Om Prakash P | |
| | Designation | CFO | CS | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 199.00 | 48.00 | 247.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1.00 | 3.00 | 4.00 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | - |
| 2 | Stock Option | | | - |
| 3 | Sweat Equity | | | - |
| 4 | Commission | | | - |
| | - as % of profit | | | - |
| | - others, specify | | | - |
| 5 | Others, please specify | | | - |
| | **Total** | **200.00** | **51.00** | **251.00** |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |

# ANNEXURE-9

## I. Conservation of Energy

(a) Energy conservation measures taken:

The conservation of Energy and Water, and the protection of the environment – air, water & Land 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.,

- Design of Energy Efficient Buildings by carrying out Energy, Fresh Air and Day Lighting Simulation.
- All light fixtures installed in the projects are energy efficient and Smart LED lights with motion sensor, timers and dimmers.
- Dimmers are used to optimize the use of energy efficient lighting systems
- Use of occupancy sensors in sparingly used area in the buildings, viz., Rest Rooms, Change Rooms, Corridors, Staircase, Car Parking / Basement Area, etc.
- Passive architectural features such as planting tall growing and large canopy trees for shading the building, design of fixed shading device on the building façade, cross ventilation for air circulation, high reflective paints on the roof, etc. are used to reduce the energy demand for the Buildings
- It is estimated that companies' commercial projects save 15-20% energy when compared to base case of Energy Conservation Building Code (ECBC).
- The Window to Wall ratio in the buildings are optimized to reduce the Air conditioning energy demand at the same time does not increase the need for artificial lighting within the projects.
- The glazed glass façade used in the construction of the buildings are scientifically selected after many iterations of building material simulation to maximize 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.
- Non-air conditioned buildings are designed with cross ventilation to minimize the dependency on fans, coolers, split air conditioners, etc.
- Utilization of solar energy wherever possible for water heating and lighting in all the projects of the company
- Solar PV Panels are installed in all commercial projects of the company to harness renewable energy sources
- Green Power is purchased by getting into a long term agreement with Green Energy Developers, thus encouraging installation of renewable energy systems.
- Bureau of Energy Efficiency (BEE) certified electro-mechanical equipments (Viz., Pumps, Drives, Compressors, etc.) are used in the project.
- Green Pro Certified construction materials are used to reduce the embodied energy of the buildings
- Use of Energy efficient Water Cooled Air Conditioning System with high coefficient of performance in all Commercial Buildings developed by the company
- Use of low flow water fixtures to reduce the water demand and energy requirement for pumping water in all the projects of the company
- Use of waterless urinals in all office buildings by the company
- Adopting Green Building norms in all our projects of the company
- 100% of the sewage effluent generated from the all the projects of the company is treated in scientifically designed Sewage Treatment Plant and is made fit for reuse for toilet flushing, landscaping and Make-up water for water-cooled air-conditioning systems. This reduces the dependency on municipal water supply which is pumped from far off location; indirectly saving energy and fresh water.
- Charging points for Electric vehicles are installed to encourage use of alternative fuel

- The company's projects are in close proximity to public transport or shuttle services are provided for free of cost to all the occupants to the nearest Bus station
- Design of landscape with native and drought tolerant tree species to reduce the water demand and save energy for pumping
- Installation of smart app based electrical systems to control and optimize their use
- Reduce energy wastage due to distribution by designing the right sizing of copper cables
- Optimizing the use of back-up power systems (DG Sets) by using synchronizing panels and sensors
- Preventive maintenance for all electrical and electro-mechanical installations are prepared and handover to facilities team or to the respective buildings associations as guidelines to ensure right usage of systems
- IOT sensors for collection of data are installed for all water and energy consuming fixtures or devices.
- Interface with SCADA system of utilities (Use of Building Management Systems- BMS)
- Effective Rooftop Rainwater and Storm Water harvesting systems are implemented in all company projects to conserve water & energy. The Rooftop rainwater is collected in underground sumps and used for domestic purposes after suitable treatment
- Modern construction technologies (Viz., Precast / Prefabricated, Aluminum Form Work, etc) are adopted to minimize construction and demolition wastes. This also reduces the time taken for construction.
- Use of Manufactured Sand (M-Sand) instead of natural river sand in all our projects to avoid negative impacts of sand mining.
- Use of ready mix concrete (RMC) along with curing agents for construction reduces the negative impact of Ambient Air and also conserves water respectively.

(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 mechanized 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 standardized 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 Earnings and Expenditure from Foreign Exchange during the year are as follows:

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **Earnings:** | | |
| Income from property development | 22.13 | 193.86 |
| **Total** | **22.13** | **193.86** |
| **Expenditure:** | | |
| i. Legal & Professional fees | - | - |
| ii. Advertisement & Sales Promotion | 195.96 | 136.20 |
| iii. Brokerage & Discounts | - | - |
| iv. Employee benefits expense | 243.99 | 188.98 |
| v. LC Payments (Material Supplies) | 388.14 | - |
| vi. TT Payments (Material Supplies) | 59.61 | - |
| vii. Others | 72.28 | 72.80 |
| **Total** | **959.98** | **398.00** |

# Corporate Governance Report

## PHILOSOPHY ON CORPORATE GOVERNANCE AT BRIGADE ENTERPRISES LIMITED

The Philosophy on Corporate Governance at Brigade Enterprises Limited reflects our core value system which are :

a) To ensure highest levels of integrity and quality.

b) To ensure strong legacy of fair, transparent and ethical governance practice.

c) To ensure observance of highest standards & levels of transparency, accuracy, accountability, and reliability on the organisation.

d) To ensure protection of wealth and other resources of the Company for maximising the benefits to the stakeholders of the Company.

Our Corporate Philosophy thrust upon Innovation, Quality and Trust. The vision, mission and values of the Company enshrine the aforesaid philosophy.

The Corporate Governance Report of the Company for the year ended March 31, 2020 is as follows:

## BOARD OF DIRECTORS

The Board of Directors of the Company comprises of 10 Directors as on March 31, 2020 consisting of 5 Executive Directors and 5 non-executive Independent Directors. The Listing Regulations i.e. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate that at least half of the Board should be Independent Directors and the Listing Regulations also mandate that the Board of Directors of the top 500 listed entities shall have at least one independent women Director. Both the criteria's are complied by the Company. All the independent Directors fulfil the conditions specified in the applicable Regulations and are independent of the management. The Chairperson of most of the Board Committees namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are Independent Directors. The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and expertise.

At Brigade, the Board is at the core of our Corporate Governance practice. The Board oversees the Management's functions and protects the long-term interests of our stakeholders. The composition of Board is in due compliance of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition and category of the Directors are as follows:

| Category | Name of Director | Designation | No. of Directors | % to total number of Directors |
|---|---|---|---|---|
| Promoter/ Executive Directors | Mr. M.R. Jaishankar | Chairman & Managing Director | 5 | 50% |
| | Mr. Roshin Mathew | Executive Director | | |
| | Ms. Pavitra Shankar | Executive Director | | |
| | Ms. Nirupa Shankar | Executive Director | | |
| | Mr. Amar Mysore | Executive Director | | |
| Independent Non-Executive Directors | Mr. Aroon Raman | Independent Director | 5 | 50% |
| | Mr. Bijou Kurien | Independent Director | | |
| | Ms. Lakshmi Venkatachalam | Independent Director | | |
| | Mr. Pradeep Kumar Panja | Independent Director | | |
| | Dr. Venkatesh Panchapagesan | Independent Director | | |
| | **Total** | | **10** | **100** |

## DISCLOSURE REGARDING THE APPOINTMENT, REAPPOINTMENT AND RETIREMENT OF DIRECTORS

**a) Appointment**

Pursuant to provisions of the Companies Act, 2013, during the year Mr. Roshin Mathew (DIN: 00673926), was inducted as an Additional Director & Wholetime Director and designated as Executive Director of the Company for a period of 5 (Five) years with effect from November 7, 2019 subject to approval by the shareholders in the ensuing twenty fifth Annual General Meeting of the Company.

**b) Reappointment**

As per the provisions of the Companies act, 2013, Mr. Amar Mysore (DIN: 03218587) & Ms. Nirupa Shankar (DIN: 02750342), Executive Directors of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, they seek reappointment. Mr. Bijou Kurien (DIN: 01802995) has completed his first term as an Independent Director of the Company on January 31, 2020. He has given his consent for re-appointment and he has not been disqualified for reappointment as an Independent Director for a second term of five years subject to approval of the Members in the ensuing Annual general Meeting by special resolution.

The Board based on its evaluation, recommended their reappointment.

**c) Retirement/Resignation**

During the Year under review Ms. Githa Shankar (DIN:01612882), Whole Time Director of the Company has resigned from the Directorship of the Company with effect from November 6, 2019.

## CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Ms. Aarthi G Krishna, Practicing Company Secretary (CP No. 5645), has issued a certificate as required under listing regulations, confirming that none of Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/ Ministry of Corporate Affairs or any such statutory Authority. This Certificate forms part of the Annual Report.

## KEY BOARD QUALIFICATIONS, EXPERTISE, SKILLS AND ATTRIBUTES

The Companies Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. The Board Members are committed to ensure that the Companies Board follows the highest standards of Corporate Governance.

The table below summarises the Key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board.

| Criteria for Directors Qualifications | |
|---|---|
| Finance | Recent Global Developments, coupled with economic conditions, have demonstrated that one can understand financial markets and the economy with understanding real estate markets and underwriting real estate risk. |
| Leadership | Extended Leadership experience for a significant enterprise, results in practical understanding of process, operation, Goal setting, strategic planning and risk management in the advanced stage of risk mitigation. |
| Real Estate | Different level of experience and skill requirement and tend to rely more on expertise and local market knowledge in real estate sector. |
| Industrial development | Responsible for co-ordination of skill development efforts across various industries, building the skill up gradation, building of new industrial development skills and innovative thinking. |
| Sales & Marketing | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation. |
| Technology | A significant and considerable background in technology, technological developments and recent trends that enables the Company to implement the same in the business model. |

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

| Sl. No. | Name of the Director | Category | Special Knowledge/ Practical Experience/ Skills/ Expertise/Competencies |
|---|---|---|---|
| 1 | Mr. M. R. Jaishankar | Chairman & Managing Director | • Real Estate Development<br>• Sales & Marketing<br>• Engineering<br>• Design & Development<br>• Business Management<br>• Business Strategy<br>• Leadership<br>• Business Development<br>• Human Resources<br>• Legal<br>• Innovation |
| 2 | Mr. Roshin Mathew | Executive Director | • Engineering<br>• Project Management<br>• Leadership<br>• Quality & System Management<br>• Human Resources<br>• Real Estate<br>• Budgeting & Cost Control<br>• Innovation |
| 3 | Ms. Nirupa Shankar | Executive Director | • Economics<br>• Hospitality<br>• Office<br>• Retail<br>• Human Resources<br>• Public Relations<br>• Innovations |
| 4 | Ms. Pavitra Shankar | Executive Director | • Economics<br>• Finance<br>• Business Management<br>• Sales & Marketing<br>• Information Technology<br>• International Markets |
| 5 | Mr. Amar Mysore | Executive Director | • Supply Chain Management<br>• Manufacturing<br>• Power Sector<br>• Real Estate<br>• Commercial and Retail<br>• Information Technology |

| Sl. No. | Name of the Director | Category | Special Knowledge/ Practical Experience/ Skills/ Expertise/Competencies |
|---|---|---|---|
| 6 | Mr. Aroon Raman | Independent Director | • Engineering<br>• Economics<br>• Non – Profit organisations<br>• Innovation<br>• Industry Development<br>• Leadership |
| 7 | Mr. Bijou Kurien | Independent Director | • Finance<br>• Business Management<br>• Retail Industry<br>• Consumer Products<br>• Strategic Planning |
| 8 | Ms. Lakshmi Venkatachalam | Independent Director | • Economics<br>• Business Management<br>• Public Sector<br>• Finance<br>• Planning<br>• Statistics<br>• Policy Implementation |
| 9 | Mr. Pradeep Kumar Panja | Independent Director | • Banking & Finance<br>• International Treasury<br>• Retail and Transaction Banking<br>• Strategic Planning<br>• Business Development<br>• Investment Management<br>• Information Technology |
| 10 | Dr. Venkatesh Panchapagesan | Independent Director | • Financial Markets<br>• Real Estate<br>• Mutual Funds<br>• Strategic Management<br>• International Markets |

## Board Meetings

The details of the Board Meetings held during the financial year 2019-20 are as follows:

| Sl. No. | Date |
|---|---|
| 1 | Tuesday, May 7, 2019 |
| 2 | Monday, July 15, 2019 |
| 3 | Wednesday, August 14, 2019 |
| 4 | Wednesday, November 6, 2019 |
| 5 | Wednesday, February 05, 2020 |
| 6 | Monday, March 16, 2020 |

The Board meets at least once in every quarter to consider financial results, quarterly performance and among other businesses of the Company. The necessary quorum was present in all the Board Meetings. The maximum gap between any two meetings did not exceed 120 days.

The attendance of Directors in Board Meetings, previous Annual General Meeting held during the FY 2019-20, Directorships and Committee Chairmanships / Memberships held by them in other Companies are as follows:

| Name of the Director | Date of joining the Board | No. of shares held and percentage to paid up share capital | Board meetings attended in the financial year 2019-2020 | Attendance in the 24th Annual General Meeting held on August 14, 2019 | No. of other Directorships | No. of Committee positions held in other Companies | |
|---|---|---|---|---|---|---|---|
| | | | | | | Chairman | Member |
| Mr. M.R. Jaishankar | 08/11/1995 | 34567767<br>16.91% | 6 | Yes | 7 | Nil | Nil |
| Ms. Githa Shankar* | 08/11/1995 | 28050749<br>13.72% | 3 | Yes | 2 | Nil | Nil |
| Mr. Roshin Mathew** | 07/11/2019 | 49555<br>0.02% | 2 | NA | 4 | Nil | 1 |
| Ms. Pavitra Shankar | 16/05/2018 | Nil | 6 | Yes | 4 | Nil | Nil |
| Ms. Nirupa Shankar | 16/05/2018 | 13989937<br>6.85% | 6 | Yes | 9 | Nil | Nil |
| Mr. Amar Mysore | 16/05/2018 | 1940659<br>0.95% | 6 | Yes | 5 | Nil | Nil |
| Mr. Aroon Raman*** | 29/10/2013 | Nil | 6 | Yes | 6 | Nil | 3 |
| Mr. Bijou Kurien**** | 31/01/2015 | Nil | 6 | Yes | 8 | 3 | 5 |
| Ms. Lakshmi Venkatachalam | 01/02/2016 | Nil | 6 | Yes | 1 | Nil | 1 |
| Mr. Pradeep Kumar Panja | 16/05/2018 | Nil | 6 | Yes | 9 | 3 | 8 |
| Dr. Venkatesh Panchapagesan | 16/05/2018 | Nil | 6 | Yes | 3 | Nil | Nil |

- Inter se relationship amongst Directors:
  Ms. Pavitra Shankar & Ms. Nirupa Shankar are the Daughters of Mr. M R Jaishankar. Mr. Amar Mysore is the nephew of Mr. M.R. Jaishankar. None of the other directors are related to any other director on the Board.
- The number of directorships, committee membership(s), Chairmanship(s) of all directors are within the limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Directorships in public companies whether listed or not are included for the purpose of directorships. Private Companies, Section 8 Companies and in Foreign companies have been excluded.
- The Committee positions specified in the table above relates to only Audit Committee and Stakeholder's Relationship Committee of the Board in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Non – executive directors hold any convertible instruments in the Company as specified under Reg 34(3) and 53 (f) Schedule V of Listing Regulations
- *During the year, Ms. Githa Shankar has resigned from the directorship of the Company w.e.f. November 6, 2019.
- **During the year, Mr. Roshin Mathew was inducted on the Board as an Additional Director & Wholetime Director, designated as Executive Director of the Company w.e.f. November 7, 2019.
- *** During the year, Mr. Aroon Raman was re-appointed as an Independent Director of the Company for a second term of five years w.e.f. August 5, 2019.
- **** During the year, Mr. Bijou Kurien has completed his first term as an Independent Director of the Company on January 31, 2020. He is reappointment by the Board as an Independent Director for a second term of five years subject to approval of the Members in the ensuing 25th Annual general Meeting.

## DETAILS OF DIRECTORSHIPS

Pursuant to SEBI Report on Corporate Governance, Disclosures of Directorship in various Listed Entities are as follows:

| Name of Directors | List of Directorships in other listed entities | Category of Directorship |
|---|---|---|
| Mr. M.R. Jaishankar | - | - |
| Mr. Amar Mysore | - | - |
| Ms. Githa Shankar | - | - |
| Ms. Nirupa Shankar | - | - |
| Ms. Pavitra Shankar | - | - |
| Mr. Roshin Mathew | 1. Brigade Properties Pvt Ltd* | Non – Executive Director |
| Mr. Aroon Raman | 1. Wheels India Limited<br>2. Carborundum Universal Limited | Independent Non-Executive<br>Independent Non-Executive |
| Mr. Bijou Kurien | 1. Timex Group India Limited<br>2. Mindtree Limited<br>3. Future Lifestyle Fashions Limited | Independent Non-Executive<br>Independent Non-Executive<br>Independent Non-Executive |
| Ms. Lakshmi Venkatachalam | - | - |
| Mr. Pradeep Kumar Panja | 1. Trigyn Technologies Limited<br>2. Omax Autos Limited<br>3. Shriram Transport Finance Company Limited<br>4. Brigade Properties Private Limited | Independent Non-Executive<br>Independent Non-Executive<br>Independent Non-Executive<br>Independent Non-Executive |
| Dr. Venkatesh Panchapagesan | - | - |

*Brigade Properties Private Limited is a debt listed company

## CODE OF CONDUCT FOR BOARD 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 March 31, 2020. A declaration to this effect by the Chairman & Managing Director of the Company is annexed to this report. The Code of Conduct has also been posted on your Company's website https://brigadegroup.com/investor/corporate-governance/policies/

The Company has complied with the Policy called "Code of Internal Procedures and Conduct for prevention of Insider Trading in the Securities of Brigade Enterprises Limited" as applicable to all the Designated Persons of the Company and its subsidiaries. This Code aims at preserving and preventing misuse of unpublished price sensitive information.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter in the first meeting of the Board in each financial year gives a declaration that they meet the criteria of independence as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

## FAMILIARISATION PROGRAMME FOR DIRECTORS

The Board Members are provided with brochures, reports, documents, internal policies etc., to familiarise the new members inducted with the culture, code, policies, procedures, and practices of the Company. The Chairman & Managing Director and Sr. Vice President - Human Resources make presentation to the new Directors inducted to give a birds' eye view on the Company and Group in the first board meeting attended by the Director. Presentations are made at the Board / Committee meetings by the respective Strategic Business Unit (SBU) Heads and Functional Heads who provide updates on the financial and operational performance of the Company and strategies for the future. The Company also nominates Directors for training programmes from time to time.

Quarterly updates on important changes in the regulatory environment is presented to the Board by the functional heads. Apart from this, the statutory auditors as well as the internal auditors present to the Audit Committee / Board on regular intervals on important regulatory changes. The Company's policy on Familiarisation Programme of Board of Directors is disclosed on its website https://brigadegroup.com/investor/corporate-governance/policies/Directorsfamiliarisationprogramme-2019-20.

The above initiatives help the directors to understand the Company, its business, and the regulatory framework in which the Company operates and equips them into effectively fulfil their roles. In addition to above the board members regularly informed about development in Real Estate Industry and regulatory updates.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors is being held every financial year. None of the non-independent directors, Members of the management or Key Managerial Personnel are present for this meeting. During the financial year 2019-20 the meeting of the Independent Directors was held on March 19, 2020 to review the performance of the Non-Independent directors (including the Chairman & Managing Director) and the Board as a whole. Based on SEBI guidelines on the Board Evaluation, Independent Directors also reviewed the quality, content and timelines of the flow of information between the management and the Board and its Committees which is necessary to perform and discharge their duties effectively and reasonably.

## COMMITTEES OF THE BOARD:

### (A) AUDIT COMMITTEE

The Audit Committee of the Company comprises of 1 Executive Director & 3 Non-Executive Independent Directors. All of them possess accounting knowledge, financial expertise, and exposure. The Audit Committee complies with the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and the Rules made thereunder.

The composition and attendance of the members for the Committee meetings held during the year are as follows:

| Sl. No. | Name | Position | Number of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1. | Mr. Pradeep Kumar Panja | Chairman | 5 | 5 |
| 2. | Mr. Aroon Raman | Member | 5 | 5 |
| 3. | Mr. Bijou Kurien | Member | 5 | 5 |
| 4. | Ms. Pavitra Shankar | Member | 5 | 5 |

Company Secretary is the Secretary of the Committee.

During the year under review, Five Audit Committee Meetings were held and gap between two meetings did not exceed one hundred and twenty days. Audit Committee meetings were held on May 7, 2019, July 15, 2019, August 14, 2019, November 6, 2019, and February 5, 2020.

The Primary objective of the Audit Committee is to monitor and provide an effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest level of transparency, integrity, and quality of financial reporting. The Committee also oversees the work of the internal and the independent auditors and review the process and safeguards employed by them.

The necessary quorum was present for all the meetings.

The terms of reference of the Audit Committee inter-alia includes the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by them;
4. Reviewing, with the Management, the annual financial statements, auditor's report thereon before submission to the Board for approval, with 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 (c) of Section 134 (3) of the Companies Act, 2013;
    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. Modified opinion (s)
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 statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized 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.

7. Review and monitor the Auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, the performance of statutory and internal auditors, and adequacy of the internal financial control and risk management systems;
13. 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;
14. Discussion with Internal Auditors on any significant findings and follow up there on;
15. 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;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience, and background, etc. of the candidate;
20. To scrutinize the end utilization of funds where the total amount of loans/ advances/ investment from the holding company to the subsidiaries.
21. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee includes 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.

To perform such other functions and duties as may be required to be performed by the Audit Committee under the applicable provisions of the Companies Act and/or the Rules made thereunder and/or the Listing Regulations, including any amendment(s) thereto as may be made from time to time.

## (B) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Independent Directors. The Nomination & Remuneration Committee complies with the requirements of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013 and the Rules made thereunder.

The composition of the Nomination & Remuneration Committee & attendance in the meetings for the financial year 2019-20 were as follows:

| Sl. No. | Name | Position | Number of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1. | Mr. Aroon Raman | Chairman | 5 | 5 |
| 2. | Mr. Bijou Kurien | Member | 5 | 5 |
| 3. | Dr. Venkatesh Panchapagesan | Member | 5 | 5 |

Company Secretary is the Secretary of the Committee.

During the year five meetings of the Nomination & Remuneration Committee were held on May 7, 2019, July 8, 2019, August 14, 2019, November 6, 2019 and February 5, 2020.

The purpose of the Committee is to review matters relating to appointment i.e of the individuals qualified to serve as executive directors, non-executive directors, key managerial personnel and independent directors consistent with the criteria approved by the Board and to recommend to the Board for their approval including the details of remuneration payable to them and administration and approval, issue & allotment of employee stock options to the existing eligible employees of the Company under the existing employee

stock option schemes i.e Brigade Employee Stock Option Plan 2011 and Brigade Employee Stock Option Plan, 2017.

The terms of reference of the Nomination & Remuneration Committee inter–alia includes the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. To formulate criteria for evaluation of performance of independent directors and the Board;
3. To devise a policy on Board diversity;
4. To identify persons who are qualified to become directors and who may be appointed in the senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
5. To recommend the Board whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors;
6. To recommend to the board all remuneration, in whatever form, payable to senior management.
7. To carry out such other function as may be mandated by the Board from time to time;

The Nomination & Remuneration Committee has laid down the Performance Evaluation criteria of Independent Directors in terms of Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Remuneration Policy of the Company for the Directors, Key Managerial Personnel and Senior Management Personnel is annexed to the Board's Report and disclosed on its website https://brigadegroup.com/investor/corporate-governance/policies/Remunerationpolicy.

The details of remuneration paid /payable to the Directors for the year ended on March 31, 2020 are as follows:

| Name of the Director | Salary & Perquisites (₹ in Lakhs) | Sitting Fees (₹ in Lakhs) | Commission (₹ in Lakhs) | Total (₹ in Lakhs) |
|---|---|---|---|---|
| Mr. M.R. Jaishankar | 156.00 | Nil | 533.00 | 689.00 |
| Ms. Githa Shankar | 80.00 | Nil | 4.00 | 84.00 |
| Mr. Roshin Mathew | 57.00 | Nil | 10.00 | 67.00 |
| Ms. Pavitra Shankar | 51.00 | Nil | 1.00 | 52.00 |
| Ms. Nirupa Shankar | 51.00 | Nil | 2.00 | 53.00 |
| Mr. Amar Mysore | 51.00 | Nil | 3.00 | 54.00 |
| Mr. Aroon Raman | Nil | 1.90 | 12.00 | 13.90 |
| Mr. Bijou Kurien | Nil | 2.20 | 12.00 | 14.20 |
| Ms. Lakshmi Venkatachalam | Nil | 1.50 | 12.00 | 13.50 |
| Mr. Pradeep Kumar Panja | Nil | 1.80 | 12.00 | 13.80 |
| Dr. Venkatesh Panchapagesan | Nil | 1.60 | 12.00 | 13.60 |

NOTE:

1. The remuneration details pertaining to Ms. Githa Shankar is for the period from April 1, 2019 till the date of her resignation i.e. November 6, 2019.
2. The remuneration details pertaining to Mr. Roshin Mathew is from the period of his appointment i.e. November 7, 2019 till the Financial Year ended on March 31, 2020.

## STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee comprises of 1 Executive Director and 2 Non-Executive Independent Directors. The Stakeholder's Relationship Committee is in due compliance of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013 and the Rules made thereunder.

The terms of reference of the Stakeholder's Relationship Committee inter-alia includes the following:

1. Investor relations and redressal of Shareholders grievances in general and relating to transfer of shares, non-receipt of annual reports, non-receipt of dividends, interest and non- receipt of Balance Sheet etc.,
2. Such other matters as may be necessary from time to time be required by any statutory, contractual, or other regulatory requirements to be attended to by such committee.
3. Resolving other security holder(s) grievances
4. Proactively engaging with all shareholders at least once a year along with members of the Committee/Board/ KMPs, as required and identifying actionable points for implementation.
5. Reviewing measures taken for effective exercise of voting rights by shareholders.
6. Reviewing adherence to Registrar and Transfer Agents service standards.
7. Reviewing various measures taken by entity to reduce unclaimed dividends/ timely receipt of dividend warrants/annual reports/statutory notices by the security holders of the Company.
8. Reviewing Internal Audit Report of Registrar and Transfer Agents from time to time.

During the year 4 committee meetings were held on May 7, 2019, August 14, 2019, November 6, 2019, and February 5, 2020.

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

| Sl. No. | Name | Position | Number of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1. | Dr. Venkatesh Panchapagesan | Chairman | 4 | 4 |
| 2. | Ms. Lakshmi Venkatachalam | Member | 4 | 4 |
| 3. | Ms. Pavitra Shankar | Member | 4 | 4 |

Mr. P Om Prakash, Company Secretary & Compliance Officer is the Secretary to the Committee.

Details of investor complaints received and redressed during the year 2019-20 are as follows:

| Opening Balance | Received during the year | Resolved during the year | Closing balance |
|---|---|---|---|
| 0 | 38 | 38 | 0 |

## COMMITTEE OF DIRECTORS:

The Board of Directors constituted the Committee of Directors and delegated powers relating to certain regular business activities. Having regard to the significant contributions that committee make an assisting to the Board of Directors in discharging its duties and responsibilities. The Committee of Directors comprises of three Directors out of which two are Independent Directors and one Executive Director.

During the year five meetings were held on April 19, 2019, June 25, 2019, August 28, 2019, August 30, 2019 and January 21, 2020.

The Composition of the Committee & attendance in the meetings were as follows:

| Sl. No. | Name | Position | Number of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1. | Mr. M. R. Jaishankar | Chairman | 5 | 5 |
| 2. | Mr. Bijou Kurien | Member | 5 | 5 |
| 3. | Mr. Pradeep Kumar Panja | Member | 5 | 4 |

Company Secretary is the Secretary of the Committee.

## RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has formed the risk management committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee is responsible for reviewing the risk management plan and ensure its effectiveness. Major risk identified by the business and functions are systematically addressed through mitigating actions on continuing basis. It is also responsible for reviewing and approving risk disclosure statements in public documents or disclosures. The constitution of the Risk Management Committee is in line with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The terms of reference to the Risk Management Committee are as follows:

1. To establish a risk policy for the Company.

2. To oversee and review the implementation of risk management and internal control systems.

3. To establish policies to monitor and evaluate the risk management systems in the Company from time to time.

4. To identify, assess and mitigate the existing as well as potential risks to the Company and to recommend strategies to the Audit Committee/ Board to overcome them.

5. To review the internal control systems based on internal audit exercise done by the external internal auditors and the internal auditors in the Company from time to time.

6. To review the reports, develop and implement action plans to mitigate risks.

7. To perform such other tasks as may be requested by the Audit Committee / Board.

8. To monitor and review of Cyber Security.

During the year two meetings of the Risk Management Committee were held on July 8, 2019 & February 5, 2020.

The Composition of the Committee & attendance in the meetings were as follows:

| Sl. No. | Name | Position | Number of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1. | Mr. M.R. Jaishankar | Chairman | 2 | 2 |
| 2. | Mr. Pradeep Kumar Panja | Member | 2 | 2 |
| 3. | Mr. Amar Mysore | Member | 2 | 2 |
| 4. | Ms. Lakshmi Venkatachalam | Member | 2 | 2 |

Company Secretary is the Secretary of the Committee.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility Committee comprises of four Directors out of which two are Independent Directors and two are Executive Directors. The Constitution of Corporate Social Responsibility Committee is in accordance with the provisions of the Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014 together with Schedule VII of the Companies Act, 2013.

The scope and functions of the CSR Committee are as follows:

1. Formulate and recommend to the Board for approval the CSR Policy and any amendments thereto;

2. Advice the Board on the activities to be undertaken by the company as specified in the Act.

3. Review and recommend the annual CSR plan and the concomitant budgetary outlays to the Board for approval;

4. Monitor the CSR activities and compliance with the CSR Policy at regular intervals;

5. Review and implement, as needed, any other matter related to CSR initiatives.

In terms of Schedule VII of the Act the Company's primary focus of CSR Activities are:

1. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

2. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries: promotion and development of traditional arts and handicrafts;

3. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

4. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

Apart from the above the other CSR activities which may be taken up are as follows:

1. Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

2. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

3. Training to promote rural sports, nationally recognised sports, Paralympic sports, and Olympic sports;

4. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for

socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

5. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT) Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)Rural development projects.

6. Rural development projects

7. Slum area development area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force

8. Such other activities as may be notified by Ministry of Corporate Affairs from time to time.

During the year, two meetings of the CSR Committee were held on July 8, 2019 & February 5, 2020.

The Composition of the CSR Committee & attendance in the meetings were as follows:

| Sl. No. | Name | Position | Number of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1. | Mr. M.R. Jaishankar | Chairman | 2 | 2 |
| 2. | Mr. Aroon Raman | Member | 2 | 2 |
| 3. | Ms. Pavitra Shankar | Member | 2 | 2 |
| 4. | Ms. Lakshmi Venkatachalam | Member | 2 | 2 |

Company Secretary is the Secretary of the Committee.

The CSR activities undertaken by the Company during the financial year 2019-20 are forms part of the Board's Report in **Annexure – 7.**

## SUBSIDIARY COMPANIES

The Company doesn't have any material Subsidiary Companies whose turnover or net worth exceeds 10% of the consolidated turnover or consolidated net worth of Brigade Enterprises Limited for the financial year 2019-20.

In terms of Regulation 16 (1) (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy on determining material subsidiary has been formulated and is available on the Company's website https://brigadegroup.com/investor/corporate-governance/policies

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

### ANNAUL GENERAL MEEING:

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 |
|---|---|---|---|
| 2018-19 | 24 | Wednesday, August 14, 2019 at 11:30 a.m. | The Lalit Ashok Bengaluru, Grand Ball Room, Kumara Krupa High Grounds, Bengaluru – 560 001 |
| 2017-18 | 23 | Thursday, August 16, 2018 at 11:00 a.m. | The Sheraton Grand Bangalore Hotel, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 |
| 2016-17 | 22 | Thursday, September 21, 2017 at 10:30 a.m. | The Sheraton Grand Bangalore Hotel, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 |

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

| AGM | AGM date | Special Resolutions passed through / show of hands |
|---|---|---|
| 24 | August 14, 2019 | i) Re-appointment of Mr. Aroon Raman as an Independent Director of the Company.<br>ii) Ratification of remuneration payable to M/s. Murthy & Co. LLP, Cost Accountants, Cost Auditors for the Financial Year 2018-19.<br>iii) Increase the Authorised Share Capital of the Company from ₹ 1,50,00,00,000/- to ₹ 2,50,00,00,000/-.<br>iv) Approval for issue of bonus equity shares by capitalisation of reserves<br>v) Approval for issue of Convertible Warrants on a preferential basis |
| 23 | August 16, 2018 | i) Approval of Borrowing powers to the Board of Directors up to ₹ 50,00,00,00,000/- in one or more tranches from banks, Financial Institutions, and other lending Institutions.<br>ii) Approval for Creation of Charge on the assets of the Company of money aggregating to ₹ 50,00,00,00,000/-.<br>iii) Issue of Non-convertible Debentures an aggregating up to ₹ 4,50,00,00,000/- on Private Placement basis. |
| 22 | September 21, 2017 | i) Re-appointment of Mr. M.R. Jaishankar, as Chairman & Managing Director of the Company.<br>ii) Re-appointment Ms. Githa Shankar, as Whole Time Director of the Company.<br>iii) Approval to introduce & implement a Brigade Employee Stock Option Plan 2017 (ESOP 2017) up to 56,83,237 equity shares of ₹ 10 each to the benefit of such permanent employees and Directors (excluding Independent Directors, Promoters/ Promoter Group Directors) of the Company.<br>iv) Approval to introduce & implement a Brigade Employee Stock Option Plan 2017 (ESOP 2017) up to 56,83,237 equity shares of ₹ 10 each to the benefit of such permanent employees and Directors of Subsidiaries of the Company (excluding Independent Directors, Promoters/ Promoter Group Directors) of the Company. |

## 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) RELATED PARTY TRANSACTIONS

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. Transactions with related parties during the year were done with the prior approval of the Audit Committee and are listed out in note no 34 forming part of the standalone financial statements. The Company has formulated a policy on Related Party Transactions under Regulation 23 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and which is available on the website of the Company https://brigadegroup.com/investor/corporate-governance/policies/policyonrelatedpartytransactions.

### 2) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT AS SPECIFIED UNDER REGULATION 32 (7A).

The Company has utilized the proceeds raised i.e. ₹ 28,74,93,750/- (25% upfront consideration) from the preferential issue of convertible Warrants to part finance the capital requirement for the purpose of business requirements and general corporate purposes as approved by the Shareholders.

### 3) COMPLIANCE

The Company has duly complied with the requirements of the regulatory authorities on capital market. There are no penalties imposed nor any strictures have been passed against the Company during the last three years.

**4) DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**5) WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company is committed to the high standards of Corporate Governance and stakeholder's responsibility.

The Company has adopted Whistle Blower Policy and established necessary vigil mechanism in line with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for directors, employees to report concerns about unethical Behaviour. No personnel have been denied access to Ethics Committee Members/ Chairman of the Audit Committee.

The Company has established a vigil mechanism to promote ethical behaviour in all its business activities and has in place a mechanism for employees to report any genuine grievances, illegal, unethical behaviour, suspected fraud or violation of laws, rules and regulation or conduct to the Chief Vigilance Officer and the Audit Committee of the Board of Directors. The Policy also provides for adequate protection to the whistle blower against victimisation or discriminatory practices. The Policy is available on the website of the Company https://www.brigadegroup.com/investor/corporate-governance/policies.

**6) SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a well defined policy on prevention, prohibition and redressal of complaints relating to sexual harassment of women at the workplace in compliance provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment. A "Complaints Redressal Committee'' (CRC) has also been set up to redress such complaints if any.

During the Financial Year 2019-20 the Company has not received any complaints.

**7) FEES PAID TO STATUTORY AUDITORS**

During the year ended March 31, 2020 fees paid to the Statutory Auditors are as follows:

(In Lakhs)

| Particulars | Fees |
|---|---|
| Audit and related Services | 150 |
| Reimbursement of expenses | 3 |
| **Total** | **153** |

8) The mandatory requirements laid down under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 has been duly complied by the Company and the Company has duly fulfilled the following discretionary requirements as prescribed in Part E of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

**(i) The Board**

The Chairperson of the Company is an Executive Director and therefore the provision relating to Non-Executive Chairperson is not applicable.

**(ii) Shareholder Rights**

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 is also posted on the website of the Company.

**(iii) Audit Qualifications**

During the year, there was no audit qualification on financial statements of the Company.

**(iv) Separate Post of Chairperson & CEO**

The Chairman of the Company is also the Managing Director, but each business vertical is headed by a CEO.

**(v) Internal Auditor**

The internal auditor reports to the Audit Committee.

## MEANS OF COMMUNICATION

The Company follows a robust process of communication with its stakeholders and investors. For this purpose, it provide multiple channels of communications. i.e. through dissemination of information on the online portal of Stock Exchanges and placing relevant information on its website.

## FINANCIAL RESULTS & OTHER INFORMATION

The unaudited quarterly results (both standalone and consolidated) are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year, as required under SEBI Listing Regulations. The aforesaid financial results

are disseminated to the Stock Exchanges within thirty minutes from the close of the Board Meetings at which these are considered and approved.

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 "Business Standard"- English Newspaper and "Vijayavani"– Kannada Newspaper within 48 hours after the approval by the Board.

The details of the financial results, Compliance report on corporate Governance, Investors Complaint Status Report, Reconciliation of Share Capital Audit Report & shareholding pattern and other required information's are hosted on the Company's website: https://www.brigadegroup.com. All other official news and press releases are displayed on the same website.

Detailed Presentations are made to Investors/ Financial Analysts on the unaudited quarterly financial results as well as the annual audited financial results of the Company. These Presentations are also uploaded on the Company's website https://www.brigadegroup.com.

The audited financial statements form a part of the Annual Report which is sent to the Members within the statutory period and in advance of the Annual General Meeting.

The Company discloses to the Stock Exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations including material information which have a bearing on the performance/ operations of the Company or which is price sensitive in nature. All information is filed electronically on BSE's on-line Portal – BSE Listing Centre and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

## GENERAL SHAREHOLDER INFORMATION

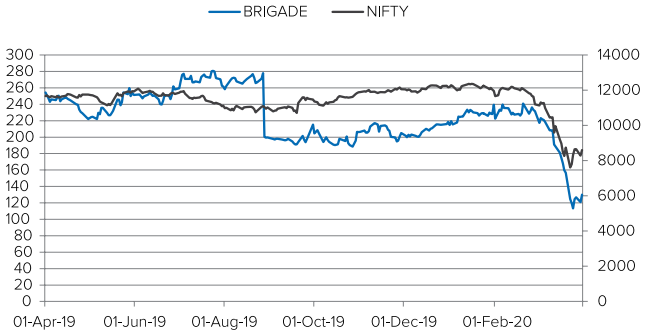
| | | |
|---|---|---|
| 1 | Registration Details | Company is registered in the State of Karnataka and the Corporate Identity Number allotted by Ministry of Corporate Affairs (MCA) is L85110KA1995PLC019126 |
| 2 | Registered Office | 29th & 30th Floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055 |
| 3 | Compliance Officer | P. Om Prakash |
| 4 | Date, time & venue of the 25th AGM: | Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting |
| 5 | Financial Year | 2019-2020 |
| 6 | Date of Book Closure | NA |
| 7 | Interim Dividend | The Board of Directors of the Company declared an Interim dividend of ₹ 1.00 (10%) per equity share on March 16, 2020 for the financial year 2019-20 to the Shareholders whose names appeared on the Register of Members as on the record date fixed i.e March 24, 2020 and the same was credited to the accounts of the shareholders on March 27, 2020. The Interim dividend declared by the Board will be the final dividend for the year 2019-20. |
| 8 | Listing in Stock Exchanges: | The Equity Shares of the Company are listed in the following Stock Exchanges:<br>• The National Stock Exchange of India Limited<br>Exchange Plaza, C-1, Block G, Bandra Kurla Complex<br>Bandra (East), Mumbai 400 051<br>• BSE Limited<br>P. J. Towers, Dalal Street, Mumbai 400 001 |
| 9 | Stock Code | • National Stock Exchange of India Limited – BRIGADE, series - EQ BE<br>• BSE Limited – 532929 |
| 10 | Listing Fees | Listing Fees as prescribed has been paid fully to all the Stock Exchanges where the shares of the Company are listed. |

## 11 Stock Performance

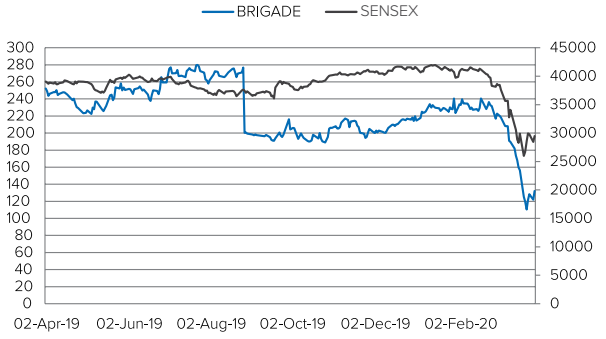
| Month | National Stock Exchange of India Limited (NSE) | | | BSE Limited (BSE) | | |
|---|---|---|---|---|---|---|
| | High | Low | Total Turnover | High | Low | Total Turnover |
| April 2019 | 263.00 | 219.35 | 31,98,73,647 | 264.00 | 219.40 | 3,53,94,730 |
| May 2019 | 268.00 | 219.00 | 40,25,33,380 | 267.65 | 218.10 | 3,43,37,971 |
| June 2019 | 267.00 | 235.00 | 36,26,17,905 | 267.10 | 235.00 | 3,93,22,059 |
| July 2019 | 285.00 | 252.05 | 57,61,20,462 | 285.00 | 249.00 | 5,03,06,557 |
| August 2019 | 295.00 | 187.00 | 69,53,81,849 | 292.00 | 188.00 | 4,37,93,620 |
| September 2019 | 223.00 | 185.15 | 75,36,00,090 | 222.90 | 185.40 | 4,35,31,514 |
| October 2019 | 219.70 | 186.50 | 38,16,06,817 | 218.00 | 174.05 | 9,28,95,013 |
| November 2019 | 223.60 | 187.00 | 70,41,51,375 | 223.40 | 190.00 | 4,91,12,615 |
| December 2019 | 220.00 | 195.00 | 45,58,55,135 | 219.90 | 195.60 | 1,84,72,756 |
| January 2020 | 245.95 | 210.15 | 84,13,12,813 | 246.00 | 206.10 | 4,03,91,871 |
| February 2020 | 254.90 | 216.50 | 89,25,92,229 | 255.00 | 217.60 | 14,11,37,160 |
| March 2020 | 237.25 | 107.70 | 90,06,45,456 | 236.00 | 107.80 | 1,78,96,318 |

The performance of the stock in National Stock Exchange of India Limited and BSE Limited for the period from April 1, 2019 to March 31, 2020 was as follows:

**Exchange: NSE Date: 01-04-2019 End date: 31-03-2020**




**Exchange: BSE Date: 01-04-2019 End date: 31-03-2020**




## 12 Dematerialisation of shares

The ISIN for Equity Shares of the Company is INE791I01019. As on March 31, 2020, 100% of the Company's shares are in dematerialised form. The details are as tabled below:

| Mode | No. of Equity Shares | Percentage (%) |
|---|---|---|
| Demat Shares with NSDL | 196581429 | 96.18% |
| Demat Shares with CDSL | 7798686 | 3.82% |
| Physical Shares | 202 | 0.00% |
| **Total** | **204380317** | **100.00%** |

## 13 Registrars and Share Transfer Agents

For Share related matters, members are requested to correspond with the Companies registrar and Transfer Agents – KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) quoting their folio no./ DP ID & Client ID at the following Address.

**KFin Technologies Private Limited**
(Formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot No. 31 & 32, Financial District
Nanakramguda, Serilingampally Mandal, Hyderabad – 500032
Ph No.: +91 40 6716 1500, Fax No.: 040 23420814
**Email: raju.sv@karvy.com**

## 14 Share Transfer System

Share Transfer in physical form can be lodged with KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) at the above mentioned address. The transfers are normally processed within fortnight from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers.

The Company obtains a half yearly certificate from a Company Secretary in Practice, as required under Regulation 40(9) of the Listing Regulations to effect that all certificates have been issued within thirty days of the date of lodgment for transfer, sub-division, consolidation & renewal and files a copy of the said certificate with the Stock Exchanges where the Company's shares are listed.

In terms of requirements to amended Regulation 40 of Listing Regulations w.e.f. April 1, 2019, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed unless the securities are held in the dematerialised form with a depository.

## 15 Distribution of Shareholding as on March 31, 2020

| Category (Amount) | No. of Shareholders | % | Amount | % |
|---|---|---|---|---|
| 1-5000 | 49906 | 95.49 | 35220010.00 | 1.72 |
| 5001- 10000 | 1178 | 2.25 | 8072080.00 | 0.39 |
| 10001- 20000 | 547 | 1.05 | 7766730.00 | 0.38 |
| 20001- 30000 | 170 | 0.33 | 4227810.00 | 0.21 |
| 30001- 40000 | 69 | 0.13 | 2385670.00 | 0.12 |
| 40001- 50000 | 40 | 0.08 | 1795980.00 | 0.09 |
| 50001- 100000 | 103 | 0.20 | 7581180.00 | 0.37 |
| 100001 & Above | 252 | 0.48 | 1976753710.00 | 96.72 |
| **Total** | **52265** | **100.00** | **2043803170.00** | **100.00** |

## 16 Categories of Shareholders as on March 31, 2020:

| Category | No. of Shares | % to Total Shares |
|---|---|---|
| Promoter/Promoter Group/Promoter Body Corporate | 95683035 | 46.82 |
| Mutual Funds | 33861583 | 16.57 |
| Foreign Portfolio/Institutional Investors | 24228366 | 11.86 |
| Financial Institutions / Banks | 1228493 | 0.60 |
| NBFC Registered with RBI | 525 | 0.00 |
| Non-Resident Indians | 455311 | 0.22 |
| Non-Resident Indian Non Repatriable | 118290 | 0.06 |
| Indian Public | 38534680 | 18.86 |
| Trusts | 261 | 0.00 |
| Clearing Members | 43517 | 0.02 |
| Body Corporates | 699679 | 0.35 |
| IEPF | 28567 | 0.01 |
| Others (Alternative Investment Funds, Employees, Qualified Institutional Buyers, Insurance Companies, HUF) | 9498010 | 4.63 |
| **Total** | **20,43,80,317** | **100.00** |

Promoters / Promoter group have not pledged any equity shares of the Company held by them in the Company during the financial year 2019-20.

**17. Transfer of Unclaimed/Unpaid Dividend**

Pursuant to applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the Demat account created by the IEPF Authority.

The Shares Transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Details of the unclaimed dividends/ unclaimed shares are available on the Company's Website at https://brigadegroup.com/investor/investor-information/unclaimed-shares.

During the year under review, the Company has transferred ₹ 2,73,998/- pertaining to 3192 Shares to Investor Education and Protection Fund Account which was pertaining to Unpaid Dividend Account Brigade Enterprises Limited 2011-12 and remained unclaimed for a period of 7 years from the date of transfer to refund account (i.e. September 12, 2012).

The Company will be transferring the unclaimed/unpaid dividends as mentioned hereunder to the Investors Education and Protection Fund established by the Central Government, in terms of the provisions of Section 124 and 125 of the Companies Act, 2013:

**18.** Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven consecutive years or more)

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF.

| Sl No. | Financial Year | AGM Date at which the Dividend declared | Dividend per Share (in ₹) | Due date for transfer of unclaimed Dividend and shares realting to the same to IEPF |
|---|---|---|---|---|
| 1 | 2012-13 | 18th AGM –July 31, 2013 | 1.50 | September 5, 2020 |
| 2 | 2013-14 | 19th AGM – August 5, 2014 | 2.00 | September 10, 2021 |
| 3 | 2014-15 | 20th AGM –September 25, 2015 | 2.00 | October 31, 2022 |
| 4 | 2015-16 | Declared Interim Dividend by Board at its meeting held on March 14, 2016. | 2.00 | April 19, 2023 |
| 5 | 2016-17 | 22nd AGM –September 21, 2017 | 2.50 | October 27, 2024 |
| 6 | 2017-18 | 23rd AGM –August 16, 2018 | 2.00 | September 21, 2025 |
| 7 | 2018-19 | 24th AGM – August 14, 2019 | 2.00 | September 19, 2026 |
| 8 | 2019-20 | Declared Interim Dividend by Board at its meeting held on March 16, 2020. | 1.00 | April 21, 2027 |

**19. Transfer of Bonus Shares to IEPF**

Pursuant to Rule 6(8) of the Rules, under the bonus issue, 8,423 equity shares were allotted to the IEPF authority based on their shareholding as on the record date of August 29, 2020 and an amount of ₹ 20,727.03 pertaining to sale proceeds of fractional bonus shares were transferred to the IEPF.

**20. Equity Shares in the Suspense Account:**

In terms of Schedule V (F) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company reports that the no shares lying in the suspense account since shares lying in the suspense account earlier were transferred to IEPF account pursuant to notification dated October 13, 2017 and Investor Education and Protection Fund Demat circular dated October 16, 2017 issued by Ministry of Corporate

Affairs. Hence, the balance of equity shares in the suspense account is nil.

**21. Financials Release Dates for 2020-21:**

| Quarter | Release Date (tentative & subject to change) |
|---|---|
| 1st Quarter ending June 30, 2020 | Second week of August 2020 |
| 2nd Quarter ending September 30, 2020 | First week of November 2020 |
| 3rd Quarter ending December 31, 2020 | First week of February 2021 |
| 4th Quarter ending March 31, 2021 | Second week of May 2021 |

Internet access: https://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.

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.

Place: Bangalore
Date : June 18,2020

# Compliance Certificate Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors,
**Brigade Enterprises Limited**
29th & 30th Floors, World Trade Center
Brigade Gateway Campus,
26/1, Dr.Rajkumar Road,
Malleswaram-Rajajinagar, Bangalore – 560055

This is to certify that:

We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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.

There are, to the best of our knowledge and belief, no transactions entered by the Company during the year ended March 31, 2020, which are fraudulent, illegal or violative of the Company's Code of Conduct.

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. We have not come across any reportable deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit Committee:

that there are no significant changes in internal control over financial reporting during the year;

that there are no significant changes in accounting policies during the year; and

that there are no instances of significant fraud of which we have become aware.

We further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2019-2020.

For **BRIGADE ENTERPRISES LIMITED**

| | | |
|---|---|---|
| **M.R. Jaishankar** | **Atul Goyal** | Bangalore |
| Chairman & Managing Director | Chief Financial Officer | Date: June 18, 2020 |

# Corporate Governance Compliance Certificate

To
The Members of
**Brigade Enterprises Limited**

I have examined all the relevant records of Brigade Enterprises Limited ('the Company') for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Obligations) for the period from April 1, 2019 to March 31, 2020. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in ;

- Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E Schedule V of the Listing Regulations.
- paragraphs C and E of Discretionary requirements specified Part E of Schedule II of the Listing Regulations.

I 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.

Place: Bengaluru
Date : June 18, 2020
UDIN: F005706B000351801

**AARTHI G KRISHNA**
Practicing Company Secretary
FCS 5706, CP No.5645

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To
The Members of
**Brigade Enterprises Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Brigade Enterprises Limited having CIN L85110KA1995PLC019126 and having registered office at 29th & 30th Floor, World Trade Centre, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bengaluru- 560055 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl. No | Name of Director | Director Identification Number (DIN) | Date of original appointment in Company |
|---|---|---|---|
| | **Executive Directors** | | |
| 1 | Mr. Mysore Ramachandrasetty Jaishankar | 00191267 | 08/11/1995 |
| 2 | Ms. Pavitra Shankar | 08133119 | 16/05/2018 |
| 3 | Ms. Nirupa Shankar | 02750342 | 16/05/2018 |
| 4 | Mr. Amar Shivram Mysore | 03218587 | 16/05/2018 |
| 5 | Mr. Roshin Mathew | 00673926 | 07/11/2019 |
| | **Non-Executive Directors** | | |
| 6 | Mr. Aroon Raman | 00201205 | 29/10/2013 |
| 7 | Mr. Bijou Kurien | 01802995 | 31/01/2015 |
| 8 | Ms. Lakshmi Venkatachalam | 00520608 | 01/02/2016 |
| 9 | Mr. Pradeep Kumar Panja | 03614568 | 16/05/2018 |
| 10 | Mr. Venkatesh Panchapagesan | 07942333 | 16/05/2018 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date : June 18, 2020
UDIN: F005706B000351832

**AARTHI G KRISHNA**
Practicing Company Secretary
FCS 5706, CP No.5645

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L85110KA1995PLC019126
2. Name of the Company: Brigade Enterprises Limited
3. Registered address: 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055
4. Website: www.brigadegroup.com
5. E-mail id: investors@brigadegroup.com
6. Financial Year reported: 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

   Real Estate Development

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

   a) Real Estate – Development Residential Space & Commercial space meant for sale

   b) Leasing – Development and leasing of Office & Retail Space

9. Total number of locations where business activity is undertaken by the Company

   (a) Number of International Locations (Provide details of major 5)

   (b) Number of National Locations

   The Company is focussed in its operations in Karnataka apart from many cities in South India and GIFT city, Gujarat.

10. Markets served by the Company – Local, State & National

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 20,438 lakhs
2. Total Turnover (INR): 1,99,350 lakhs
3. Total profit after taxes (INR): 26,080 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 4.34%
5. List of activities in which expenditure in 4 above has been incurred:-

   a) Social Welfare

   b) Environment Sustainability

   c) Education services

   d) Health services

   e) Community Development

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   13 direct subsidiaries, 1 step down subsidiary, 3 limited liability partnerships and 1 associate company

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   Yes. Brigade undertakes various Business Responsibility (BR) initiatives and encourages operational subsidiaries to actively participate in the same.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   No.

## SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

   No director has been specifically nominated. The Corporate Social Responsibility (CSR) Committee of the Board comprising of Mr. M. R. Jaishankar, Mr. Aroon Raman, Ms. Pavitra Shankar and Ms. Lakshmi Venkatachalam, Directors drive the social responsibility initiatives.

   (a) Details of the BR head

   No director(s) / employee(s) have been nominated as BR Head. The Corporate Social Responsibility (CSR) Committee of the Board comprising of Mr. M. R. Jaishankar, Mr. Aroon Raman, Ms. Pavitra Shankar and Ms. Lakshmi Venkatachalam who drive the social responsibility initiatives.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

| S. No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have a policy/ policies on the BR Principles? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policies being formulated is in consultation with the relevant stakeholders? | The Company has formulated the policies in accordance with applicable regulations and adopted the best practices. All the policies are formulated taking in to account the interests of all stakeholders by engaging external consultants wherever necessary | | | | | | | | |
| 3. | Does the policies conform to any national / international standards? If yes, specify? (50 words) | The policies are in due compliance of the applicable Indian Laws. The policies/ practices broadly confirms to the National Voluntary Guidelines issued by Ministry of Corporate Affairs. | | | | | | | | |
| 4. | Has the policies being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | All policies are not required to approved by the Board of Directors. The approval of the Board has been taken on mandatory policies which are signed by the Chairman & Managing Director. | | | | | | | | |
| 5. | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | www.brigadegroup.com | | | | | | | | |
| 7. | Has the policies been formally communicated to all relevant internal and external stakeholders? | Formal communication is sent to internal stakeholders and the external stakeholders are communicated to the extent as may be applicable | | | | | | | | |
| 8. | Does the company have in-house structure to implement the policies | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address Stakeholder's grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the company carried out independent audit/ evaluation of the working of these policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The assessment is a continuous process. The Company views business responsibility as a part and parcel of its business. Lot of time, efforts and investments are continuously being made in this area especially in and around the projects we develop. Frequent review is done by the Management Committee of the Company. The Corporate Social Responsibility Committee recommends, reviews and monitors the CSR activities of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company does not publish a Business Responsibility Report. However, our newsletter "Insight" is published on a quarterly basis which captures the welfare initiatives taken by the Company.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

No. The Brigade Code of Conduct covers employees of the Company, its subsidiaries, Associates, Joint Ventures and other external stakeholders as well.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   The Stakeholder's Relationship Committee reviews the shareholders complaints and the redressal measures taken by the Registrar & Transfer Agents/ Company relating to their resolutions. During the financial year 2019-20, a total of 38 complaints were received and redressed. The Customer Relationship Management (CRM) handles the complaints of our Customers in the normal course of business.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

   a) Efficient design to retain as much of existing trees in our projects as possible and replanting trees to conserve natural resources.

   b) The window (glazing/ façade) to Wall Ratio (WWR) is optimized to reduce energy consumption for Air Conditioning/ Cooling and to increase use of Day-lighting in all Commercial projects of the company.

      Use of high performance energy efficient double glazed / low e-glass which reflects heat and allows light into the building to maximize the use of Day-light in offices and projects of the Company and at the same time ensuring that this does not increase the energy demand for our air conditioning.

   c) Water conservation measures by adopting waste water treatment and reuse for toilet flushing, to meet water for landscaping and for water cooled air conditioning.

   d) Low flow water fixers are used for all projects of the company to conserve water resource.

   e) Rejunevation/ Restoration of lakes, parks & play grounds which have also won us awards.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

      Efficient sourcing of materials locally available is part of our procurement process.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Our designs incorporate the use of solar water heaters and lighting. The water fixtures used by us in our projects are efficient and we encourage waterless urinals in our commercial projects. It is difficult to quantify the reduction achieved.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

      Yes. It is difficult to specify a percentage. Major sustainable sourcing relates to steel, cement, electrical and mechanical equipments.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

      Yes. The Company and its Contractors continuously provide training to workers and take steps to provide hygiene, healthy working environment including implementing strict use of safety equipment/ safety measures to be followed by the workers.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Yes. The Company installs sewage treatment plants in almost all its projects to recycle water to be used for toilet flushing and landscaping. Some construction waste are disposed off as scrap to get them recycled and used again in construction works. The percentage of recycling of products and waste is greater than 10%.

**Principle 3**

1. Please indicate the Total number of employees.

   770 employees as on March 31, 2020.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

   50 contractual employees as on March 31, 2020.

3. Please indicate the Number of permanent women employees.

   165 women employees as on March 31, 2020.

4. Please indicate the Number of permanent employees with disabilities:

   1 employee as on March 31, 2020

5. Do you have an employee association that is recognized by management.

   There is no employee association in the Company.

6. What percentage of your permanent employees is members of this recognized employee association?

   Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---|---|---|---|
| 1 | Child labour/ forced labour/ involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   (a) Permanent Employees = Around 90%

   (b) Permanent Women Employees = Around 85%

   (c) Casual/Temporary/Contractual Employees = Around 64%

   (d) Employees with Disabilities = Nil

**Principle 4**

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes. The major ones being employees, suppliers, contractors, customers, lessees, investors, lending institutions, regulatory and statutory authorities.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   All stakeholders are equal to the Company.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   All stakeholders are equal due to which there are no special initiatives for any category of stakeholders.

**Principle 5**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company's policy and practices relating to protection of human rights viz. non-engagement of child labour, personal hygiene, safety and welfare measures of workers etc., are applicable to the Company and its subsidiaries, joint ventures, associates and contractors.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   The Company has not received any complaints pertaining human rights from any stakeholder for the financial year ended on March 31, 2020.

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

   The policy and practices covers the Company and its subsidiaries, associates, joint ventures and associates.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes. The practices followed by the Company in its projects are listed out in **Annexure 9** to the Board's Report forming part of this Annual Report.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No specific project

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., Y/N. If yes, please give hyperlink for web page etc.

   Yes. Our projects are developed incorporating measures to conserve energy, usage of solar technology for

lighting & heating purposes etc. Conservation of water is an integral objective in our projects and the planning for the same is done at the time of conceiving the project.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil.

**Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes. The major trade bodies are:

   (a) The Confederation of Real Estate Developers' Associations of India (CREDAI)

   (b) Confederation of Indian Industry (CII)

   (c) Federation of Indian Chamber of Commerce and Industry (FICCI)

   (d) Bangalore Chamber of Industry and Commerce (BCIC)

   (e) World Trade Centers Association, New York, USA

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes. The Company does work for public good on its own and along with trade bodies and industry colleagues for Urban Development and inclusive development in the Real Estate Sector.

**Principle 8**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes. The details are contained **Annexure 7** to the Board's Report forming part of this Annual Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The programmes are a combination of internal as well as external organisation.

3. Have you done any impact assessment of your initiative?

   Impact assessments are done.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The details of the same are contained **Annexure 7** to the Board's Report forming part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Community Development is one of the important aspect which we take in to consideration. The Company makes conscious efforts to develop the communities in and around the projects developed.

**Principle 9**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   The company has about 19 customer complaints/ consumer cases pending in various fora as on March 31, 2020 and the total percentage of cases pending against the Company is 86%.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

   The Company has two business segments i.e. Residential and Lease Rental. Based on this the products of the Company will be mainly residential space, office space & retail space. The advertisements, agreements, application forms and other relevant documents depicts them.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes, We are a customer centric organisation and customer satisfaction is of utmost importance. Customer feedback is taken right from the stage when a prospective customer walks in to the Company or project site for an enquiry till the time of handover of the apartment at the time of possession. Similarly feedback on a regular basis is taken from lessees for office and retail space.

# Standalone Financial Statements

# Independent Auditor's Report

To the Members of Brigade Enterprises Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of Brigade Enterprises Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the Limited Liability Partnership's (LLP's), the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 2.3 to the Standalone Ind AS financial Statements for the year ended March 31, 2020, which describes the management's evaluation of COVID-19 impact on the future business operations and future cash flows of the Company and its consequential effects on the carrying value of its assets as at March 31, 2020. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition of Revenue from Contract with Customers** *(as described in note 21 of the Standalone Ind AS financial statements)* | |
| The Company applies Ind AS 115 for recognition of revenue from real estate projects. The revenue from real estate projects is recognised at a point in time upon the Company satisfying its performance obligation and the customer obtaining control of the underlying asset, which involves significant estimates and judgement.<br><br>For revenue contract forming part of joint development arrangements that are not jointly controlled operations ('JDA'), the revenue from the development and transfer of constructed area/revenue share with a corresponding land/ development rights received by the Company is measured at the fair value of the estimated construction service rendered by the Company to the land owner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115.<br><br>For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. The assessment of such consideration received from customers involves significant judgment in determining if the contracts with customers involves any financing element.<br><br>Application of Ind AS 115 involves significant judgment in determining when 'control' of the property underlying the performance obligation is transferred to the customer. Further, for revenue contract forming part of JDA, significant estimate is made by the management in determining the fair value of the underlying revenue.<br><br>As the revenue recognition involves significant estimates and judgement, we regard this as a key audit matter. | Our audit procedures included, among others, the following:<br><br>- We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.<br><br>- We assessed the management evaluation of determining revenue recognition from sale of real estate inventory property at a point in time in accordance with the requirements under Ind AS 115. We obtained and understood the revenue recognition process and performed test of controls over revenue recognition including determination of point of transfer of control, completion of performance obligation and fair value of estimated construction service under JDA, on a sample basis.<br><br>- We performed test of details, on a sample basis, and tested the underlying customer/JDA contracts and sale deed/ handover documents, evidencing the transfer of control of the asset to the customer based on which the revenue is recognized at a point of time.<br><br>- We obtained the joint development agreements entered into by the Company and compared the ratio of constructed area/ revenue sharing arrangement between the Company and the landowner as mentioned in the agreement to the computation statement prepared by the management, on a sample basis.<br><br>- We obtained and tested the computation of the fair value of the construction service under JDA, on a sample basis.<br><br>- We tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and management's assessment of stage of completion of projects and project cost estimates on test check basis.<br><br>- We assessed the disclosures made by management in compliance with the requirements of Ind AS 115. |

**Recording of related party transactions and disclosures** *(as described in note 34 of the Standalone Ind AS financial statements)*

The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include making new or additional investments in its subsidiaries, associates and other related parties and lending and borrowing of Inter-corporate deposits ('ICD') and other transactions to or from the related parties.

We identified the accuracy and completeness of the said related party transactions and its disclosure as set out in respective notes to the Standalone Ind AS financial statements as a key audit matter due to the significance of transactions with related parties and regulatory compliance thereon.

Our audit procedures included, among others, the following:

- Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions.
- Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length.
- Tested, on a sample basis, related party transactions with the underlying contracts, confirmation letters and other supporting documents.
- Agreed the related party information disclosed in the Standalone Ind AS financial statements with the underlying supporting documents, on a sample basis.

**Carrying value of inventory and land advances/deposits (including refundable deposits paid under JDA)** *(as described in note 7,9 and 10 of the Standalone Ind AS financial statements*

As at March 31, 2020, the carrying value of the inventory of real estate projects is ₹ 297,569 lakhs and land advances/ deposits of ₹ 31,636 lakhs.

The inventories are carried at the lower of the cost and net realisable value ('NRV'). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.

On account of COVID-19 outbreak and country-wide lockdown thereon, the Company conducted its annual inventory count at a date subsequent to year-end and performed the rollback workings.

Deposits paid under joint development arrangements, in the nature of non-refundable amounts, are recognised as land advance under other assets and on the launch of the project, the same is transferred as land stock under inventories. Further, advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Company, whereupon it is transferred to land stock under inventories.

The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the management's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project.

We identified the assessment of the carrying value of inventory and land advances/deposits as a key audit matter due to the significance of the balance and the involvement of estimates and judgement in the assessment.

Our procedures in assessing the carrying value of the inventories/land advances/deposits included, among others, the following:

- We read and evaluated the accounting policies with respect to inventories/land advances/deposits
- We assessed the Company's methodology applied in assessing the carrying value under the relevant accounting standards based on current economic and market conditions including effects of COVID-19 pandemic, applied in assessing the carrying value, launch of the project, development plan and future sales.
- We obtained and tested the computation involved in assessment of carrying value and the net realisable value/ net recoverable value including effects of COVID-19 on test check basis.

  We compared the realisable/recoverable amount of the asset to the carrying value in books on test check basis.
- We made inquiries with management to understand key assumptions used in determination of the net realisable value/ net recoverable value including effects of COVID-19 on test check basis.
- On account of COVID-19 outbreak and country-wide lockdown thereon, we observed the physical verification of inventory at a date subsequent to year-end and tested the rollback procedures performed by the Company, on a test check basis.

**Carrying value of Investments and loans and advances made by the Company in subsidiaries and associate entities**

*(as described in note 6 of the Standalone Ind AS financial statements)*

As at March 31, 2020, the carrying values of Company's investment in subsidiaries and associate entities amounted to ₹ 173,645 lakhs. Further, the Company has granted loans and advances to its subsidiaries and associates. Management reviews on a periodical basis whether there are any indicators of impairment of such investments and loans and advances

For cases where impairment indicators exist, management estimates the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value / value in use.

As the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.

Our procedures in assessing the impairment of the investment included, among other, the following:

- We read and evaluated the accounting policies with respect to investment.
- We assessed the Company's methodology applied in assessing the carrying value under the relevant accounting standards.
- We assessed the Company's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable amount.
- We compared the recoverable amount of the investment to the carrying value in books.
- We obtained and considered management evaluation based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverability of loans and advances granted to its subsidiaries and associate entities.
- We assessed the financial condition of entities to whom loans and advances were granted by obtaining the most recent audited financial statements of such entities.
- We performed inquiries with management on the project status and future business plan of entities to whom loans and advances were granted to evaluate their recoverability.
- We assessed the disclosures made in the Standalone Ind AS financial statements regarding such investments and loans and advances.

**Carrying value of Investment property including investment properties under construction**

*(as described in note 3.2 and 4 of the Standalone Ind AS financial statements)*

As at March 31, 2020, the carrying value of the Investment property is ₹ 145,285 lakhs (including properties under construction Rs 7,465 lakhs). The carrying value of the investment property is calculated using land costs, construction costs, interest costs and other related costs. Management reviews on a periodical basis whether there are any indicators of impairment of such investment properties.

For assets where impairment indicators exist, management estimates the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value / value in use.

In view of the COVID -19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of carrying value of the investment property.

We identified the assessment of the carrying value of investment property and impairment, if any as a key audit matter due to the significance of the balance to the Standalone Ind AS financial statements as a whole and the involvement of estimations in the assessment.

Our procedures in assessing the carrying value (including impairment assessment) of the investment properties included, among others, the following:

- We read and evaluated the accounting policies with respect to investment properties.
- We assessed the Company's methodology applied in assessing the carrying value under the relevant accounting standards.
- We assessed the Company's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable amount, including valuation report in certain cases used by the Company's management for determining the fair value ('recoverable amount') of the investment property.
- We assessed the Company's valuation methodology applied and compared key property related data used as input with historical actual data.
- We compared the recoverable amount of the investment property to the carrying value in books.
- We assessed the disclosures made in the Standalone Ind AS financial statements regarding such investment property.

**Compliance with repayment terms of borrowings** *(as described in note 15 of the Standalone Ind AS financial statements)*

The Company has significant borrowings as it is the key source of funds taken to finance its various real estate development projects as well as for general corporate purpose.

We consider compliance with repayment terms of borrowings as a key audit matter as this is a key consideration for appropriate classification of loan balances and relevant disclosures thereon in the Standalone Ind AS financial statements. Further, compliance with repayment terms is part of management's assessment of evaluating its gearing and liquidity profile.

Our procedures in relation to compliance with repayment terms of borrowings include, among others, the following:

- Obtained an understanding of the process and testing the internal controls over timely repayment of borrowings.
- We tested the repayments of borrowings for a sample of transactions by reading the underlying contracts for repayments schedules, comparing the actual cash flows with the repayment schedules and tracing the amounts paid as per books of account to the bank statements of the Company.
- Assessed the maturity profile of the borrowings to evaluate the classification and disclosure of borrowings on test check basis.
- Compared the balances confirmed by the lenders with the balances as per the books of accounts.

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements and other financial information, in respect of two LLP's, whose financial statements include total assets of ₹2,857 lakhs as at March 31, 2020, and total revenues of ₹ 233 lakhs and net cash outflows of ₹ 28 lakhs for the year ended on that date. These financial statements and other financial information of the said LLP's have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Standalone Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these LLP's and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid LLP's, is based solely on the reports of such other auditors.

**Our opinion is not modified in respect of this matter.**

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the LLP's, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 32(b) to the Standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 17 to the Standalone Ind AS financial statements; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 20209567AAAACU5756

Place: Bengaluru
Date: June 18, 2020

# ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF BRIGADE ENTERPRISES LIMITED

To the Members of Brigade Enterprises Limited

**Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.

(b) All property, plant and equipment and investment property have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and based on the examination of the registered sale deed/transfer deed/registered joint development agreements provided to us, we report that, the title deeds of immovable properties included in property, plant and equipment and investment property including capital work-in-progress are held in the name of the Company. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name of the Company based on confirmations received by us from lenders.

(ii) The inventories held by the Company comprise raw materials, land stock, stock of units in completed projects and work in progress of projects under development. Having regard to the nature of inventory, the management has conducted physical verification of inventory by way of physical verification of raw materials, verification of title deeds, site visits conducted and certification of extent of work completion by competent persons, at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to 7 parties (including interest-free loans) covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest, having regard to management's representation that the loans are given to such parties considering the Company's economic interest and long-term trade relationship with such parties.

(b) In respect of the loans granted to parties covered in the register maintained under Section 189 of the Act, the loans are repayable as per the contractual terms. As per the contractual terms, the loans have not fallen due for repayment. Accordingly, there has been no default on the part of the parties to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the construction activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statue | Nature of dues | Disputed Amount (₹ lakhs) | Amount Paid under protest (₹ lakhs) | Financial Year to which it relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 1,067 | - | 2008-09 | The High Court of Karnataka |
| | | 973 | - | 2009-10 | The High Court of Karnataka |
| | | 298 | - | 2010-11 | Income Tax Appellate Tribunal |
| | | 45 | - | 2013-14 | |
| | | 91 | - | 2014-15 | Commissioner of Income Tax - Appeals |
| | | 485 | - | 2015-16 | Commissioner of Income Tax – Appeals |
| | | 1,266 | - | 2016-17 | Commissioner of Income Tax – Appeals |
| | | 3,457 | - | 2017-18 | Commissioner of Income Tax - Appeals |
| Finance Act, 1994 | Service Tax | 97 | - | 2006-08 | Custom Excise & Service Tax Appellate Tribunal |
| | | 1,607 | - | 2005-10 | Commissioner of Service Tax - Appeals |
| | | 699 | 52 | 2009-12 | Custom Excise & Service Tax Appellate Tribunal |
| | | 376 | 28 | 2008-12 | Custom Excise & Service Tax Appellate Tribunal |
| | | 129 | 11 | 2011-12 | Commissioner of Service Tax - Appeals |
| Karnataka Value Added Tax, 2003 | Value added tax | 80 | 80 | 2008-09 | Karnataka Appellate Tribunal |
| | | 48 | 48 | 2009-10 | |
| | | 435 | 237* | 2010-11 | Joint Commissioner of Commercial Taxes (Appeals) |
| | | 839 | 250 | 2010-11 | The High Court of Karnataka |
| | | 115 | 115 | 2011-12 | Joint Commissioner of Commercial Taxes (Appeals) |
| Karnataka Tax On Entry Of Goods Act, 1979 | Entry tax | 84 | 84 | 2008-09 | Karnataka Appellate Tribunal |

* Excluding bank guarantee of ₹ 198 lakhs provided by the Company under protest.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank or financial institution. The Company did not have any loans or borrowing from government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans (representing loans with a repayment period beyond 36 months) for the purposes for which they were raised. The Company has not raised any monies by way of initial public offer/ further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the Standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully/ partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 20209567AAAACU5756

Place: Bengaluru
Date: June 18, 2020

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BRIGADE ENTERPRISES LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Brigade Enterprises Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements, including the possibility of collusion

or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 20209567AAAACU5756

Place: Bengaluru
Date: June 18, 2020

# Standalone Balance Sheet as at March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Notes | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3.1 | 2,580 | 2,594 |
| Capital work-in-progress | 3.2 | 7,465 | 17,925 |
| Investment property | 4 | 137,820 | 125,270 |
| Intangible assets | 5 | 99 | 103 |
| Financial assets | | | |
| Investments | 6 | 177,660 | 147,753 |
| Loans | 7 | 45,390 | 36,669 |
| Other non-current financial assets | 8 | 4,828 | 5,042 |
| Other non-current assets | 9 | 13,774 | 12,832 |
| Assets for current tax (net) | | 1,124 | 768 |
| **Sub total** | | **390,740** | **348,956** |
| **Current assets** | | | |
| Inventories | 10 | 297,569 | 304,841 |
| Financial assets | | | |
| Investments | 6 | 1,620 | 2,020 |
| Loans | 7 | 348 | 16,556 |
| Trade receivables | 11 | 28,288 | 35,859 |
| Cash and cash equivalents | 12.1 | 11,846 | 11,175 |
| Bank balances other than cash and cash equivalents | 12.2 | 1,897 | 19 |
| Other current financial assets | 8 | 18,378 | 15,228 |
| Other current assets | 9 | 15,902 | 11,324 |
| **Sub total** | | **375,848** | **397,022** |
| **Total assets** | | **766,588** | **745,978** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 20,438 | 13,618 |
| Other equity | 14 | 233,915 | 217,087 |
| **Total equity** | | **254,353** | **230,705** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 151,054 | 158,606 |
| Other non-current financial liabilities | 16 | 4,848 | 3,188 |
| Deferred tax liabilities (net) | 18 | 5,240 | 3,852 |
| Other non-current liabilities | 19 | 688 | 1,932 |
| **Sub total** | | **161,830** | **167,578** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 1,360 | 5,471 |
| Trade payables | 20 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 1,865 | 1,380 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 28,129 | 36,711 |
| Other current financial liabilities | 16 | 87,109 | 53,874 |
| Other current liabilities | 19 | 229,014 | 248,856 |
| Short term provisions | 17 | 649 | 610 |
| Liabilities for current tax (net) | | 2,279 | 793 |
| **Sub total** | | **350,405** | **347,695** |
| **Total equity and liabilities** | | **766,588** | **745,978** |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the Standalone Ind AS financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No:5435

Place: Bengaluru
Date: June 18, 2020

# Standalone Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Notes | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 21 | 184,933 | 180,591 |
| Other income | 22 | 14,417 | 12,270 |
| **Total income (i)** | | **199,350** | **192,861** |
| **Expenses** | | | |
| Sub-contractor cost | | 52,027 | 53,980 |
| Cost of raw materials, components and stores consumed | 23 | 5,721 | 7,597 |
| Land purchase cost | | 40,898 | 91,181 |
| Decrease/(Increase) in inventories of stock of flats, land stock and work-in-progress | 24 | 5,144 | (49,743) |
| Employee benefits expense | 25 | 12,139 | 10,792 |
| Depreciation and amortization expense | 26 | 7,560 | 6,822 |
| Finance costs | 27 | 20,050 | 17,784 |
| Other expenses | 28 | 19,924 | 18,591 |
| **Total expenses (ii)** | | **163,463** | **157,004** |
| **Profit before exceptional items and tax (iii) = (i) - (ii)** | | **35,887** | **35,857** |
| **Exceptional items (iv)** | 4 | 1,450 | - |
| **Profit before tax (v) = (iii) - (iv)** | | **34,437** | **35,857** |
| **Tax expense** | 18 | | |
| Current tax | | 6,966 | 8,179 |
| Deferred tax | | 1,391 | 4,256 |
| **Total tax expense (vi)** | | **8,357** | **12,435** |
| **Profit for the year (vii) = (v) - (vi)** | | **26,080** | **23,422** |
| **Other comprehensive income** | | | |
| Items that will not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | (12) | 30 |
| Income tax relating to above | | 3 | (11) |
| **Other comprehensive income ('OCI') (viii)** | | **(9)** | **19** |
| **Total comprehensive income for the year (ix) = (vii) + (viii) (Comprising Profit and OCI for the year)** | | **26,071** | **23,441** |
| **Earnings per share** | 29 | | |
| Earnings per equity share [nominal value of share ₹ 10 (March 31, 2019: ₹10)] | | | |
| Basic (₹) | | 12.76 | 11.47 |
| Diluted (₹) | | 12.66 | 11.45 |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the Standalone Ind AS financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No:5435

Place: Bengaluru
Date: June 18, 2020

# Standalone Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## A. Equity share capital*:

| Issued, subscribed and fully paid-up share capital | No. in Lakhs | ₹ |
|---|---|---|
| **Equity shares of ₹10 each:** | | |
| **As at April 01, 2018** | **1,360** | **13,607** |
| Issued during the year pursuant to exercise of stock options | 1 | 11 |
| **As at March 31, 2019** | **1,361** | **13,618** |
| Issued during the year pursuant to exercise of stock options | 1 | 10 |
| Issue of bonus shares | 681 | 6,810 |
| **As at March 31, 2020** | **2,043** | **20,438** |

* Also refer note 13

## B. Other equity*

₹

| | Amount received against share warrants | Reserves and surplus | | | | Total |
|---|---|---|---|---|---|---|
| | | General reserve | Securities premium | Share based payments | Retained earnings | |
| **As at April 01, 2018** | **-** | **10,149** | **116,565** | **54** | **92,435** | **219,203** |
| Profit for the year | - | - | - | - | 23,422 | 23,422 |
| Other comprehensive income** | - | - | - | - | 19 | 19 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **23,441** | **23,441** |
| Reversal of profits on account of transition to Ind AS 115 (net of tax) | - | - | - | - | (22,694) | (22,694) |
| Dividend (including dividend distribution tax) - (refer note 30) | - | - | - | - | (3,082) | (3,082) |
| Compensation expense for options granted during the year (including amount cross charged to subsidiaries) | - | - | - | 176 | - | 176 |
| Issue of equity shares pursuant to exercise of stock options | - | - | 77 | (34) | - | 43 |
| **As at March 31, 2019** | **-** | **10,149** | **116,642** | **196** | **90,100** | **217,087** |
| Profit for the year | - | - | - | - | 26,080 | 26,080 |
| Other comprehensive income** | - | - | - | - | (9) | (9) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **26,071** | **26,071** |
| Dividend (including dividend distribution tax) - (refer note 30) | - | - | - | - | (5,635) | (5,635) |
| Compensation expense for options granted during the year (including amount cross charged to subsidiaries) | - | - | - | 201 | - | 201 |
| Issue of equity shares pursuant to exercise of stock options | - | - | 180 | (54) | - | 126 |
| Issue of bonus shares (refer note 13) | - | - | (6,810) | - | - | (6,810) |
| Amount received against share warrants (refer note 14) | 2,875 | - | - | - | - | 2,875 |
| **As at March 31, 2020** | **2,875** | **10,149** | **110,012** | **343** | **110,536** | **233,915** |

* Also refer note 14

** As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/(loss) of defined benefit plans (net of tax) of ₹ (9) Lakhs [March 31, 2019: ₹19 lakhs] as part of retained earnings.

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Standalone Ind AS financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No:5435

Place: Bengaluru
Date: June 18, 2020

# Standalone Cash flow statement for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 34,437 | 35,857 |
| Adjustment to reconcile profit before tax to net cash flows: | | |
| Depreciation of property, plant and equipment (including right of use asset) | 401 | 318 |
| Amortization of intangible assets | 30 | 41 |
| Depreciation of investment property | 7,129 | 6,463 |
| Impairment of investment property | 1,450 | - |
| Finance costs | 20,050 | 17,784 |
| Interest income from financial assets at amortized cost | (11,802) | (8,878) |
| Profit on sale of investments | (32) | (462) |
| Dividend income | (617) | - |
| Fair value gain on financial instruments at fair value through profit and loss | (69) | (9) |
| Provisions for contract losses | 132 | - |
| Loans and advances written off | 4 | - |
| Bad debts written off | 44 | 14 |
| Provision for bad and doubtful debts | 11 | 228 |
| Profit on sale of property, plant and equipment | (4) | (593) |
| Share in profits/ (loss) of partnership firm investments | 262 | 234 |
| Share based payments to employees | 184 | 150 |
| Operating profit before working capital changes | 51,610 | 51,147 |
| Movements in working capital : | | |
| (Decrease) in trade payables | (8,093) | (2,245) |
| Increase in other financial liabilities | 5,444 | 5,305 |
| (Decrease)/Increase in other liabilities | (20,023) | 50,833 |
| Decrease/(Increase) in trade receivables | 7,661 | (20,810) |
| Decrease/(Increase) in inventories | 7,094 | (47,829) |
| (Increase) in loans | (3,044) | (13,798) |
| Decrease in other financial assets | - | 1,735 |
| (Increase)/Decrease in other assets | (5,675) | 6,123 |
| Increase in provisions | 39 | 137 |
| Cash generated from operations | 35,013 | 30,598 |
| Direct taxes paid, net | (5,839) | (7,647) |
| **Net cash flow from operating activities (A)** | **29,174** | **22,951** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment, investment property and intangible assets (including capital work in progress and capital advances) | (6,439) | (8,353) |
| Proceeds from sale of property, plant and equipment and investment property | 674 | 946 |
| Purchase of investments | (15,895) | (18,427) |
| Redemption of investments | 2,511 | 34,850 |
| Investments in bank deposits | (2,215) | (158) |
| Redemption of bank deposits | 17 | 545 |
| Interest received | 1,329 | 875 |
| Dividend received | 617 | - |
| **Net cash flow (used in)/from investing activities (B)** | **(19,401)** | **10,278** |

# Standalone Cash flow statement for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds from issuance of share capital (including securities premium net of expenses) | 136 | 53 |
| Proceeds from issuance of share warrants | 2,875 | - |
| Proceeds from non-current borrowings | 43,395 | 52,960 |
| Repayment of non-current borrowings | (26,456) | (39,839) |
| Payment of principal portion of lease liability | (31) | - |
| Decrease in current borrowings (excluding bank overdraft facilities), net | (818) | (17,891) |
| Interest paid | (19,278) | (18,258) |
| Dividends paid (including tax on dividend) | (5,632) | (3,082) |
| **Net cash flow (used in) financing activities (C)** | **(5,809)** | **(26,057)** |
| Net increase in cash and cash equivalents (A + B + C) | 3,964 | 7,172 |
| Cash and cash equivalents at the beginning of the year | 6,522 | (650) |
| **Cash and cash equivalents at the end of the year (note 12.1)** | **10,486** | **6,522** |

| **Components of cash and cash equivalents** | | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|---|
| Balances with banks: | | | |
| – On current accounts | | 11,727 | 11,049 |
| Cash on hand | | 119 | 126 |
| Cash and cash equivalents reported in balance sheet | | 11,846 | 11,175 |
| Less: bank overdraft facilities (note 15) | | (1,360) | (4,653) |
| **Cash and cash equivalents reported in cash flow statement** | | **10,486** | **6,522** |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the Standalone Ind AS financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No:5435

Place: Bengaluru
Date: June 18, 2020

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 1. Corporate information

Brigade Enterprises Limited ('BEL' or the 'Company') is a public company domiciled in India and is incorporated on November 8, 1995 under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The registered office of the Company is located at 29th & 30th Floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560 055.

The Company is carrying on the business of real estate development, leasing and related services.

The Standalone Ind AS financial statements were authorized for issue in accordance with a resolution of the directors on June 18, 2020.

## 2. Basis of preparation

The Standalone Ind AS financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Standalone Ind AS financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.1 Changes in Accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

**Ind AS 116 Leases**

The Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 01, 2019. The standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. On transition, the adoption of new standard resulted in recognition of Right of use asset (ROU) of ₹ 251 lakhs, and a lease liability of ₹ 251 lakhs and there was no impact to retained earnings.

In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost of ROU and finance cost for interest accrued on lease liability. In the context of initial application, the Company has exercised the option — not to apply the new recognition requirements to short-term leases and to leases of low-value asset. The impact of application of Ind AS 116 for the year ended March 31, 2020 is as detailed in note 33 of the Standalone Ind AS financial statements.

### 2.2 Summary of significant accounting policies

**(a) Use of estimates**

The preparation of Standalone Ind AS financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

**(b) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as below and accordingly has reclassified its assets and liabilities into current and non-current:

- Residential/ commercial/mixed use projects for real estate development – 3-5 years
- Leasing business – 1 year

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realized/ are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

**(c) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of Property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in-progress.

**(d) Depreciation**

Depreciation is calculated on written down value basis using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013:

| Category of Asset | Useful lives (in years) |
|---|---|
| Buildings | 60 |
| Plant and machinery | 15 |
| Electrical Installation and equipment | 10 |
| Furniture and fixtures | 10 |
| Computer hardware | |
| i. Computer equipment | 3 |
| ii. Servers and network equipment | 6 |
| Office equipment | 5 |
| Motor Vehicles | 8 |

Leasehold land is amortized on a straight-line basis over the balance period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment and investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets, comprising of software are amortized on a straight-line basis over a period of 3 years, which is estimated to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

**(f) Investment property**

Investment properties and capital work-in-progress are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized when the entity transfers control of the same to the buyer. Further the entity also derecognises investment properties when they are permanently

withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**(g) Impairment**

**A. Financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired and measures the required expected credit losses through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life-time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**B. Non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(h) Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

**Where the Company is lessee**

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

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The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as cash used in Financing activities. Also refer note 33 to the Standalone Ind AS financial statements.

**Where the Company is lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

**(i) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

**(j) Inventories**

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i. Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii. Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii. Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv. Land stock: Valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(k) Land**

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories/ capital work in progress.

Land/ development rights received under joint development arrangements ('JDA') is measured

at the fair value of the estimated construction service rendered to the landowner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Company under JDA is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress/ capital work in progress. Further, the amount of refundable deposit paid by the Company under JDA is recognized as deposits under loans.

**(l) Revenue recognition**

*Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/ possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project. Revenue is recognised over time using input method, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

*Contract balances*

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

*Cost to obtain a contract*

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

*Income from leasing*

Rental income receivable under operating leases (excluding variable rental income) is recognized in the income statement on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

*Income from maintenance and other services*

Commission, management fees, maintenance services and other fees receivable for services rendered are recognized as and when the services are rendered as per the terms of the contract.

*Interest income*

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method. Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

*Dividend income*

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholders approve the dividend.

*Share in profits/ losses of Limited Liability Partnership ("LLP") investments*

The Company's share in profits/ losses from an LLP where the Company is a partner, is recognized as income/loss in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

**(m) Foreign currency translation**

*Functional and presentation currency*

Items included in the Standalone Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Standalone Ind AS financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

*Foreign currency transactions and balances*

i) Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion - Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation

denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences - The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

**(n) Retirement and other employee benefits**

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance and Employee Pension Fund Schemes are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**(o) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**i. Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

**ii. Deferred income tax**

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of

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unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

**(p) Share based payment**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognized, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**(q) Segment reporting**

i. Identification of segments - The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

ii. Inter-segment transfers - The Company generally accounts for intersegment sales and transfers at appropriate margins.

iii. Unallocated items - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

iv. Segment accounting policies - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Standalone Ind AS financial statements of the Company as a whole.

**(r) Provisions and contingent liabilities**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate,

the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the Standalone Ind AS financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

**(s) Cash dividend to equity holders of the Company**

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**(t) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents in the balance sheet comprise cash on hand and bank balances which are unrestricted for withdrawal and usage.

**(u) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(v) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement of financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

ii. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these

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assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iv. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

vi. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

vii. Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

viii. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

ix. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial instruments.

x. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the Standalone Ind AS financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Standalone Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xi. Investment in subsidiaries

Investment in subsidiary is carried at cost.

## 2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's Standalone Ind AS financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management makes judgment, estimates and assumptions which have the most significant effect on the amounts recognized in the Standalone Ind AS financial statements:

The key judgment, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgments and assumptions and estimates on parameters available when the Standalone Ind AS financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant accounting judgements, estimates and assumptions used by management are as below:

*Revenue from contracts with customers*

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) *Identification of performance obligation*

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Company considers factors such as:

- whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- whether the entity will be able to fulfil its promise under the contract to transfer the undivided share of land without transfer of

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constructed area or transfer the constructed area without transfer of undivided share of land.

b) *Timing of satisfaction of performance obligation*

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time, the Company considers the following indicators of the transfer of control of the asset to the customer:

- When the entity obtains a present right to payment for the asset.
- When the entity transfers legal title of the asset to the customer.
- When the entity transfers physical possession of the asset to the customer.
- When the entity transfers significant risks and rewards of ownership of the asset to the customer.
- When the customer has accepted the asset.

c) *Accounting for revenue and land cost for projects executed through joint development arrangements ('JDA')*

For projects executed through joint development arrangements, the Company has evaluated that land owners are not engaged in the same line of business as the Company and hence has concluded that such arrangements are contracts with customers. The revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

*Estimation of net realizable value for inventory (including land advance)*

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to land advance given, NRV is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

*Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

*Defined benefit plans - Gratuity*

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

*Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

*Measurement of financial instruments at amortized cost*

Financial instruments are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

*Useful life and residual value of property, plant and equipment, investment property and intangible assets*

The useful life and residual value of property, plant and equipment, investment property and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

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judgments involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

*Provision for litigations and contingencies*

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgments around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgments involved in such estimation the provision is sensitive to the actual outcome in future periods.

*Classification of property*

The Company determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

*Impact of Pandemic COVID-19*

The Company's management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets including property, plant and equipment, investment property, capital work in progress, intangible assets, investments, inventories, land advances, deposits, loans and receivables. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. The management has also estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these Standalone Ind AS financial statements.

## 3.1 Property, plant and equipment

₹

| | Freehold Land | Leasehold Land | Right of use asset | Building | Electrical Installation and Equipment | Furniture & Fixtures | Plant & Machinery | Office Equipment | Computer Hardware | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **At April 01, 2018** | **440** | **638** | **-** | **1,233** | **252** | **316** | **153** | **222** | **231** | **404** | **3,889** |
| Additions | - | - | - | 47 | 27 | 69 | 19 | 154 | 137 | 6 | 459 |
| Disposals | - | 638 | - | - | - | - | - | - | - | - | 638 |
| **At March 31, 2019** | **440** | **-** | **-** | **1,280** | **279** | **385** | **172** | **376** | **368** | **410** | **3,710** |
| Additions pursuant to Ind AS 116 (refer note 33) | - | - | 251 | - | - | - | - | - | - | - | 251 |
| Additions | - | - | - | - | - | - | - | 21 | 110 | 5 | 136 |
| Disposals | - | - | - | - | - | 8 | - | - | 8 | 19 | 35 |
| **At March 31, 2020** | **440** | **-** | **251** | **1,280** | **279** | **377** | **172** | **397** | **470** | **396** | **4,062** |
| **Depreciation** | | | | | | | | | | | |
| **At April 01, 2018** | **-** | **35** | **-** | **25** | **252** | **102** | **109** | **38** | **154** | **123** | **838** |
| Charge for the year | - | 5 | - | 88 | 3 | 16 | 9 | 36 | 73 | 88 | 318 |
| Disposals | - | 40 | - | - | - | - | - | - | - | - | 40 |
| **At March 31, 2019** | **-** | **-** | **-** | **113** | **255** | **118** | **118** | **74** | **227** | **211** | **1,116** |
| Charge for the year pursuant to Ind AS 116 (refer note 33) | - | - | 45 | - | - | - | - | - | - | - | 45 |
| Charge for the year | - | - | - | 72 | 11 | 22 | 9 | 72 | 108 | 62 | 356 |
| Disposals | - | - | - | - | - | 8 | - | - | 8 | 19 | 35 |
| **At March 31, 2020** | **-** | **-** | **45** | **185** | **266** | **132** | **127** | **146** | **327** | **254** | **1,482** |
| **Net book value** | | | | | | | | | | | |
| **As at March 31, 2019** | **440** | **-** | **-** | **1,167** | **24** | **267** | **54** | **302** | **141** | **199** | **2,594** |
| **As at March 31, 2020** | **440** | **-** | **206** | **1,095** | **13** | **245** | **45** | **251** | **143** | **142** | **2,580** |

**Land or buildings**

Refer Note 15 for details of property, plant and equipment pledged as security for borrowings.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 3.2 Capital work in progress

₹

| | Investment property under construction | Total |
|---|---|---|
| **As at April 01, 2018** | **43,227** | **43,227** |
| -Additions (subsequent expenditure) | 10,502 | 10,502 |
| -Capitalised during the year | (33,385) | (33,385) |
| -Transferred from inventory during the year | 1,510 | 1,510 |
| -Transferred to inventory during the year | (3,929) | (3,929) |
| **As at March 31, 2019** | **17,925** | **17,925** |
| -Additions (subsequent expenditure) | 10,169 | 10,169 |
| -Capitalised during the year | (20,589) | (20,589) |
| -Transferred to inventory during the year | (40) | (40) |
| **As at March 31, 2020** | **7,465** | **7,465** |

## 4 Investment property

₹

| | Freehold Land | Leasehold Land | Building | Other assets forming part of Building | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | Electrical Installation and Equipment | Furniture & Fixtures | Plant & Machinery | Office Equipment | |
| **At April 01, 2018** | **16,418** | **2,810** | **79,104** | **10,190** | **2,093** | **7,641** | **600** | **118,856** |
| Additions | 8,764 | - | 19,810 | 1,191 | 354 | 2,989 | 280 | 33,388 |
| Disposals | - | - | 1,759 | - | 413 | 17 | 7 | 2,196 |
| **At March 31, 2019** | **25,182** | **2,810** | **97,155** | **11,381** | **2,034** | **10,613** | **873** | **150,048** |
| Additions | 6,371 | - | 9,132 | 1,167 | 1,403 | 1,891 | 651 | 20,615 |
| Disposals | - | - | - | - | - | - | - | - |
| **At March 31, 2020** | **31,553** | **2,810** | **106,287** | **12,548** | **3,437** | **12,504** | **1,524** | **170,663** |
| **Depreciation** | | | | | | | | |
| **At April 01, 2018** | **-** | **78** | **11,518** | **5,056** | **1,198** | **2,274** | **387** | **20,511** |
| Charge for the year | - | 34 | 3,686 | 1,320 | 299 | 808 | 316 | 6,463 |
| Disposals | - | - | 1,759 | - | 413 | 17 | 7 | 2,196 |
| **At March 31, 2019** | **-** | **112** | **13,445** | **6,376** | **1,084** | **3,065** | **696** | **24,778** |
| Charge for the year | - | 34 | 4,162 | 1,187 | 339 | 1,088 | 319 | 7,129 |
| Disposals | - | - | - | - | - | - | - | - |
| **At March 31, 2020** | **-** | **146** | **17,607** | **7,563** | **1,423** | **4,153** | **1,015** | **31,907** |
| **Impairment*** | | | | | | | | |
| **At April 01, 2018** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Charge for the year | - | - | - | - | - | - | - | - |
| Reversal | - | - | - | - | - | - | - | - |

| | Freehold Land | Leasehold Land | Building | Other assets forming part of Building | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | Electrical Installation and Equipment | Furniture & Fixtures | Plant & Machinery | Office Equipment | |
| **At March 31, 2019** | - | - | - | - | - | - | - | - |
| Charge for the year | 865 | - | 438 | 28 | - | 115 | 4 | 1,450 |
| Reversal | - | - | - | - | - | - | - | - |
| **At March 31, 2020** | **865** | **-** | **438** | **28** | **-** | **115** | **4** | **1,450** |
| **Initial direct costs incurred in negotiating and arranging an operating lease** | | | | | | | | |
| **At March 31, 2019** | | | | | | | | - |
| **At March 31, 2020** | | | | | | | | **514** |
| **Net book value** | | | | | | | | |
| **As at March 31, 2019** | **25,182** | **2,698** | **83,710** | **5,005** | **950** | **7,548** | **177** | **125,270** |
| **As at March 31, 2020** | **31,553** | **2,664** | **88,680** | **4,985** | **2,014** | **8,351** | **509** | **137,820** |

* During the year ended March 31, 2020, an impairment loss of ₹ 1,450 lakhs has been recognised in the statement of profit and loss, which represents the write-down value of certain investment properties in the leasing segment to the recoverable amount. The impairment charge arose in the leasing segment Cash Generating Unit ('CGU') due to vacant leased space coupled with the current economic conditions due to COVID-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the" fair value less cost to lease" in accordance with Ind AS 36. The recoverable amount of the said properties of ₹ 3,281 lakhs as at March 31, 2020 was based on value in use and was determined at the level of the CGU being individual leased properties. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, revisiting the key operating assumptions as well as growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

**Capitalised borrowing costs**

The amount of borrowing costs capitalised during the year ended March 31, 2020 was ₹ 311 lakhs (March 31, 2019: ₹ 1,071 lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8-12%, which is the effective interest rate of the specific borrowing.

₹

| Information regarding income and expenditure of Investment property | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Rental income derived from investment properties (including other operating income) | **28,102** | **26,147** |
| Direct operating expenses (including repairs and maintenance) generating rental income | (3,837) | (4,121) |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | (1,081) | (41) |
| **Profit arising from investment properties before depreciation and indirect expenses** | **23,184** | **21,985** |
| Less:- Depreciation & Amortisation Expense | (7,129) | (6,463) |
| **Profit arising from investment properties before indirect expenses** | **16,055** | **15,522** |

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The management has determined that the investment properties consist of two classes of assets – office and retail based on the nature, characteristics and risks of each property. The valuations are based on valuations performed by an accredited independent valuer.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, except as disclosed in note 32(a)(i).

**Fair value of Investment Properties:** ₹

| | Office properties | Retail Properties | Total |
|---|---|---|---|
| **As at March 31, 2019** | 167,330 | 168,318 | **335,648** |
| **As at March 31, 2020** | 207,464 | 211,451 | **418,915** |

The fair value of investment properties is based on discounted cash flows and classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs. There has been no change in valuation techniques used since prior years.

**Description of valuation techniques used and key inputs to valuation on investment properties:**

| Investment properties | Valuation technique | Significant unobservable inputs | Range (weighted average) | |
|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 |
| Office properties | DCF method | - Estimated rental value per sq. ft. per month | ₹40-₹130 | ₹30-₹112 |
| | | - Rent growth p.a. | 5% | 5% |
| | | - Discount rate | 9% | 8% |
| | | - Vacancy rate | 5% | 5% |
| Retail properties | DCF method | - Estimated rental value per sq. ft. per month | ₹50-₹ 310 | ₹ 50-₹ 310 |
| | | - Rent growth p.a. | 5% | 5% |
| | | - Discount rate | 9% | 8% |
| | | - Vacancy rate | 5% | 5% |

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real estate property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income, non-recoverable expenses, collection losses, lease incentives, maintenance cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

## 5 Intangible assets

₹

| | Computer Software | Total |
|---|---|---|
| **At April 01, 2018** | **381** | **381** |
| Additions | 41 | 41 |
| Disposals | - | - |
| **At March 31, 2019** | **422** | **422** |
| Additions | 26 | 26 |
| Disposals | - | - |
| **At March 31, 2020** | **448** | **448** |
| | | |
| **Amortization** | | |
| **At April 01, 2018** | **278** | **278** |
| Charge for the year | 41 | 41 |
| Disposals | - | - |
| **At March 31, 2019** | **319** | **319** |
| Charge for the year | 30 | 30 |
| Disposals | - | - |
| **At March 31, 2020** | **349** | **349** |
| | | |
| **Net book value** | | |
| **As at March 31, 2019** | **103** | **103** |
| **As at March 31, 2020** | **99** | **99** |

## 6 Investments

| Unquoted | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **A. Investments carried at cost** | | |
| *Investment in equity instruments of subsidiaries* | | |
| 100 lakhs (March 31, 2019: 100 lakhs) Equity shares of ₹ 10/- each fully paid up in Brigade Hospitality Services Limited | 1,000 | 1,000 |
| 0.51 lakhs (March 31, 2019: 0.51 lakhs) Class A Equity shares of ₹ 10/- each fully paid up in Brigade Properties Private Limited | 5 | 5 |
| 190.86 lakhs (March 31, 2019: 190.86 lakhs) Class C Equity shares of ₹ 10/- each fully paid up in Brigade Properties Private Limited | 1,909 | 1,909 |
| 0.50 lakhs (March 31, 2019: 0.50 lakhs) Equity shares of ₹ 10/- each fully paid up in Brigade Infrastructure and Power Private Limited | 5 | 5 |
| 0.50 lakhs (March 31, 2019: 0.50 lakhs) Equity shares of ₹ 10/- each fully paid up in Brigade Estates and Projects Private Limited | 5 | 5 |
| 1.002 lakhs (March 31, 2019: 1.002 lakhs) Equity shares of ₹ 10/- each fully paid up in Brigade Tetrarch Private Limited | 38 | 38 |
| 28.75 lakhs (March 31, 2019: 28.75 lakhs) Equity shares of ₹10/- each fully paid up in WTC Trades and Projects Private Limited | 841 | 841 |

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for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| Unquoted | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| 10 lakhs (March 31, 2019: 10 lakhs) Equity shares of ₹ 10/- each fully paid up in Orion Property Management Services Limited (Formerly known as Orion Mall Management Company Limited) | 100 | 100 |
| 142.51 lakhs (March 31, 2019: 142.51 lakhs) Equity shares of ₹ 10/- each fully paid up in BCV Developers Private Limited | 1,425 | 1,425 |
| 20 lakhs (March 31, 2019: 20 lakhs) Equity Shares of ₹ 10/- each fully paid up in Brigade (Gujarat) Projects Private Limited | 200 | 200 |
| 0.51 lakhs (March 31, 2019: 0.51 lakhs) Class A Equity shares of ₹ 10/- each fully paid up in Perungudi Real Estates Private Limited | 5 | 5 |
| 623.01 lakhs (March 31, 2019: 623.01 lakhs) Class B Equity shares of ₹ 10/- each fully paid up in Perungudi Real Estates Private Limited | 6,230 | 6,230 |
| 40 lakhs (March 31, 2019: 40 Lakhs) Equity Shares of ₹ 10/- each fully paid up in Mysore Projects Private Limited | 400 | 400 |
| 10 lakhs (March 31, 2019: 10 lakhs) Equity shares of ₹ 10/- each fully paid in Brigade Hotel Ventures Limited | 100 | 100 |
| 0.50 lakhs (March 31, 2019: 0.50 lakhs) Equity shares of ₹ 10/- each fully paid up in Augusta Club Private Limited | 5 | 5 |
| | **12,268** | **12,268** |
| *Investment in partnership firms (including limited liability partnership firms)* | | |
| Brigade Innovations LLP | | |
| - Capital account | 1,016 | 799 |
| - Current account | (860) | (571) |
| | 156 | 228 |
| Brigade Flexible Office Spaces LLP | | |
| - Capital account | 250 | - |
| - Current account | 29 | - |
| | 279 | - |
| | **435** | **228** |
| *Investment in equity instruments of associate companies* | | |
| 14.8 lakhs (March 31, 2019: 14.8 lakhs) Equity shares of ₹10/- each fully paid up in Tandem Allied Services Private Limited | 7 | 7 |
| | **7** | **7** |
| *Investment in debentures (in the nature of equity) of subsidiaries* | | |
| 51 lakhs (March 31, 2019: 51 lakhs) 16% Series C Fully Convertible Debentures of ₹100/- each fully paid in Brigade Properties Private Limited | 5,100 | 5,100 |
| 271.69 lakhs (March 31, 2019: 240 lakhs) 0.001% Fully Convertible Debentures of ₹ 100/- each fully paid in Brigade Infrastructure and Power Private Limited | 27,169 | 24,000 |
| 11.46 lakhs (March 31, 2019: Nil) 0.001% Fully Convertible Debentures of ₹ 100/- each fully paid in Brigade Estate and Projects Private Limited | 1,146 | - |

| Unquoted | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| 22.53 lakhs (March 31, 2019: Nil) 0.001% Fully Convertible Debentures of ₹ 100/- each fully paid in Brigade (Gujarat) Projects Private Limited | 2,253 | - |
| 46.45 lakhs (March 31, 2019: Nil) 0.001% Fully Convertible Debentures of ₹ 100/- each fully paid in Brigade Tetrarch Private Limited | 4,645 | - |
| 84.73 lakhs (March 31, 2019: Nil) 0.001% Fully Convertible Debentures of ₹ 100/- each fully paid in Mysore Projects Private Limited | 8,473 | - |
| | **48,786** | **29,100** |
| **Total Investments carried at cost (A)** | **61,496** | **41,603** |

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **B. Investments at fair value through profit or loss** | | |
| *Investment in Mutual Fund* | | |
| SBI Liquid Fund - Regular Plan - Growth | | |
| 0.52 lakhs (March 31, 2019: 0.69 lakhs) units of ₹ 3,093.61 each (March 31, 2019: ₹2,927.54 each) | 1,620 | 2,020 |
| *Investment in equity instruments of other companies* | | |
| 1.32 lakhs (March 31, 2019: 1.56 lakhs) Equity shares of ₹10/- each full paid up in Mangalore Energies Private Limited | 13 | 16 |
| 0.05 lakhs (March 31, 2019: 0.05 lakhs) Equity shares of ₹10/- each fully paid up in Diagnostic Research Private Limited | - | - |
| 2.39 lakhs (March 31, 2019: 2.39 lakhs) Equity shares of ₹10/- each fully paid up in AEC Promag Private Limited | - | - |
| **Total Investments carried at fair value through profit or loss (B)** | **1,633** | **2,036** |
| | | |
| **C. Investments at amortized cost** | | |
| *Investment in other equity of subsidiaries* | | |
| BCV Developers Private Limited | 13,266 | 13,266 |
| Brigade Properties Private Limited | 5,653 | 4,745 |
| Brigade Tetrarch Private Limited | 963 | 1,284 |
| Brigade Estates and Projects Private Limited | 382 | 613 |
| WTC Trades and Projects Private Limited | 93 | 93 |
| | **20,357** | **20,001** |
| *Investment in government or trust securities* | | |
| Government securities | 2 | 2 |
| | **2** | **2** |
| *Investment in preference shares of subsidiaries* | | |
| 38 lakhs (March 31, 2019: 38 lakhs) 0.01% A Series Compulsory Convertible Preference shares of ₹ 100/- each fully paid up in Brigade Estates and Projects Private Limited | 3,800 | 3,800 |

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for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| 33 lakhs (March 31, 2019: 33 lakhs) 0.01% A Series Compulsory Convertible Preference shares of ₹100/- each fully paid up in Brigade (Gujarat) Projects Private Limited | 3,300 | 3,300 |
| 81 lakhs (March 31, 2019: 81 lakhs) 0.01% A Series Compulsory Convertible Preference shares of ₹100/- each fully paid up in Mysore Projects Private Limited | 8,100 | 8,100 |
| 306.80 lakhs (March 31, 2019: 306.80 lakhs) 0.01% Redeemable Preference Shares of Rs 10/- each fully paid up in Brigade Properties Private Limited | 2,109 | 2,089 |
| 72 lakhs (March 31, 2019: 72 lakhs) 0.01% A Series Compulsory Convertible Preference shares of ₹100/- each fully paid up in Brigade Tetrarch Private Limited | 7,200 | 7,200 |
| 280 lakhs (March 31, 2019: 280 lakhs) 0.01% A Series Optionally Convertible Redeemable Preference shares of ₹100/- each fully paid up in Brigade Hotel Ventures Limited | 28,043 | 28,043 |
| Nil (March 31, 2019: 10 lakhs) 0.01% A Series Optionally Convertible Redeemable Preference shares of ₹100/- each fully paid up in Brigade Hospitality Services Limited | - | 1,009 |
| 3.25 lakhs (March 31, 2019: 3.25 lakhs) 0.01% A Series Optionally Convertible Redeemable Preference shares of ₹100/- each fully paid up in Augusta Club Private Limited | 325 | 325 |
| 1.50 lakhs (March 31, 2019: Nil) 0.01% A Series Compulsory Convertible Redeemable Preference shares of ₹100/- each fully paid up in SRP Prosperita Hotel Ventures Limited | 150 | - |
| | **53,027** | **53,866** |

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| *Investment in debentures of subsidiaries* | | |
| 237.65 lakhs (March 31, 2019: 237.65 lakhs) A Series Optionally Convertible Debentures of ₹100/- each fully paid in Perungudi Real Estates Private Limited | 23,765 | 23,765 |
| 5 lakhs (March 31, 2019: 5 Lakhs) 12% A11 Series Optionally Convertible Debentures of ₹100/- each fully paid in Perungudi Real Estates Private Limited | 500 | 500 |
| 15 lakhs (March 31, 2019: 15 lakhs) 12% A12 Series Optionally Convertible Debentures of ₹100/- each fully paid in Perungudi Real Estates Private Limited | 1,500 | 1,500 |
| 30 lakhs (March 31, 2019: Nil) 12% A Series Non Convertible Debentures of ₹100/- each fully paid in Perungudi Real Estates Private Limited | 3,000 | - |
| 15 lakhs (March 31, 2019: Nil) 12% B Series Non Convertible Debentures of ₹100/- each fully paid in Perungudi Real Estates Private Limited | 1,500 | - |
| 250 lakhs (March 31, 2019: 250 lakhs) 14.10% B series Non Convertible Debentures of ₹10,00,000/- each fully paid up in Brigade Properties Private Limited | 2,500 | 2,500 |

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| 30 lakhs (March 31, 2019: Nil) 12% A Series Non Convertible Debentures of ₹100/- each fully paid in Brigade Properties Private Limited | 3,000 | - |
| 15 lakhs (March 31, 2019: Nil) 12% B Series Non Convertible Debentures of ₹100/- each fully paid in Brigade Properties Private Limited | 1,500 | - |
| 15 lakhs (March 31, 2019: Nil) 12% B Series II Non Convertible Debentures of ₹100/- each fully paid in Brigade Properties Private Limited | 1,500 | - |
| | **38,765** | **28,265** |
| *Investment in bonds* | | |
| 250 units (March 31, 2019: 400 units) of ₹10,00,000/- each fully paid up and 300 Units of ₹ 5,00,000/- each (March 31, 2019: Nil) fully paid up in Lakshmi Vilas Bank Limited | 4,000 | 4,000 |
| | **4,000** | **4,000** |
| **Total Investments at amortized cost (C )** | **116,151** | **106,134** |
| **Total Investments (A+B+C)** | **179,280** | **149,773** |
| **Current** | 1,620 | 2,020 |
| **Non-current** | 177,660 | 147,753 |
| | **179,280** | **149,773** |
| a) Aggregate amount of quoted investments actively traded and net asset value ('NAV') thereof | 1,620 | 2,020 |
| b) Aggregate amount of other investments | 177,660 | 147,753 |

## 7 Loans

**(Unsecured, considered good)**

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Security deposit | 47 | 17 | 125 | 129 |
| Loans to employees | - | - | 23 | 29 |
| Loans to related parties (refer note 34) | 24,518 | 15,568 | 200 | 16,398 |
| Deposits under joint development arrangements* | 20,825 | 21,084 | - | - |
| | **45,390** | **36,669** | **348** | **16,556** |

* Advances paid by the Company to the landowner towards joint development of land is recognized as deposits since the advance is in the nature of refundable deposits. Includes an amount of ₹ 13,520 lakhs (March 31, 2019: ₹ 12,450 lakhs) which is advanced for a period of more than 3 years and the management is confident of recovery/launch of these projects in the future.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 8 Other financial assets

**(Unsecured, considered good)**

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Receivable on sale of property, plant and equipment (refer note 34) | - | 537 | - | - |
| Margin money deposits with banks | 4,828 | 4,505 | - | - |
| Interest accrued and not due on investment in deposits | - | - | 480 | 582 |
| Interest accrued and not due on investment in debt instruments (refer note 34) | - | - | 17,898 | 14,646 |
| | **4,828** | **5,042** | **18,378** | **15,228** |

## 9 Other assets

**(Unsecured, considered good)**

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Land Advance* | 10,811 | 9,568 | - | - |
| Advance to suppliers | - | - | 12,729 | 9,921 |
| Balances with statutory / government authorities | 1,948 | 2,208 | 1,549 | 108 |
| Prepaid expenses | - | - | 1,624 | 1,295 |
| Capital advances | 208 | 362 | - | - |
| Other assets | 807 | 694 | - | - |
| | **13,774** | **12,832** | **15,902** | **11,324** |

* Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation. Includes an amount of ₹ 4,310 lakhs which is advanced for a period of more than 3 years and the management is confident of obtaining the title for these projects including usage of Tangible Development Rights ('TDR') in the future.

## 10 Inventories (valued at lower of cost and net realisable value)

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Raw materials, components and stores | 1,974 | 3,924 |
| Work-in-progress (refer note 21.4) | 232,426 | 223,732 |
| Land stock | 615 | 6,741 |
| Stock of flats (refer note 21.4) | 62,554 | 70,444 |
| | **297,569** | **304,841** |

Refer Note 15 for details of inventories pledged as security for borrowings.

## 11 Trade receivables (unsecured)

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Trade receivables, considered good | | |
| Receivable from others | 23,226 | 32,794 |
| Receivables from related parties (refer note 34) | 5,062 | 3,065 |
| Trade receivables - credit impaired | 196 | 229 |
| Impairment allowance (allowance for bad and doubtful debts) | **28,484** | **36,088** |
| Trade receivables - credit impaired | (196) | (229) |
| **Total trade receivables** | **28,288** | **35,859** |

Refer Note 15 for details of trade receivables pledged as security for borrowings.

| **Trade receivables include receivable due from directors or other officers, etc.** | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Dues from M/s BCV Developers Private Limited in which Company's director is a director | 1,286 | 882 |
| Dues from M/s Brigade Properties Private Limited in which Company's director is a director | 561 | 466 |
| Dues from M/s WTC Trades & Projects Private Limited in which Company's director is a director | - | 4 |
| Dues from M/s Perungudi Real Estates Private Limited in which Company's officer is a director | 660 | 241 |
| Dues from M/s Brigade Innovations LLP in which Company's director is a Partner | 42 | 23 |
| Dues from M/s Indian Music Experience Trust in which Company's director is a trustee | 2 | 2 |
| Dues from M/s Mysore Projects Private Limited in which Company's director is a director | 1,052 | 515 |
| Dues from M/s Brigade Tetrarch Private Limited in which Company's director is a director | 713 | 161 |
| Dues from M/s Brigade Estates and Projects Private Limited in which Company's director is a director | 2 | 1 |
| Dues from M/s Brigade (Gujarat) Projects Private Limited in which Company's director is a director | - | 1 |
| Dues from M/s Brigade Hotel Ventures Private Limited in which Company's director is a director | 530 | 522 |
| Dues from M/s Brigade Infrastructure and Power Private Limited in which Company's director is a director | 196 | 63 |
| Dues from M/s Celebrations LLP in which Company's director is a partner | 2 | 5 |
| Dues from M/s Orion Property Management Services Ltd in which Company's director is a director | - | 25 |
| | **5,046** | **2,911** |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 12.1 Cash and cash equivalents

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Cash on hand | 119 | 126 |
| Balances with banks: | | |
| – On current accounts | 11,727 | 11,049 |
| | **11,846** | **11,175** |

| For the purpose of the statement of cash flows, cash and cash equivalents comprise the following: | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Balances with banks: | | |
| – On current accounts | 11,727 | 11,049 |
| Cash on hand | 119 | 126 |
| Cash and cash equivalents reported in balance sheet | 11,846 | 11,175 |
| Less - bank overdraft facilities (refer note 15) | (1,360) | (4,653) |
| Cash and cash equivalents reported in cash flow statement | **10,486** | **6,522** |

**Changes in liabilities arising from financing activities:**

| Particulars | Lease liability | Non-current borrowings | Current borrowings (including current portion of long term borrowings) | Total |
|---|---|---|---|---|
| **Balance as at April 01, 2018** | **-** | **131,882** | **64,011** | **195,893** |
| Cash inflows | - | 52,960 | - | **52,960** |
| Cash Outflows | - | (39,839) | (17,891) | **(57,730)** |
| Net bank overdraft facilities forming part of cash and cash equivalents for statement of cash flow | - | - | (429) | **(429)** |
| Others* | - | 13,603 | (13,603) | **-** |
| **Net debt as at March 31, 2019** | | **158,606** | **32,088** | **190,694** |
| Lease liability recognised during the year | 251 | - | - | **251** |
| Cash inflows | - | 43,395 | - | **43,395** |
| Cash Outflows | (31) | (26,456) | (818) | **(27,305)** |
| Net bank overdraft facilities forming part of cash and cash equivalents for statement of cash flow | | - | (3,293) | **(3,293)** |
| Others* | | (24,491) | 24,491 | **-** |
| **Net debt as at March 31, 2020** | **220** | **151,054** | **52,468** | **203,742** |

* Others indicate the effect of movement in reclassification of current portion of long-term borrowings to other financial liabilities basis the balance repayment period.

## 12.2 Bank balances other than cash and cash equivalents

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Balances with banks: | | | | |
| – Deposits with remaining maturity of less than 12 months | - | - | 1,875 | - |
| – Margin money deposits | 4,828 | 4,505 | - | - |
| – Unpaid dividend account* | - | - | 22 | 19 |
| | **4,828** | **4,505** | **1,897** | **19** |
| Less: Margin money deposits with banks disclosed under other non-current financial assets (refer note 8) | (4,828) | (4,505) | - | - |
| **Total** | **-** | **-** | **1,897** | **19** |

* The Company can utilize these balances only towards settlement of the respective unpaid dividend.

| Break up of financial assets carried at amortized cost | Notes | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| Investments | 6 | 116,151 | 106,134 |
| Loans | 7 | 45,738 | 53,225 |
| Trade receivables | 11 | 28,288 | 35,859 |
| Cash and cash equivalents | 12.1 | 11,846 | 11,175 |
| Bank balances other than cash and cash equivalents | 12.2 | 1,897 | 19 |
| Other financial assets | 8 | 23,206 | 20,270 |
| | | **227,126** | **226,682** |

Note: Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

## 13. Equity Share capital

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Authorised share capital** | | |
| 2,500 lakhs (March 31, 2019: 1,500 lakhs) Equity shares of ₹ 10 each | 25,000 | 15,000 |
| **Issued, subscribed and fully paid-up shares** | | |
| 2,043 lakhs (March 31, 2019: 1,361 lakhs) Equity shares of ₹ 10 each | 20,438 | 13,618 |
| **Total issued, subscribed and fully paid-up shares** | **20,438** | **13,618** |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year**

| Equity shares | March 31, 2020 | | March 31, 2019 ₹ | |
|---|---|---|---|---|
| | No. in lakhs | ₹ | No. in lakhs | ₹ |
| At the beginning of the year | 1,361 | 13,618 | 1,360 | 13,607 |
| Issued during the year pursuant to the exercise of stock options | 1 | 10 | 1 | 11 |
| Issue of bonus shares (refer note below) | 681 | 6,810 | - | - |
| **Balance at the end of the year** | **2,043** | **20,438** | **1,361** | **13,618** |

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company:**

| | March 31, 2020 | | March 31, 2019 ₹ | |
|---|---|---|---|---|
| | No. in lakhs | ₹ | No. in lakhs | ₹ |
| **Equity shares of ₹10 each fully paid** | | | | |
| M.R. Jaishankar | 345 | 17% | 230 | 17% |
| Githa Shankar | 281 | 14% | 187 | 14% |
| Nirupa Shankar | 140 | 7% | 93 | 7% |

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**(d) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:**

| | No. in lakhs | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 ₹ |
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium | 681 | - |

On August 30, 2019, pursuant to a bonus issue approved by the shareholders at the annual general meeting held on August 14, 2019, the Company has allotted 6,81,01,581 fully paid up equity shares of face value ₹10 each in the ratio of 1:2, i.e., 1 bonus share of ₹10 each fully paid up for every 2 shares of ₹10 each fully paid up held in the Company as at the record date of August 29, 2019. The bonus shares have been issued by way of capitalization of securities premium.

**(e) Shares issued for consideration other than cash and reserved for issue under options**

The Company has issued total 15 lakhs shares (March 31, 2019: 18 lakhs shares) during the period of 5 years immediately preceding the reporting date on exercise of options granted under Employee Stock Option Plan (ESOP) wherein part consideration was received in the form of employee services.

For details of shares reserved for issue under the ESOP of the Company, refer note 36.

## 14. Other equity

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Securities premium** | | |
| Balance at the beginning of the year | 116,642 | 116,565 |
| Issue of equity shares pursuant to exercise of stock option | 180 | 77 |
| Adjustment due to issue of bonus shares | (6,810) | - |
| **Balance at the end of the year** | **110,012** | **116,642** |

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Share based payments** | | |
| Balance at the beginning of the year | 196 | 54 |
| Add: Compensation expense for options granted during the year | 184 | 150 |
| Add: Amount cross charged to subsidiaries | 17 | 26 |
| Less: Transferred to securities premium on exercise of stock option | (54) | (34) |
| **Balance at the end of the year** | **343** | **196** |

Share based payments is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees. In case of lapse, corresponding balance is transferred to general reserve.

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **General reserve** | | |
| Balance at the beginning of the year | 10,149 | 10,149 |
| Add: Amount transferred from surplus in the statement of profit and loss | - | - |
| **Balance at the end of the year** | **10,149** | **10,149** |

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| General reserve represents appropriation of profit. | | |
| Amount received against share warrants* | 2,875 | - |
| | **2,875** | **-** |

* During the year, the Company has issued warrants to the Promoter Group and Promoter Entity @ ₹ 179.33 per warrant aggregating to ₹ 11,500 lakhs. The Company has received ₹ 2,875 lakhs from warrant holders being initial 25% of the consideration and the balance 75% of the consideration shall be collected at the time of allotment of the equity shares pursuant to exercise of options by the warrant holders within a period of 18 months from the date of allotment of warrants.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Retained earnings** | | |
| Balance at the beginning of the year | 90,100 | 92,435 |
| Reversal of profits on account of transition to Ind AS 115 (net of tax) | - | (22,694) |
| Profit for the year | 26,080 | 23,422 |
| Other comprehensive income for the year | (9) | 19 |
| Dividend (including dividend distribution tax) - (refer note 30) | (5,635) | (3,082) |
| **Balance at the end of the year** | **110,536** | **90,100** |
| **Total other equity** | **233,915** | **217,087** |

## 15 Borrowings

| | Effective interest rate | Maturity | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|---|
| **Non-current borrowings** | | | | |
| Term loan | | | | |
| Term loan from banks (secured) | 8-12% | 2020-2032 | 202,162 | 185,223 |
| | | | **202,162** | **185,223** |
| Less: current maturities - term loans from banks disclosed under the head "Other current financial liabilities"* | 8-12% | 2020-2022 | (51,108) | (26,617) |
| **Total non-current borrowings** | | | **151,054** | **158,606** |
| **Current Borrowings*** | | | | |
| Loan repayable on demand | | | | |
| Bank Overdraft facilities(secured) | 10-13% | On demand | 1,360 | 4,653 |
| Working capital loan from bank (secured) | 10-11% | 2019-2020 | - | 818 |
| **Total current borrowings** | | | **1,360** | **5,471** |

Note 1: Includes term loan and working capital loans from banks secured by way of assignment of project receivables ₹ 39,404 lakhs (March 31, 2019: ₹ 26,446 lakhs) and further secured by collateral security of underlying land, building and movable property, plant and equipment and investment property. The loans carry interest in the range of 8-12% and are repayable within 12-60 instalments of upto ₹ 300 lakhs.

Note 2: Includes term loan from banks from bank by way of mortgage of project properties and future lease rentals ₹ 1,62,758 lakhs (March 31, 2019: ₹ 1,59,595 lakhs). The loans carry interest rate in the range of 8-12% and are repayable within 12-144 instalments of upto ₹ 300 lakhs.

Note 3: Bank Overdraft facilities are secured by way of mortgage of project properties and are personally guaranteed by the directors of the Company. The facilities carry interest rate in the range of 10-13% and are repayable on demand.

* Represent amounts repayable within the operating cycle. Amount repayable within twelve months is ₹ 18,555 lakhs (March 31, 2019: ₹ 13,332 lakhs).

## 16 Other financial liabilities

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Lease deposits | 4,661 | 3,188 | 8,858 | 8,092 |
| Current maturities of non-current borrowings (refer note 15) | - | - | 51,108 | 26,617 |
| Interest accrued and not due | - | - | 314 | 119 |
| Payable towards purchase of property, plant and equipment | - | - | 5,696 | 1,728 |
| Employee benefits payable | - | - | 1,999 | 3,149 |
| Interest free deposits from customers | - | - | 18,215 | 14,169 |
| Lease liability (refer note 33) | 187 | - | 33 | - |
| Others | - | - | 886 | - |
| **Total other financial liabilities** | **4,848** | **3,188** | **87,109** | **53,874** |

## 17 Provisions

| | Current | |
|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ |
| **Provision for employee benefits** | | |
| Provision for gratuity (refer note 35) | 119 | 224 |
| Provision for leave benefits | 398 | 386 |
| | **517** | **610** |
| **Other provisions** | | |
| Provision for losses on construction contracts* | 132 | - |
| | **649** | **610** |

* Represents provision made during the current year towards contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 18 Income Tax

### a) Deferred tax

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| | | |
| *Deferred tax liabilities* | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 4,185 | 5,213 |
| Impact of accounting for financial instruments at amortized cost | 4,687 | 6,549 |
| Others | 1,064 | 959 |
| **Gross deferred tax liabilities** | **9,936** | **12,721** |
| *Deferred tax assets* | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years | 240 | 235 |
| Deferred tax on reversal of profits recognised at transition date on account of transition to Ind AS 115 | 4,456 | 8,634 |
| **Gross deferred tax assets** | **4,696** | **8,869** |
| **Net deferred tax liabilities** | **5,240** | **3,852** |

### b) Tax expenses

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

| **Statement of profit and loss:** | **March 31, 2020 ₹** | **March 31, 2019 ₹** |
|---|---|---|
| **Profit or loss section** | | |
| **Current income tax:** | | |
| Current income tax charge | 6,966 | 8,179 |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | 1,391 | 4,256 |
| **Income tax expense reported in the statement of profit or loss** | **8,357** | **12,435** |
| **Other Comprehensive income:** | | |
| **Deferred tax related to items recognised in OCI during in the year:** | | |
| Income tax relating to re-measurement (losses)/gains on defined benefit plans | **(3)** | **11** |
| **Income tax (credit)/expense in OCI** | **(3)** | **11** |

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:**

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Accounting profit before income tax** | **34,437** | **35,857** |
| Tax on accounting profit at statutory income tax rate 25.17% (March 31, 2019: 34.94%) | 8,668 | 12,528 |
| *Impact of Non-deductible expenses for tax purposes:* | | |
| Disallowance u/s 80G | 115 | 28 |
| *Impact of Non-taxable income for tax purposes:* | | |
| Loss from partnership firm | 66 | 81 |
| Dividend income exempted | (155) | (362) |
| Sec 80IB benefit availed | - | (614) |
| Impact due to change in tax rate* | (1,077) | - |
| Tax effect of other non-deductible expenses/(non-taxable income) | 740 | 774 |
| **Tax expense reported in the statement of profit or loss** | **8,357** | **12,435** |

*On September 20, 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 vide the Taxation Laws (Amendments) Ordinance 2019, which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain conditions. The Company has opted to pay corporate tax at reduced rates effective April 01, 2019 and accordingly, the tax expenses for the year ended March 31, 2020 is net of reversal of ₹ 1,077 lakhs.

**Reconciliation of deferred tax liabilities (net):**

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Opening balance | 3,852 | 10,166 |
| Deferred tax charge during the year recognised in profit or loss | 1,391 | 4,256 |
| Deferred tax (credit)/charge during the year recognised in OCI | (3) | 11 |
| Deferred tax (credit)/charge during the year on reversal of profits due to Ind AS 115 | - | (12,190) |
| Others | - | 1,609 |
| **Closing balance** | **5,240** | **3,852** |

## 19 Other liabilities

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Deferred revenue (refer note 21.2) | - | - | 155,221 | 174,307 |
| Income received in advance | 688 | 1,932 | 665 | 336 |
| Liability under joint development arrangement* | - | - | 69,058 | 61,285 |
| Advance from customers | - | - | 3,351 | 11,850 |
| Statutory dues payable | - | - | 697 | 1,059 |
| Unclaimed dividend** | - | - | 22 | 19 |
| | **688** | **1,932** | **229,014** | **248,856** |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

* Includes amount payable to landowners where the Company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Company has agreed to transfer certain percentage of constructed area/revenue proceeds, net of revenue recognised.

** Investor Education and Protection Fund shall be credited for unclaimed dividends when due.

## 20 Trade payables

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Trade payable | | |
| - Total outstanding dues of micro and small enterprises (refer note 31 for details of dues to micro and small enterprises) | 1,865 | 1,380 |
| - Total outstanding dues of creditors other than micro and small enterprises | 27,849 | 36,512 |
| Payable to related parties (refer note 34) | 280 | 199 |
| | **29,994** | **38,091** |

| Break up of financial liabilities carried at amortized cost | Notes | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| Borrowings (non-current) | 15 | 151,054 | 158,606 |
| Borrowings (current) | 15 | 1,360 | 5,471 |
| Current maturities of non-current borrowings | 16 | 51,108 | 26,617 |
| Trade payables | 20 | 29,994 | 38,091 |
| Other financial liabilities (excluding current maturities of non-current borrowings) | 16 | 40,849 | 30,445 |
| | | **274,365** | **259,230** |

## 21 Revenue from operations

| | | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| **Revenue from contracts with customers** | | | |
| -Revenue from real estate development | | 153,742 | 152,347 |
| -Revenue from maintenance services | | 1,079 | 1,017 |
| -Revenue from other services | | 3,074 | 3,166 |
| | | 157,895 | 156,530 |
| Income from leasing | | 26,617 | 23,784 |
| | **A** | **184,512** | **180,314** |
| | | | |
| Other operating revenue | | | |
| Share in (loss)/profits of partnership firm investments (post tax) | | (262) | (234) |
| Others | | 683 | 511 |
| | **B** | **421** | **277** |
| | | | |
| | **A+B** | **184,933** | **180,591** |

### 21.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of goods or services:

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Revenue from real estate development | | |
| - Recognised at a point in time | 122,853 | 124,833 |
| - Recognised over time | 30,889 | 27,514 |
| Revenue from maintenance and other services (recognised over time) | 4,153 | 4,183 |
| | **157,895** | **156,530** |

### 21.2 Contract balances

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Trade receivables | 26,981 | 31,810 |
| Contract liabilities | | |
| - Deferred Revenue | 155,221 | 174,307 |
| - Advance from customers | 3,351 | 11,850 |
| | **185,553** | **217,967** |

Trade receivables are generally on credit terms as per schedule of upto 30 days.

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to unsatisfied performance obligations. The outstanding balances of these accounts has been increased primarily on account of deferred revenue pursuant to adoption of Ind AS 115.

| | |
|---|---|
| Revenue recognised in the reporting period that was included in the deferred revenue balance at the beginning of the period | 80,664 |
| Revenue recognised in the reporting period from performance obligations satisfied in previous periods | - |

### 21.3 Performance obligations

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year*

| | |
|---|---|
| Revenue to be recognised at a point in time | 155,221 |

* The entity expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 21.4 Assets recognised from the costs to obtain or fulfil a contract with a customer

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Inventories | | |
| - Work-in-progress | 232,426 | 223,732 |
| - Stock of flats | 62,554 | 70,444 |
| Prepaid expenses (represents brokerage costs pertaining to sale of real estate units) | 1,070 | 992 |

## 22 Other income

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Interest income from financial assets at amortized cost: | | |
| Bank deposits | 266 | 229 |
| Debentures (from related party) (refer note 34) | 5,087 | 4,261 |
| Loans to related parties (including notional interest income) (refer note 34) | 5,442 | 3,223 |
| Others (including unwinding of discount on financial assets) | 1,007 | 1,165 |
| Gain on sale of mutual funds | 32 | 462 |
| Profit on sale of property, plant and equipment | 4 | 593 |
| Fair value gain on financial instruments at fair value through profit and loss | 69 | 9 |
| Dividend income | 617 | 1,037 |
| Other non-operating income | 1,893 | 1,291 |
| | **14,417** | **12,270** |

## 23 Cost of raw materials, components and stores consumed

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Inventory at the beginning of the year | 3,924 | 5,008 |
| Add: Purchases during the year | 3,771 | 6,513 |
| | **7,695** | **11,521** |
| Less: Inventory at the end of the year | (1,974) | (3,924) |
| **Cost of raw materials, components and stores consumed** | **5,721** | **7,597** |

## 24 Decrease/(Increase) in inventories of stock of flats, land stock and work-in-progress

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Inventories at the end of the year | | |
| Work-in-progress - Real estate | 232,426 | 223,732 |
| Stock of flats | 62,554 | 70,444 |
| Land stock | 615 | 6,741 |
| | 295,595 | 300,917 |
| Inventories at the beginning of the year | | |
| Work-in-progress - Real estate | 223,732 | 99,935 |
| Stock of flats | 70,444 | 34,961 |
| Land stock | 6,741 | 7,689 |
| | 300,917 | 142,585 |
| Impact on inventory on account of transition to Ind AS 115 | | |
| Work-in-progress - Real estate | - | 73,794 |
| Stock of flats | - | 32,376 |
| | - | 106,170 |
| Cost of project transferred from capital work in progress to work in progress - real estate | 40 | 3,929 |
| Cost of project transferred from work in progress - real estate to capital work in progress | - | (1,510) |
| Cost of land transferred towards CSR activities (refer note 28) | (218) | - |
| **Total** | **5,144** | **(49,743)** |

## 25 Employee benefits expense

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Salaries, wages and bonus | 11,233 | 10,110 |
| Contribution to provident fund and other funds | 339 | 261 |
| Share based payments to employees (refer note 36) | 184 | 150 |
| Staff welfare expenses | 383 | 271 |
| | **12,139** | **10,792** |

## 26 Depreciation and amortization expense

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Depreciation of property, plant and equipment (note 3.1) | 356 | 318 |
| Depreciation of investment property (note 4) | 7,129 | 6,463 |
| Depreciation of right-of-use assets (note 3.1) | 45 | - |
| Amortization of intangible assets (note 5) | 30 | 41 |
| | **7,560** | **6,822** |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 27 Finance costs

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Interest | | |
| On borrowings | 18,991 | 17,555 |
| Notional interest on financial instruments | 576 | 478 |
| On lease liability | 24 | - |
| Other borrowing costs | 770 | 822 |
| | **20,361** | **18,855** |
| Less: Interest capitalised | (311) | (1,071) |
| **Total*** | **20,050** | **17,784** |

* Gross of interest of ₹ 3,666 lakhs (March 31, 2019: ₹2,473 lakhs) inventorised to qualifying work in progress.

## 28 Other expenses

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Legal and professional fees | 999 | 846 |
| Payments to auditors (refer note below) | 74 | 73 |
| Architect & consultancy fees | 1,285 | 1,393 |
| Property tax | 1,241 | 1,145 |
| Power and fuel | 722 | 680 |
| Rent | 71 | 133 |
| Repairs & maintenance | | |
| Building | 1,600 | 974 |
| Others | 408 | 33 |
| Insurance | 219 | 157 |
| Rates and taxes | 249 | 482 |
| License fees and plan approval charges | 4,278 | 2,827 |
| Brokerage and discounts | 1,197 | 757 |
| Advertisement and sales promotion | 3,231 | 4,130 |
| Travelling and conveyance | 1,032 | 995 |
| Training and recruitment expenses | 132 | 212 |
| Communication costs | 177 | 177 |
| Property maintenance cost | 386 | 1,354 |
| Provision for bad and doubtful debts | 11 | 228 |
| Bad debts written off | 44 | 14 |
| Loans and advances written off | 4 | - |
| Printing and stationery | 111 | 104 |
| Security charges | 731 | 880 |
| Donation (refer note for CSR expenditure) | 1,148 | 79 |
| Donation to political party | 310 | 320 |
| Directors' sitting fees and commission | 69 | 85 |
| Provision for contract losses | 132 | - |
| Exchange difference (net) | - | 3 |
| Miscellaneous expenses | 63 | 510 |
| | **19,924** | **18,591** |

| Payment to auditor: | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| As auditor: | | |
| Audit fees | 44 | 44 |
| Limited review | 19 | 19 |
| Other services | 9 | 6 |
| Reimbursement of expenses (excluding Goods and Service tax) | 2 | 4 |
| | **74** | **73** |

| Details of CSR expenditure: | | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| (a) | Gross amount required to be spent during the year | 591 | 489 |
| (b) | To be spent from earlier years | 517 | 88 |
| | | **1,108** | **577** |
| (c) | Amount spent | | |
| | Construction/acquisition of any asset | - | - |
| | On purposes other than above (includes cost of land transferred of Rs 218 lakhs) | 1,133 | 60 |
| | **Total** | **1,133** | **60** |
| (d) | Balance amount unspent | - | 517 |

## 29 Earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Profit after tax attributable to equity shareholders | **26,080** | **23,422** |
| Weighted average number of equity shares for basic EPS (No. in lakhs) | 2,043 | 2,042 |
| Effect of dilution: stock options granted under ESOP and Share Warrants (No. in lakhs) | 16 | 1 |
| Weighted average number of equity shares adjusted for the effect of dilution (No. in lakhs) | **2,059** | **2,043** |

*In accordance with Ind AS 33 - Earnings per share, the earnings per share has been adjusted for previous year to give effect to the bonus issue. (refer note 13)

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 30 Distribution made and proposed

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended on March 31, 2019: ₹ 2.00 per share (for the year ended March 31, 2018 - ₹ 2.00) | 2,724 | 2,722 |
| Interim dividend for the year ended on March 31, 2020: ₹ 1.00 per share (for the year ended March 31, 2019 - Nil) | 2,044 | - |
| Tax on dividend | 980 | 559 |
| Dividend Distribution Tax paid in subsidiaries | (113) | (199) |
| | **5,635** | **3,082** |
| **Proposed dividends on equity shares*:** | | |
| Final cash dividend for the year ended on March 31, 2020: Nil (March 31, 2019: ₹ 2.00 per share) | - | 2,724 |
| Tax on proposed dividend | - | 560 |
| | **-** | **3,284** |

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including tax thereon) as at the balance sheet date.

## 31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| The principal amount remaining unpaid to any supplier | 1,865 | 1,380 |
| The amount of interest due and remaining unpaid to any supplier | - | - |
| The amount of interest paid by the Company along with the amount of the payments made to the supplier beyond the appointed day. | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year). | - | - |
| The amount of interest accrued and remaining unpaid at the end of the year. | - | - |
| The amount of further interest remaining due and payable for the earlier years. | - | - |
| | **1,865** | **1,380** |

Note: The above information is furnished based on the information available with the Company.

## 32 Commitments and contingencies

**a. Commitments**

(i) The estimated amount of contracts (net of capital advance) remaining to be executed on capital account not provided for is ₹ 788 lakhs (March 31, 2019: ₹ 5,720 lakhs)

(ii) The Company has given ₹ 31,636 lakhs (March 31, 2019: ₹ 30,652 lakhs) as advances/deposits for purchase of land/ joint development. Under the agreements executed with the land owners, the Company is required to make further payments and/or give share in area/ revenue from such development in exchange of undivided share in land based on the agreed terms/ milestones.

(iii) In connection with Company's investments in certain subsidiaries, the Company has entered into shareholders agreement with other shareholders wherein it has certain commitments including further investment in accordance

with the terms of the agreement.

(iv) The Company has entered into a power purchase agreement with a party wherein the Company has committed minimum purchase of power.

(v) The Company is committed to provide financial support to some of its subsidiaries to ensure that these entities operate on going concern basis and are able to meet their debts and liabilities as they fall due.

**b. Contingent liabilities**

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Claims against the Company not acknowledged as debts | | |
| - Income tax | 7,682 | 2,383 |
| - Sales tax / Value added tax/ Entry tax | 1,601 | 1,823 |
| - Service tax | 2,908 | 2,908 |
| Letter of credit | 3,641 | 1,465 |
| Corporate Guarantees/Letter of Comfort given to subsidiaries (Amount restricted to the extent of loan amount disbursed) | 79,348 | - |
| | **95,180** | **8,579** |

**Other Litigations:**

The Company is also subject to certain legal proceedings and claims, which have arisen in the ordinary course of business, including certain litigation for commercial development or land parcels held for construction purposes, either through joint development arrangements or through outright purchases, the impact of which is not quantifiable. These cases are pending with various courts and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the management believes that these cases will not have an adverse effect on the Standalone Ind AS financial statements.

Note: The Company does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timing of the cash outflows, if any, in respect of aforesaid matters and it is not probable that an outflow of resources will be required to settle the above obligations/claims.

In November 2017, a search under Section 132(1) of Income Tax Act, 1961, was conducted at various premises of the Company. The management has complied with / responded to the notices received in this regard. During the year, the Company has received assessment orders and have submitted their appeals/rectifications with the concerned authorities and does not expect any additional liability beyond the amounts already provided for, on final assessment of the aforesaid matter. Based on management evaluation, the amounts demanded as per the assessment orders have been disclosed as contingent liability above.

## 33 Leases

**A. Transition to Ind AS 116**

**1. Effect of adoption of new accounting standard on Leases: Ind AS 116**

The Company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 01, 2019. The standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

On transition, the adoption of new standard resulted in recognition of Right of use asset (ROU) of ₹ 251 lakhs, and a

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

lease liability of ₹ 251 lakhs and there was no impact to retained earnings.

In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost of ROU and finance cost for interest accrued on lease liability.

In the context of initial application, the Company has exercised the option — not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

**2. Reconciliation of lease liability**

| | March 31, 2019 ₹ |
|---|---|
| Off-balance sheet lease obligations as of March 31, 2019 | - |
| Add:- Current leases with lease term of 12 months or less (short-term leases) | - |
| Add:- Leases of low value assets (low-value leases) | - |
| Operating lease obligations as of April 01, 2019 (gross without discounting) | 337 |
| Less:- Effect from discounting at the incremental borrowing rate as at April 01, 2019 | 86 |
| Lease liabilities due to initial application of Ind AS 116 as at April 01, 2019 | 251 |

The lease liabilities were discounted using the incremental borrowing rate of the Company as at April 01, 2019. The weighted average discount rate used for recognition of lease liabilities was 10.50%.

**B. Company as Lessee**

**Set out below are the carrying amount of right-of-use assets recognised and movements during the period:**

| | ₹ |
|---|---|
| **Adoption of Ind AS 116 Leases - As at April 01, 2019** | 251 |
| Depreciation during the year | 45 |
| **Closing net carrying balance - As at March 31, 2020** | 206 |

**Set out below are the carrying amounts of lease liabilities and the movements during the period:**

| | Lease liability ₹ |
|---|---|
| **Adoption of Ind AS 116 Leases - As at April 01, 2019** | 251 |
| Accretion of interest | 24 |
| Payments | 55 |
| **Closing balance - As at March 31, 2020** | **220** |
| **Non-current** | 187 |
| **Current** | 33 |

**Statement of profit and loss**

| | March 31, 2020 ₹ |
|---|---|
| Depreciation expense of right-of-use assets | 45 |
| Interest expense on lease liabilities | 24 |
| Expense relating to short-term leases (included in other expenses) | 71 |
| **Total amount recognised in profit and loss** | **140** |

**Statement of profit and loss**

| | March 31, 2020 ₹ |
|---|---|
| **Amount recognised in statement of cash flow** | |
| Total cash outflow for leases | 31 |

**C. Company as lessor**

The Company has entered into operating leases (cancellable and non-cancellable) on its investment property portfolio consisting of certain office and retail buildings with varying lease terms of upto eighteen years and with escalation and renewal clauses. All leases include a clause to enable upward revision of the lease rental on periodical basis and includes variable rent determined based on percentage of sales of lessee in certain cases. The Company is also required to maintain the property over the lease term.

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Lease rentals recognised as an income in the statement of profit and loss* | 26,617 | 23,784 |

*Includes:

(a) income from certain commercial properties, which are held as inventory and leased out during the interim period until such properties are sold.

(b) income based on percentage of sales is ₹1,043 lakhs (March 31, 2019: ₹974 lakhs).

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Within one year | 14,144 | 4,022 |
| After one year but not more than five years | 18,419 | 7,962 |
| More than five years | 95 | - |
| | **32,658** | **11,984** |

## 34 Related party disclosure

| (i) | Related parties where control exists | | Abbreviations |
|---|---|---|---|
| | Subsidiaries | Brigade Hospitality Services Limited | "BHSL" |
| | | Brigade Tetrarch Private Limited | "BTPL" |
| | | Brigade Estates and Projects Private Limited | "BEPPL" |
| | | Brigade Properties Private Limited | "BPPL" |
| | | Brigade Infrastructure and Power Private Limited | "BIPPL" |
| | | BCV Developers Private Limited | "BDPL" |
| | | WTC Trades and Projects Private Limited | "WTPPL" |
| | | Orion Property Management Services Limited (formerly Orion Mall Management Company Limited) | "OPMSL" |
| | | SRP Prosperita Hotel Ventures Limited (formerly Prosperita Hotel Ventures Limited) | "PHVL" |
| | | Celebrations LLP (formerly Celebration Catering and Events LLP) | "CLLP" |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | | | |
|---|---|---|---|
| | | Brigade (Gujarat) Projects Private Limited | "BGPPL" |
| | | Brookefield Real Estates and Projects Private Limited (Merged with Brigade Properties Private Limited w.e.f. April 01, 2017) | "BREPPL" |
| | | Perungudi Real Estates Private Limited | "PREPL" |
| | | Augusta Club Private Limited | "ACPL" |
| | | Mysore Projects Private Limited | "MPPL" |
| | | Brigade Hotel Ventures Limited | "BHVL" |
| | | Brigade Flexible Office Spaces LLP | "BFOSLLP" |
| | | Brigade Innovations LLP | "BILLP" |
| **(ii)** | **Related parties under Ind AS 24 with whom transactions have taken place during the year:** | | |
| | Associates | Tandem Allied Services Private Limited | "TASPL" |
| | | | |
| | Key management personnel | Mr. M.R. Jaishankar, Chairman and Managing Director | |
| | ("KMP") | Ms. Githa Shankar, Executive Director (Up to November 06, 2019) | |
| | | Ms. Pavitra Shankar, Executive Director (From May 16, 2018) | |
| | | Ms. Nirupa Shankar, Executive Director (From May 16, 2018) | |
| | | Mr. Roshin Mathew (From November 07, 2019 ) | |
| | | Mr. Amar Mysore, Executive Director (From May 16, 2018) | |
| | Enterprises owned or | Mysore Holdings Private Limited | "MHPL" |
| | significantly influenced | Brigade Foundation Trust | "BFT" |
| | by KMP | M.R. Jaishankar (HUF) | "MRJ" |
| | | Indian Music Experience Trust | "IMET" |
| **(iii)** | **Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year** | | |
| | KMP - Chief Financial Officer | Mr. Atul Goyal ( From August 02, 2018) | |
| | | Mr. Pradeep KP ( Upto June 29, 2018) | |
| | - Company Secretary & Compliance Officer | Mr. P. Om Prakash | |
| | Other Directors | Mr. M.R. Shivram ( Upto August 17, 2018) | |
| | | Mr. M.R. Gurumurthy (Upto August 17, 2018) | |
| | | Mr. P.V. Maiya (Upto August 17, 2018) | |
| | | Dr. Srinivas Murthy (Upto August 17, 2018) | |
| | | Mr. Aroon Raman | |
| | | Mr. Bijou Kurien | |
| | | Mrs. Lakshmi Venkatachalam | |

| | | | |
|---|---|---|---|
| | | Mr. Pradeep Kumar Panja (From May 16, 2018) | |
| | | Dr. Venkatesh Panchapagesan (From May 16, 2018) | |
| | Relatives of KMP/Other Directors | Mrs. Kavita Om Prakash | |
| | | Mrs. Nishi Goyal | |
| | | Mrs. Reena Roshin Mathew | |
| | | Mrs. Latha Shivaram | |
| | | Mr. M R Krishna Kumar | |
| | | Mr. M R Gurumurthy | |
| | | Mr. M R Shivram | |
| | | Mr. M R Shivram (HUF) | |

## II. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| Year ended | | Transactions during the year | | | | | | | | | | | | | Balances as at the year-end | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Revenue from operation | Other income | Purchase of capital assets | Purchase of goods | Purchase of services | Sale of Goods | Sale of capital assets | Security deposits given | Security deposits received | Customer advances received | Loans Given/ (Repaid) | Finance Cost (Interest on lease liability) | Advances given to/(by) / (repaid or refunded) | Trade receivable | Trade payable | Other financial liabilities | Other financial assets | Long term loans | Short term loans | Other Non-current liabilities | Other current liabilities |
| **Related parties where control exists** | | | | | | | | | | | | | | | | | | | | | | |
| BHSL | 31-Mar-20 | - | 50 | - | - | 25 | - | - | - | - | - | - | - | - | - | 10 | - | - | - | - | - | - |
| | 31-Mar-19 | 7 | - | - | - | 50 | - | - | - | - | - | - | - | - | - | 58 | - | - | - | - | - | - |
| WTPPL | 31-Mar-20 | 141 | 101 | - | - | 269 | - | - | - | - | - | - | - | - | - | 104 | - | - | - | - | - | - |
| | 31-Mar-19 | 168 | 739 | - | - | 872 | - | - | - | 613 | - | - | - | - | 4 | - | - | - | - | - | - | - |
| OPMSL | 31-Mar-20 | 41 | 400 | - | - | 618 | - | - | - | - | - | - | - | - | - | 109 | - | - | - | - | - | - |
| | 31-Mar-19 | 41 | 300 | - | - | 623 | - | - | - | - | - | - | - | - | 25 | - | - | - | - | - | - | - |
| BPPL | 31-Mar-20 | 1,168 | 1,904 | - | 2 | - | 1 | - | - | - | - | - | - | - | 560 | - | - | 4,677 | - | - | - | - |
| | 31-Mar-19 | 1,059 | 1,514 | - | 1 | - | 10 | - | - | - | - | - | - | - | 466 | - | - | 3,865 | - | - | - | - |
| BTPL | 31-Mar-20 | - | 1,161 | - | - | - | 217 | 1 | - | - | - | 760 | - | - | 713 | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | 55 | - | - | - | - | - | - | - | - | 1,511 | - | - | 161 | - | - | 54 | 1,441 | 1,761 | 832 | - |
| BEPPL | 31-Mar-20 | - | 395 | - | - | - | - | - | - | - | - | 230 | - | - | 2 | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | - | - | - | 616 | - | 325 | - |
| BIPPL | 31-Mar-20 | - | 118 | - | - | - | - | - | - | - | - | 1,287 | - | - | 196 | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | 17 | - | - | - | - | - | - | - | - | 260 | - | - | 63 | - | - | 15 | - | 260 | - | - |
| CLLP | 31-Mar-20 | 4 | - | - | 22 | - | - | - | - | - | - | - | - | - | 2 | - | - | - | - | - | - | - |
| | 31-Mar-19 | 6 | - | - | 30 | - | - | - | - | - | - | - | - | - | 5 | - | - | - | - | - | - | - |
| BDPL | 31-Mar-20 | 566 | 1,626 | - | - | 4 | - | - | - | - | - | - | - | - | 1,286 | - | - | - | 15,137 | - | - | - |
| | 31-Mar-19 | 1,049 | 1,448 | - | - | 6 | - | - | - | - | - | - | - | - | 882 | - | - | - | 13,511 | - | - | - |
| PHVL | 31-Mar-20 | - | - | - | - | 10 | - | - | - | - | - | - | 24 | - | - | 25 | 220 | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | 35 | - | - | - | - | - | - | - | - | - | 11 | - | - | - | - | - | - |

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for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| Year ended | | Transactions during the year | | | | | | | | | | | | | | Balances as at the year-end | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Revenue from operation | Other income | Purchase of capital assets | Purchase of goods | Purchase of services | Sale of Goods | Sale of capital assets | Security deposits given | Security deposits received | Customer advances received | Loans Given/ (Repaid) | Finance Cost | Advances given to/(by) /(repaid or refunded) | Trade receivable | Trade payable | Other financial liabilities | Other financial assets | Long term loans | Short term loans | Other Non-current liabilities | Other current liabilities |
| PREPL | 31-Mar-20 | 1,057 | 3,451 | - | - | - | - | - | - | - | - | - | - | - | 661 | - | - | 12,089 | - | - | - | - |
| | 31-Mar-19 | 540 | 3,092 | - | - | - | - | - | - | - | - | - | - | - | 241 | - | - | 8,983 | - | - | - | - |
| MPPL | 31-Mar-20 | - | 627 | - | - | - | 274 | - | - | - | - | - | - | - | 1,052 | - | - | - | - | - | - | - |
| | 31-Mar-19 | 2 | 675 | - | - | - | - | - | - | - | - | 3,527 | - | - | 515 | - | - | 1,038 | - | 6,877 | - | - |
| BILLP | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | - | 42 | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | 23 | - | - | - | - | - | - | - |
| BGPPL | 31-Mar-20 | - | 155 | - | - | - | - | - | - | - | - | 200 | - | - | - | - | - | - | - | 200 | - | - |
| | 31-Mar-19 | - | 204 | - | - | - | - | - | - | - | - | - | - | - | 1 | - | - | 415 | - | 1,700 | - | - |
| BHVL | 31-Mar-20 | 199 | 952 | - | 149 | 87 | 5 | - | - | - | - | 3,581 | - | - | 530 | - | - | 1,132 | 9,381 | - | - | - |
| | 31-Mar-19 | 213 | 306 | - | 131 | - | 6 | 611 | - | - | - | 5,800 | - | - | 522 | - | - | 276 | - | 5,800 | - | - |
| BFOSLLP | 31-Mar-20 | 33 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ACPL | 31-Mar-20 | - | - | - | - | 2 | - | - | - | - | - | - | - | - | - | 30 | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 21 | - | - | - | - | - | - |
| **Associates** | | | | | | | | | | | | | | | | | | | | | | |
| TASPL | 31-Mar-20 | - | 251 | - | - | 400 | - | - | - | - | - | - | - | - | 16 | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | 232 | - | - | 361 | - | - | - | - | - | - | - | - | 217 | - | - | - | - | - | - | - |
| **Enterprises owned or significantly influenced by KMP** | | | | | | | | | | | | | | | | | | | | | | |
| MHPL | 31-Mar-20 | - | - | - | - | - | - | - | - | 3 | - | - | - | (208) | - | 1 | 3 | - | - | - | - | 1,425 |
| | 31-Mar-19 | 3,216 | - | - | - | - | - | - | - | - | 4,849 | - | - | - | - | 130 | - | - | - | - | - | 1,633 |
| BFT | 31-Mar-20 | - | 140 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | 358 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 537 | - | - | - | - |
| M R Jaishankar (HUF) | 31-Mar-20 | 45 | 62 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 598 | - | - | 500 |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | 500 | - | - | - | - | - | - | - | 536 | - | - | 500 |
| IMET | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | - | - | - | - | - | - | - |
| **KMP** | | | | | | | | | | | | | | | | | | | | | | |
| Mr. M R Jaishankar | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,125 |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | 1,125 | - | - | - | - | - | - | - | - | - | - | 1,125 |
| Ms. Githa Shankar | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | (21) | - | - | - | - | - | 6 | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | 21 | - | - | - | - | - | - | - | - | 6 | - | 21 |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | | |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| Year ended | | Transactions during the year | | | | | | | | | | | | Balances as at the year-end | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Revenue from operation | Other income | Purchase of capital assets | Purchase of goods | Purchase of services | Sale of Goods | Sale of capital assets | Security deposits given | Security deposits received | Customer advances received | Loans Given/ (Repaid) | Finance Cost | Advances given to/(by) / (repaid or refunded) | Trade receivable | Trade payable | Other financial liabilities | Other financial assets | Long term loans | Short term loans | Other Non-current liabilities | Other current liabilities |
| **Relatives of KMP/ Other Directors** | | | | | | | | | | | | | | | | | | | | | | |
| Mrs Kavita Om Prakash | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | 102 | - | - | - | - | - | - | - | - | 17 | - | - | - | - | - | - | - | - | - | - | - |
| Mrs. Latha Shivaram | 31-Mar-20 | - | - | - | - | - | - | - | - | - | 780 | - | - | - | - | - | - | - | - | - | - | 780 |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mrs. Nishi Goyal | 31-Mar-20 | - | - | - | - | 15 | - | - | - | - | - | - | - | - | - | 1 | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | 11 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mrs. Reena Roshin Mathew | 31-Mar-20 | - | - | - | - | 7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## a. Reimbursement of expenses paid/ received

| | Year ended | Reimbursement paid | Reimbursement received |
|---|---|---|---|
| **Related parties where control exists** | | | |
| BHSL | 31-Mar-20 | - | 1 |
| | 31-Mar-19 | 12 | - |
| WTPPL | 31-Mar-20 | 27 | 43 |
| | 31-Mar-19 | 11 | 40 |
| BTPL | 31-Mar-20 | - | 320 |
| | 31-Mar-19 | - | 10 |
| OPMSL | 31-Mar-20 | 109 | 92 |
| | 31-Mar-19 | 3 | 197 |
| BDPL | 31-Mar-20 | - | 271 |
| | 31-Mar-19 | 107 | 552 |
| BPPL | 31-Mar-20 | - | 124 |
| | 31-Mar-19 | - | 315 |
| BIPPL | 31-Mar-20 | - | 51 |
| | 31-Mar-19 | 46 | 17 |
| PREPL | 31-Mar-20 | - | 223 |
| | 31-Mar-19 | - | - |
| MPPL | 31-Mar-20 | - | 550 |
| | 31-Mar-19 | - | 198 |
| BHVL | 31-Mar-20 | 3 | 2 |
| | 31-Mar-19 | 1 | 11 |
| **KMP** | | | |
| Mr. M R Jaishankar | 31-Mar-20 | - | - |
| | 31-Mar-19 | 2 | - |
| Mr. Amar Mysore | 31-Mar-20 | **1** | **-** |
| | 31-Mar-19 | | **-** |
| **Enterprises owned or significantly influenced by KMP** | | | |
| MHPL | 31-Mar-20 | 1 | - |
| | 31-Mar-19 | 3 | - |

**b. Reimbursement of income paid/ received**

| | Year ended | Reimbursement paid | Reimbursement received |
|---|---|---|---|
| **Related parties where control exists** | | | |
| BHSL | 31-Mar-20 | 5 | - |
| | 31-Mar-19 | 9 | - |
| ACPL | 31-Mar-20 | 6 | - |
| | 31-Mar-19 | 17 | - |
| WTPPL | 31-Mar-20 | - | - |
| | 31-Mar-19 | - | 20 |
| OPMSL | 31-Mar-20 | - | 17 |
| | 31-Mar-19 | - | - |

**c. Remuneration**

**(i) Salaries, Bonus and Contribution to PF***

| | March 31, 2020 | March 31, 2019 | Payable as on March 31, 2020 | Payable as on March 31, 2019 |
|---|---|---|---|---|
| **KMP/ Relatives of KMP** | | | | |
| Mr. M.R. Jaishankar | 689 | 1,124 | 533 | 1,579 |
| Mrs. Githa Shankar | 83 | 187 | 4 | 139 |
| Ms. Pavitra Shankar | 52 | 101 | 53 | 52 |
| Ms. Nirupa Shankar | 52 | 101 | 54 | 52 |
| Mr. Amar Mysore | 54 | 94 | 56 | 53 |
| Mr. Roshin Mathew | 82 | - | 10 | - |
| Mr. Atul Goyal | 199 | 79 | - | - |
| Mr. K P Pradeep | - | 22 | - | - |
| Mr. P. Om Prakash | 48 | 44 | - | - |

* The above compensation represents short-term employee benefit expenses and excludes expense towards gratuity, leave benefits and stock options as they are determined and recorded for the Company as a whole.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**(ii) Directors' Sitting fees and commission**

| | March 31, 2020 | March 31, 2019 | Payable as on March 31, 2020 | Payable as on March 31, 2019 |
|---|---|---|---|---|
| **Other directors** | | | | |
| Mr. M.R. Shivram | - | 1 | - | - |
| Mr. M.R. Gurumurthy | - | 1 | - | - |
| Mr. P.V. Maiya | - | 1 | - | - |
| Dr. Srinivas Murthy | - | 1 | - | - |
| Mr. Aroon Raman | 14 | 16 | 12 | 15 |
| Mr. Bijou Kurien | 14 | 17 | 12 | 15 |
| Mr. Pradeep Kumar Panja | 14 | 16 | 12 | 15 |
| Dr. Venkatesh Panchapagesan | 14 | 16 | 12 | 15 |
| Mrs. Lakshmi Venkatachalam | 14 | 16 | 12 | 15 |

**d. Other transactions:**

1 The Company has contributed ₹ 217 lakhs (March 31, 2019: ₹250 Lakhs) as Capital Contribution in BILLP. Also refer note 6.

2 The Company has contributed ₹ 250 lakhs (March 31, 2019: ₹Nil) as Capital Contribution in BFOSLLP. Also refer note 6.

3 The Company has made donation to IMET of ₹ 40 lakhs (March 31, 2019: ₹ Nil).

4 The Company has made donation to BFT of ₹ 1,018 lakhs (March 31, 2019: ₹ Nil), including gift of land, cost aggregating to Rs 218 lakhs (March 31, 2019: Nil)

5 The Company has invested ₹ 150 Lakhs (March 31, 2019: ₹ Nil) in 0.01% B Series Compulsory Convertible Preference shares of ₹100/- each fully paid up in PHVL.

6 The Company has received ₹ 1,009 lakhs from BHSL towards redemption of 10 Lakhs 0.01% A Series Optionally Convertible Redeemable Preference shares of ₹100/- each fully paid up

7 The Company has invested ₹ 3,000 lakhs (March 31, 2019: ₹Nil) in 12% A Series Non Convertible Debentures of ₹100/- each fully paid up in BPPL

8 The Company has invested ₹ 1,500 lakhs (March 31, 2019: ₹Nil) in 12% B Series Non Convertible Debentures of ₹100/- each fully paid up in BPPL.

9 The Company has invested ₹ 1,500 lakhs (March 31, 2019: ₹Nil) in 12% B Series II Non Convertible Debentures of ₹100/- each fully paid up in BPPL.

10 The Company has invested ₹ 3,000 Lakhs (March 31, 2019: ₹Nil) in 12% A Series Non Convertible Debentures of ₹100/- each fully paid in PREPL.

11 The Company has invested ₹ 1,500 Lakhs (March 31, 2019: ₹Nil) in 12% B Series Non Convertible Debentures of ₹100/- each fully paid in PREPL.

12 The Company has invested ₹ 3,169 Lakhs (March 31, 2019: ₹ Nil) in 0.001% Fully convertible debentures of ₹ 100/- each paid up in BIPPL.

13 The Company has Paid ₹ 860 Lakhs (March 31, 2019: ₹ Nil) to M.R.Jaishankar (HUF) towards its share of collections from Brigade Atmosphere Project (Joint Development Project Where M.R.Jaishankar (HUF) is the land owner

14 The Company has converted Short term and long term loans & interest receivable in to 0.001% Fully Convertible Debentures of ₹ 100/- each fully paid in the following Companies

| Name of the Companies | Loan | Interest | Amount Received / (Paid) | Conversion in to FCD |
|---|---|---|---|---|
| BTPL | 4,414 | 231 | - | 4,645 |
| BIPPL | 1,547 | 124 | (2) | 1,669 |
| BEPPL | 1,134 | 13 | (1) | 1,146 |
| BGPPL | 1,700 | 553 | - | 2,253 |
| MPPL | 6,877 | 1,596 | - | 8,473 |

15 The Company has paid the dividend to KMP's and related parties as below:

| Name of the Person/Company | March 31, 2020 | March 31, 2019 |
|---|---|---|
| M R Jaishankar (HUF) | 97 | 55 |
| Ms. Githa Shankar | 655 | 374 |
| Mr. M R Jaishankar | 807 | 461 |
| Ms. Nirupa Shankar | 326 | 187 |
| Mr. Amar Mysore | 45 | 26 |
| Mr. Om Prakash | 1 | 1 |
| Mr. M R Krishna Kumar | 138 | 79 |
| Mr. M R Gurumurthy | 39 | 23 |
| Mr. M R Shivram | 61 | 35 |
| Mr. M R Shivram (HUF) | 71 | 41 |
| M/s MHPL | 11 | 3 |

16 Also refer note 6 as regards to investments held as at year-end.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**e. Other information:**

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than those disclosed above. The Company has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.

Note: In respect of the transactions with the related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

## 35 Defined benefit plan - Gratuity

The Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amount recognised in the balance sheet.

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2020

| Gratuity | April 01, 2019 | Expense charged to profit or loss | | | Benefits paid | Remeasurement (gains)/losses in other comprehensive income | | | | | Contributions by employer | March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Service cost | Net interest expense | Sub-total included in profit or loss | | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions* | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | | |
| Defined benefit obligation | 847 | 128 | 61 | 189 | (58) | - | - | 3 | 9 | 12 | - | 966 |
| Fair value of plan assets | 623 | - | 44 | 44 | (58) | - | - | - | - | - | 238 | 847 |
| **Net liability - Gratuity** | **224** | | | **145** | | | | | | **12** | | **119** |

* Actuarial changes arising from changes in demographic assumptions during the year ended March 31, 2020 is ₹ 18,399 (March 31, 2019: Nil)

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2019

| Gratuity | April 01, 2018 | Expense charged to profit or loss | | | Benefits paid | Remeasurement (gains)/losses in other comprehensive income | | | | | Contributions by employer | March 31, 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Service cost | Net interest expense | Sub-total included in profit or loss | | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions* | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | | |
| Defined benefit obligation | 739 | 125 | 55 | 180 | (41) | - | - | (69) | 38 | (31) | - | 847 |
| Fair value of plan assets | 566 | - | 42 | 42 | (45) | (1) | - | - | - | (1) | 61 | 623 |
| **Net liability - Gratuity** | **173** | | | **138** | | | | | | **(30)** | | **224** |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The major categories of plan assets of the fair value of the total plan assets are as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fund Managed by Insurer | 100% | 100% |

The principal assumptions used in determining pension and post-employment benefit obligations for the Company's plans are shown below:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Discount rate | 6.15% | 7.20% |
| Future salary benefit levels | 5% for 1st year<br>7% for 2nd year<br>10% there after | 10% |
| Expected rate of return on assets | 8% | 8% |

A quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below:

| Particulars | March 31, 2020 | | | | March 31, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| Assumptions | Discount Rate | | Further Salary Increase | | Discount Rate | | Further Salary Increase | |
| Sensitivity Level | -1% | 1% | -1% | 1% | -1% | 1% | -1% | 1% |
| | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) |
| Impact on defined benefit obligation - Gratuity | 58 | (53) | (47) | 50 | 49 | -45 | -40 | 42 |
| % change compared to base due to sensitivity | 6% | (5%) | (5%) | 5% | 6% | (5%) | (5%) | 5% |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan - gratuity in future years:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Within the next 12 months | 119 | 224 |
| **Total expected payments** | **119** | **224** |

## 36 Share based payment

The Company provides share-based payment schemes to its employees. During the year ended March 31, 2020, two employee stock option plans (ESOPs) were in existence. The relevant details of the scheme and the grants are as below:

**Employees Stock Option Scheme ('ESOP 2011'):** The Company instituted this scheme pursuant to the Board of Directors and Shareholders' resolution dated May 04, 2011 and August 11, 2011, respectively. As per ESOP 2011, the Company granted 2,494,300 (till March 31, 2019: 24,94,300) options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The options under this grant would vest to the employees equally as 25% of the total grant every year at the end of first, second, third and fourth year from the date of the grant respectively,

with an exercise period of five years from the date of respective vesting. The contractual life (comprising the vesting period and the exercise period) of options granted is 9 years from date of such grant. The other relevant terms of the grant are mentioned below.

**Employees Stock Option Scheme ('ESOP 2017'):** The Company instituted this scheme pursuant to the Board of Directors and Shareholders' resolution dated August 08, 2017 and September 21, 2017, respectively. As per ESOP 2017, the Company granted 22,14,557 (till March 31, 2019: 13,68,270) options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The options under this grant would vest to the employees equally as 25% of the total grant every year at the end of first, second, third and fourth year from the date of the grant respectively, with an exercise period of five years from the date of respective vesting. The contractual life (comprising the vesting period and the exercise period) of options granted is 9 years from date of such grant. The other relevant terms of the grant are mentioned below.

The fair value of the share options is estimated at the grant date using Black Scholes Model taking into account the terms and conditions upon which the share options are granted and there are no cash settled alternatives for employees.

Expense recognised for employee services received during the year is shown in the following table:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Expense arising from equity settled share based payment transactions (net of reversals on account of forfeitures) | | |
| - ESOP 2011 | 11 | (7) |
| - ESOP 2017 | 190 | 183 |
| Less: Cross charged to subsidiaries towards stock options to subsidiaries' employees | (17) | (26) |
| | **184** | **150** |

**Movements during the year ESOP 2011****

The following table illustrates the number and weighted average exercise price of share options during the year.

The details of activity under the Scheme are summarized below:

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 0.4 | 50 | 2.2 | 50 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | 50 | 0.7 | 50 |
| Exercised during the year | 0.3 | 50 | 1.1 | 50 |
| Outstanding at the end of the year | 0.1 | 50 | 0.4 | 50 |
| Exercisable at the end of the year | 0.1 | 50 | 0.4 | 50 |

*Weighted Average Exercise Price

** There were no cancellations or modifications to the plan during the year ended March 31, 2020 and March 31, 2019.

For options exercised during the period, the weighted average share price at the exercise date was ₹ 270.07 per share (March 31, 2019: ₹223.14 per share). The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 is 1 year (March 31, 2019: 1.3 years)

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant 1-2 | Grant 3 |
|---|---|---|
| Dividend yield (%) | 1.52% | 1.21% |
| Expected volatility (%) | 48.42% | 34.90% |
| Risk-free interest rate (%) | 7.81% | 6.80% |
| Weighted average share price (₹) | 131.68 | 275.30 |
| Exercise price (₹) | 50.00 | 50.00 |
| Expected life of the options granted (in years) (vesting and exercise period) | 7.66 | 7.66 |

**Movements during the year ESOP 2017****

The following table illustrates the number and weighted average exercise price of share options during the year.

The details of activity under the Scheme are summarized below:

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. of options (lakhs) | WAEP* ₹ | No. of options (lakhs) | WAEP* ₹ |
| Outstanding at the beginning of the year | 13 | 250 | - | - |
| Granted during the year | 2 | 167 | 14 | 250 |
| Forfeited during the year | 2 | 167 | 1 | 250 |
| Exercised during the year | 1 | 167 | - | 250 |
| Additional options granted pursuant to bonus** | 6 | 167 | - | - |
| Outstanding at the end of the year | 18 | 167 | 13 | 250 |
| Exercisable at the end of the year | 3 | 167 | - | - |

* Weighted Average Exercise Price

"** Pursuant to the Bonus Issue (refer note 13) there has been modification to ESOP 2017 scheme.

Committee of Directors vide resolution dated August 30, 2019 have further approved the grant of 6,28,721 additional Options and revised the issue price of Options to ₹ 166.67 in accordance with the bonus issue ratio. This is in accordance with the Brigade Employee Stock Option Plan, 2017 and the approval provided by the Members.

For options exercised during the period, the weighted average share price at the exercise date was ₹ 226.02 per share (March 31, 2019: Nil). The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 is 5.9 years (March 31, 2019: 6.74 years)

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant 1 | Grant 2 | Grant 3 | Grant 4 |
|---|---|---|---|---|
| Dividend yield (%) | 0.78% | 0.78% | 0.78% | 0.78% |
| Expected volatility (%) | 35.24% | 37.30% | 35.20% | 47.40% |
| Risk-free interest rate (%) | 6.41% | 7.20% | 7.20% | 7.20% |
| Weighted average share price (₹) | 255 | 214 | 161 | 198 |
| Exercise price (after bonus issue) (₹) | 167 | 167 | 167 | 167 |
| Expected life of the options granted (in years) [vesting and exercise period] | 7.50 | 7.50 | 7.50 | 7.50 |

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

## 37 Segment reporting

For management purposes, the Company is organised into 2 Strategic Business Units (SBUs) based on risks and rates of return of the products and services offered by those SBUs as per Ind AS 108 as follows: Real Estate and Leasing. The management reviews operating results of SBUs separately for the purpose of making decisions about resource allocation and performance assessment. Also, the Company's financing activities (including finance costs and finance income) and income taxes are managed at corporate level and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

| | For the year ended March 31, 2020 | | | For the year ended March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Real Estate | Leasing | Total | Real Estate | Leasing | Total |
| **Revenue** | | | | | | |
| External customers | 157,093 | 28,102 | 185,195 | 154,678 | 26,147 | 180,825 |
| Add: Share of (losses)/profit in subsidiary partnership firm | | | (262) | | | (234) |
| **Total Revenue from Operations** | **157,093** | **28,102** | **184,933** | **154,678** | **26,147** | **180,591** |
| **Expenses** | | | | | | |
| Depreciation and amortization expense | 135 | 7,129 | 7,264 | 78 | 6,463 | 6,541 |
| Add: Unallocable depreciation and amortization expense | | | 296 | | | 281 |
| | | | **7,560** | | | **6,822** |
| **Segment profit** | 38,052 | 16,485 | 54,537 | 35,438 | 15,522 | 50,960 |
| Less: Finance costs | | | (20,050) | | | (17,784) |
| Less: Other unallocable expenditure | | | (12,755) | | | (9,355) |
| Less: Exceptional Items | | | (1,450) | | | - |
| Add: Share of (losses)/profit in subsidiary partnership firm | | | (262) | | | (234) |

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | For the year ended March 31, 2020 | | | For the year ended March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Real Estate | Leasing | Total | Real Estate | Leasing | Total |
| Add: Other income (including interest income) | | | 14,417 | | | 12,270 |
| **Profit before tax** | | | **34,437** | | | **35,857** |
| **Segment assets** | 365,328 | 154,407 | 519,735 | 377,985 | 150,343 | 528,328 |
| Add: Investments | | | 179,280 | | | 149,773 |
| Add: Loans to related parties | | | 24,718 | | | 31,966 |
| Add: Cash and cash equivalents, bank balances other than cash and cash equivalents and margin money deposits with banks | | | 18,571 | | | 15,699 |
| Add: Other unallocable assets | | | 24,284 | | | 20,212 |
| | | | **766,588** | | | **745,978** |
| **Segment liabilities** | 274,301 | 22,565 | 296,866 | 295,342 | 17,151 | 312,493 |
| Add: non-current and current borrowings (including current maturities of non-current borrowings) | | | 203,522 | | | 190,694 |
| Add: Deferred tax liabilities (net) | | | 5,240 | | | 3,852 |
| Add: Other unallocable liabilities | | | 6,607 | | | 8,234 |
| | | | **512,235** | | | **515,273** |
| **Other disclosures** | | | | | | |
| Capital expenditure | 162 | 10,155 | 10,317 | 500 | 8,083 | 8,583 |

Capital expenditure consists of additions of property, plant and equipment, investment property, intangible assets and capital work-in-progress.

Other income (including finance income) and finance costs and fair value gains and losses on financial assets are considered as unallocated as they are also managed on a Company basis.

Current taxes, deferred taxes and certain financial assets and liabilities are considered as unallocated as they are also managed on a Company basis.

The Company is domiciled in India. The Company's revenue from operations from external customers primarily relate to operations in India and all the non-current assets of the Company are located in India.

## 38 Fair value measurements

The details of fair value measurement of Company's financial assets/liabilities are as below:

| | Level | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| **Financial assets/liabilities measured at fair value through profit/ loss:** | | | |
| Investment in quoted investments - mutual funds | Level 1 | 1,620 | 2,020 |
| Investment in equity instruments of other companies | Level 3 | 13 | 16 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. There have been no transfers between levels during the period.

The management assessed that the carrying values of cash and cash equivalents, trade receivables, investments, loans, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

- The quoted investments (mutual funds) are valued using the quoted market prices in active markets.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

## 39 Capital management

The Company's objectives of capital management is to maximize the shareholder value. In order to maintain or adjust the capital structure, the Company may adjust the return to shareholders, issue/ buyback shares or sell assets to reduce debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below.

- Equity includes equity share capital and all other equity components attributable to the equity holders
- Net debt includes borrowings (non-current and current), trade payables and other financial liabilities, less cash and cash equivalents (including bank balances other than cash and cash equivalents and margin money deposits with banks)

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Borrowings (non-current and current, including current maturities of non-current borrowings) | 203,522 | 190,694 |
| Trade payables | 29,994 | 38,091 |
| Other financial liabilities (current and non-current excluding current maturities of non-current borrowings) | 40,849 | 30,445 |
| Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits with banks) | (18,571) | (15,699) |
| **Net Debt (A)** | **255,794** | **243,531** |
| Equity share capital | 20,438 | 13,618 |
| Other equity | 233,915 | 217,087 |
| **Equity (B)** | **254,353** | **230,705** |
| **Equity plus net debt ( C = A + B )** | **510,147** | **474,236** |
| **Gearing ratio ( D = A / C )** | **50%** | **51%** |

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowing.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 40 Details of investments made in the capital of partnership firm

| Name of the firm | Name of the partner | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|---|
| | | Partner's Capital (₹) | Profit Sharing Ratio (%) | Partner's Capital (₹) | Profit Sharing Ratio (%) |
| (i) Brigade Innovations LLP | Brigade Enterprises Limited (the Company) | 1,016 | 99.82% | 799 | 99.80% |
| | Nirupa Shankar | 52 | 0.18% | 1 | 0.20% |
| | **Total Capital** | **1,068** | **100.00%** | **800** | **100.00%** |
| (ii) Brigade Flexible Office Spaces LLP | | 250 | 99.99% | - | - |
| | Mohan Parvatikar* | - | 0.01% | - | - |
| | **Total Capital** | **250** | **100.00%** | **-** | **-** |

* During the year ended March 31, 2020, the partner has invested capital of ₹ 0.01 lakhs as share of capital.

## 41 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade, other receivables and cash and cash equivalents and bank balances other than cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision and are used exclusively for hedging purposes and not as trading or speculative instruments.

### i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real-estate risk.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The Company is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Company's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

**Interest rate sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

| Particulars | Change in interest rate | Effect of profit before tax |
|---|---|---|
| **March 31, 2020** | **+1%** | **(2,310)** |
| | -1% | 2,310 |
| **March 31, 2019** | **+1%** | **(2,157)** |
| | -1% | 2,157 |

The Company invests surplus funds in liquid mutual funds. The Company is exposed to market price risk arising from uncertainties about future values of the investment. The Company manages the equity price risk through investing surplus funds on liquid mutual funds for short term basis.

The table below summarises the impact of increase/decrease of the Net Asset Value (NAV) on the profit for the year. The analysis is based on the assumption that the NAV price would increase 5% and decrease by 5% with all variable constant.

| Increase/(decrease) in profit | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Price - increase by 5% | 81.00 | 100.98 |
| Price - decrease by 5% | (81.00) | (100.98) |

**ii. Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets.

Other financial assets like security deposits, loans and bank deposits are mostly with employees, government bodies and banks and hence, the Company does not expect any credit risk with respect to these financial assets.

With respect to trade receivables/ unbilled revenue, the Company has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss ('ECL').

# Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The following table summarizes the change in the loss allowance measured using ECL

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Opening balance | 229 | 1 |
| Amount provided during the year | 11 | 228 |
| Amount reversed during the year | (44) | - |
| **Closing balance** | **196** | **229** |

**iii. Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below.

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Cash and cash equivalents | 11,846 | 11,175 |
| Bank balances other than cash and cash equivalents | 1,897 | 19 |
| Margin money deposits with banks | 4,828 | 4,505 |
| Investments | 1,620 | 2,020 |

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

| Particulars | Maturity period | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| **Financial liabilities - current** | | | |
| Borrowings (includes current maturities of non-current borrowings and working capital loan from bank) | Within 1 year | 18,555 | 13,332 |
| Borrowings (includes current maturities of non-current borrowings and working capital loan from bank) | Between 1-3 years | 32,553 | 14,103 |
| Borrowings (includes bank overdraft facilities) | On demand | 1,360 | 4,653 |
| Trade payables | Within 1 year | 29,994 | 38,091 |
| Other financial liabilities (excluding current maturities of non-current borrowings) | Within 1 year | 36,001 | 27,257 |
| **Financial liabilities - non-current** | | | |
| Borrowings (includes non-current borrowings) | Between 1-5 years | 151,054 | 158,606 |
| Other financial liabilities | Between 1-5 years | 4,848 | 3,188 |

## 42 Disclosure of the loans and advances to subsidiaries, joint ventures, associates and other entities in which the directors are interested:

| Name of the party | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Closing Balance | Maximum amount due | Closing Balance | Maximum amount due |
| Brigade Tetrarch Private Limited | - | 4,414 | 3,202 | 3,202 |
| Brigade Estates and Projects Private Limited | - | 1,134 | 616 | 616 |
| BCV Developers Private Limited | 15,137 | 15,137 | 13,511 | 13,511 |
| Brigade (Gujarat) Projects Private Limited | 200 | 1,700 | 1,700 | 1,700 |
| Brigade Hotel Ventures Limited | 9,381 | 9,381 | 5,800 | 5,800 |
| Brigade Infrastructure and Power Private Limited | - | 1,547 | 260 | 260 |
| Mysore Projects Private Limited | - | 6,877 | 6,877 | 6,877 |

## 43. Standards issued but not yet effective

As at March 31, 2020, there are no standards that have been issued but are not yet effective, which will impact the Standalone Ind AS financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No:5435

Place: Bengaluru
Date: June 18, 2020

# Consolidated Financial Statements

# INDEPENDENT AUDITOR'S REPORT

To the Members of Brigade Enterprises Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Brigade Enterprises Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate company, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and associate company, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 2.3 to the Consolidated Ind AS financial Statements for the year ended March 31, 2020, which describes the management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group and its consequential effects on the carrying value of its assets as at March 31, 2020.. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition of Revenue from Contract with Customers** *(as described in note 21 of the Consolidated Ind AS financial statements)* | |
| The Group applies Ind AS 115 for recognition of revenue from real estate projects. The revenue from real estate projects is recognised at a point in time upon the Group satisfying its performance obligation and the customer obtaining control of the underlying asset, which involves significant estimates and judgement.<br><br>For revenue contract forming part of joint development arrangements ('JDA') that are not jointly controlled operations, the revenue from the development and transfer of constructed area/revenue share with a corresponding land/ development rights received by the Group is measured at the fair value of the estimated construction service rendered by the Group to the land owner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115.<br><br>For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. The assessment of such consideration received from customers involves significant judgment in determining if the contracts with customers involves any financing element.<br><br>Application of Ind AS 115 involves significant judgment in determining when 'control' of the property underlying the performance obligation is transferred to the customer. Further, for revenue contract forming part of JDA, significant estimate is made by the Group in determining the fair value of the underlying revenue.<br><br>As the revenue recognition involves significant estimates and judgement, we regard this as a key audit matter. | Our audit procedures included, among others, the following:<br><br>- We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.<br><br>- We assessed the management evaluation of determining revenue recognition from sale of real estate inventory property at a point in time in accordance with the requirements under Ind AS 115.<br><br>- We obtained and understood the revenue recognition process and performed test of controls over revenue recognition including determination of point of transfer of control, completion of performance obligation and fair value of estimated construction service under JDA, on a sample basis.<br><br>- We performed test of details, on a sample basis, and tested the underlying customer/ JDA contracts and sale deed/ handover documents, evidencing the transfer of control of the asset to the customer based on which the revenue is recognized at a point of time.<br><br>- We obtained the joint development agreements entered into by the Company and compared the ratio of constructed area/ revenue sharing arrangement between the Company and the landowner as mentioned in the agreement to the computation statement prepared by the management, on a sample basis.<br><br>- We obtained and tested the computation of the fair value of the construction service under JDA on a sample basis.<br><br>- We tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and Group's assessment of stage of completion of projects and project cost estimates on test check basis.<br><br>- We assessed the disclosures made by the Group in compliance with the requirements of Ind AS 115. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recording of related party transactions and disclosures** *(as described in note 32 of the Consolidated Ind AS financial statements)* | |
| The Group has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include making new or additional investments in its associate company and other related parties and lending and borrowing of Inter-corporate deposits ('ICD') and other transactions to or from the related parties.<br><br>We identified the accuracy and completeness of the said related party transactions and its disclosure as set out in respective notes to the Consolidated Ind AS financial statements as a key audit matter due to the significance of transactions with related parties and regulatory compliance thereon | Our audit procedures included, among others, the following:<br>- Obtained and read the Group's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions.<br>- Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Group's assessment of related party transactions being in the ordinary course of business at arm's length.<br>- Tested, on a sample basis, related party transactions with the underlying contracts, confirmation letters and other supporting documents<br>- Agreed the related party information disclosed in the Consolidated Ind AS financial statements with the underlying supporting documents, on a sample basis. |
| **Carrying value of inventory and land advances/deposits (including refundable deposits paid under JDA)** *(as described in note 7,9 and 10 of the Consolidated Ind AS financial statements)* | |
| As at March 31, 2020, the carrying value of the inventory is ₹ 520,936 lakhs and land advances/deposits of ₹ 39,282 lakhs.<br><br>The inventories are carried at the lower of the cost and net realisable value ('NRV'). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.<br><br>On account of Covid-19 outbreak and country-wide lockdown thereon, the Group conducted its annual inventory count at a date subsequent to year-end and performed the rollback workings.<br><br>Deposits paid under joint development arrangements, in the nature of non-refundable amounts, are recognised as land advance under other assets and on the launch of the project, the same is transferred as land stock under inventories. Further, advances paid by the Group to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Group, whereupon it is transferred to land stock under inventories.<br><br>The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the Group's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project.<br><br>We identified the assessment of the carrying value of inventory and land advances/deposits as a key audit matter due to the significance of the balance to the Consolidated Ind AS financial statements as a whole and the involvement of estimates and judgement in the assessment. | Our procedures in assessing the carrying value of the inventories/land advances/deposits included, among others, the following:<br>- We read and evaluated the accounting policies with respect to inventories/land advances/ deposits<br>- We assessed the Group's methodology applied in assessing the carrying value under the relevant accounting standards.<br>- We obtained and tested the computation involved in assessment of carrying value including the net realisable value/ net recoverable value including effects of Covid-19 on test check basis.<br>- We compared the realisable/recoverable amount of the asset to the carrying value in books on test check basis.<br>- We made inquiries with the Holding Company's management to understand key assumptions used in determination of the net realisable value/ net recoverable value including effects of Covid-19 on test check basis.<br>- On account of Covid-19 outbreak and country-wide lockdown thereon, we observed the physical verification of inventory at a date subsequent to year-end and tested the rollback procedures performed by the Group, on a test check basis. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Carrying value of Investments and loans and advances made by the Group in associate entities** *(as described in note 6 of the Consolidated Ind AS financial statements)* | |
| As at March 31, 2020, the carrying values of Group's investment in its associate company amounted to ₹1,161 lakhs. Further, the Group has granted loans and advances to its associate company. Management of the Holding Company reviews on a periodical basis whether there are any indicators of impairment of such investments and loans and advances<br><br>For cases where impairment indicators exist, management of the Holding Company estimates the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value / value in use.<br><br>As the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter. | Our procedures in assessing the impairment of the investment included, among others, the following:<br><br>- We read and evaluated the accounting policies with respect to investment.<br><br>- We assessed the Group's methodology applied in assessing the carrying value under the relevant accounting standards.<br><br>- We assessed the Group's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable amount.<br><br>- We compared the recoverable amount of the investment to the carrying value in books.<br><br>- We obtained and considered management evaluation based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverability of loans and advances granted to its associate company.<br><br>- We assessed the financial condition of entities to whom loans and advances were granted by obtaining the most recent audited financial statements of such entities.<br><br>- We performed inquiries with the management of the Holding Company on the project status and future business plan of entities to whom loans and advances were granted to evaluate their recoverability<br><br>- We assessed the disclosures made in the Consolidated Ind AS financial statements regarding such investments and loans and advances. |
| **Compliance with repayment terms of borrowings** *(as described in note 15 of the Consolidated Ind AS financial statements)* | |
| The Group has significant borrowings as it is the key source of funds taken to finance its various real estate development projects as well as for general corporate purpose.<br><br>We consider compliance with repayment terms of borrowings as a key audit matter as this is a key consideration for appropriate classification of loan balances and relevant disclosures thereon in the Consolidated Ind AS financial statements. Further, compliance with repayment terms is part of Group's assessment of evaluating its gearing and liquidity profile. | Our procedures in relation to compliance with repayment terms of borrowings include, among others, the following:<br><br>- Obtained an understanding of the process and testing the internal controls over timely repayment of borrowings. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| | - We tested the repayments of borrowings for a sample of transactions by reading the underlying contracts for repayments schedules, comparing the actual cash flows with the repayment schedules and tracing the amounts paid as per books of account to the bank statements.<br>- Assessed the maturity profile of the borrowings to evaluate the classification and disclosure of borrowings on test check basis.<br>- Compared the balances confirmed by the lenders with the balances as per the books of accounts. |
| **Carrying value of Goodwill, Intangible Assets (including Intangible Assets under development) Property, plant and equipment (PPE), Investment property (IP) and Capital work-in-progress (including investment properties under construction) [CWIP]** *(as described in note 3.1,3.2,4 and 5 of the Consolidated Ind AS financial statements)*<br><br>As at March 31, 2020, the carrying value of the Goodwill, Intangible Assets (including Intangible Assets under development) PPE, IP and CWIP is ₹ 430 lakhs, ₹ 2,077 lakhs, ₹ 101,188 lakhs, ₹ 196,927 lakhs and ₹ 208,909 lakhs respectively.<br><br>Goodwill with indefinite useful life, acquired in a business combination is tested for impairment by the Group on a periodical basis. In performing such impairment assessment, Holding Company's management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill with indefinite useful life had been allocated with their respective 'value in use' computed, to determine if any impairment loss should be recognized.<br><br>The carrying value of the PPE, IP and CWIP is calculated using land costs, construction costs, interest costs and other related costs. The Group reviews on a periodical basis whether there are any indicators of impairment Assets, i.e. ensuring that Assets are carried at no more than their recoverable amount.<br><br>For assets where impairment indicators exist, the Group estimates the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value / value in use.<br><br>In view of the COVID -19 pandemic, the Group has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of carrying value of the goodwill, PPE, IP and CWIP.<br><br>We considered the assessment of carrying value of Goodwill, Intangible Assets (including Intangible Assets under development) PPE, IP and CWIP as a key audit matter due to significance of the balance and significant estimates and judgement involved in impairment assessment | Our procedures in assessing the carrying value (including impairment assessment) of the investment properties included, among others, the following:<br><br>- We read and evaluated the accounting policies with respect to Goodwill, PPE, IP and CWIP<br>- We evaluated Holding Company's management's identification of CGU's, the carrying value of each CGU and the methodology followed for the impairment assessment in compliance with the applicable accounting standards.<br>- We assessed the Group's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable amount, including valuation report used by the Group for determining the fair value ('recoverable amount') of the goodwill, Intangible Assets (including Intangible Assets under development) PPE, IP and CWIP.<br>- We assessed the Group's valuation methodology applied and compared key property related data used as input with historical actual data<br>- We compared the recoverable amount of the goodwill, Intangible Assets (including Intangible Assets under development) PPE, IP and CWIP to the carrying value in books.<br>- We assessed the disclosures made in the Consolidated Ind AS financial statements for compliance with the relevant accounting standards requirements. |

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and management of the limited liability partnerships ('LLP's') and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and management of the LLP's and of its associate company are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors and management of the LLP's either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors and Those Charged with Governance of the companies included in the Group and management of the LLP's and of its associate company are also responsible for overseeing the financial reporting process of the Group and of its associate company.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company of which we are the independent auditors, to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

We did not audit the financial statements and other financial information, in respect of 13 subsidiaries, whose financial statements include total assets of ₹ 313,953 lakhs and net assets of ₹ 85,626 lakhs as at March 31, 2020, and total revenues of ₹ 48,450 lakhs and net cash inflows of ₹ 3,260 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS financial statements also include the Group's share of net profit (after elimination) of ₹ 160 lakhs for the year ended March 31, 2020, as considered in the Consolidated Ind AS financial statements, in respect of 1 associate company, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate company, is based solely on the reports of such other auditors.

Our opinion above on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate company, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation

of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and its associate company, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and its associate company, incorporated in India, refer to our separate Report in "Annexure 2" to this report

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate company incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries and associate company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate company, as noted in the 'Other matter' paragraph:

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate company in its Consolidated Ind AS financial statements – Refer Note 31(b) to the Consolidated Ind AS financial statements;

ii. The Group and its associate company have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 17 to the Consolidated Ind AS financial statements; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associate company incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 20209567AAAACW7673

Place: Bengaluru
Date: June 18, 2020

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF BRIGADE ENTERPRISES LIMTED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS financial statements of Brigade Enterprises Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Brigade Enterprises Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company and, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A Company's internal financial control over financial reporting with reference to these Consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated

Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 11 subsidiary companies and 1 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 20209567AAAACW7673

Place: Bengaluru
Date: June 18, 2020

# Consolidated Balance Sheet as at March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Notes | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3.1 | 101,188 | 91,223 |
| Capital work-in-progress | 3.2 | 208,909 | 200,133 |
| Investment property | 4 | 196,927 | 134,754 |
| Goodwill | 5 | 430 | 430 |
| Other intangible assets | 5 | 1,239 | 1,260 |
| Intangible assets under development | 5 | 838 | 838 |
| Financial assets | | | |
| Investments | 6 | 5,594 | 5,634 |
| Loans | 7 | 27,470 | 28,938 |
| Other non-current financial assets | 8 | 8,336 | 9,183 |
| Deferred tax asset (net) | 18.2 | 14,745 | 11,408 |
| Assets for current tax (net) | | 5,265 | 3,103 |
| Other non-current assets | 9 | 24,002 | 16,899 |
| | | **594,943** | **503,803** |
| **Current assets** | | | |
| Inventories | 10 | 520,936 | 481,606 |
| Financial assets | | | |
| Investments | 6 | 1,620 | 4,133 |
| Loans | 7 | 2,035 | 1,534 |
| Trade receivables | 11 | 43,061 | 42,082 |
| Cash and cash equivalents | 12.1 | 23,989 | 18,103 |
| Bank balances other than cash and cash equivalents | 12.2 | 6,502 | 4,119 |
| Other current financial assets | 8 | 1,627 | 811 |
| Other current assets | 9 | 31,382 | 23,795 |
| | | **631,152** | **576,183** |
| **Total Assets** | | **1,226,095** | **1,079,986** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 13 | 20,438 | 13,618 |
| Other equity | 14 | | |
| Attributable to equity holders of the parent | | 207,675 | 203,322 |
| Non-controlling interests | | 16,587 | 18,843 |
| **Total equity** | | **244,700** | **235,783** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 386,705 | 331,555 |
| Other non current financial liabilities | 16 | 16,373 | 9,225 |
| Provisions | 17 | 175 | 169 |
| Deferred tax liabilities (net) | 18.1 | 1,010 | - |
| Other non-current liabilities | 19 | 7,313 | 7,463 |
| | | **411,576** | **348,412** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 4,368 | 6,229 |
| Trade payables | 20 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 1,965 | 1,460 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 48,084 | 59,348 |
| Other current financial liabilities | 16 | 144,554 | 86,509 |
| Other current liabilities | 19 | 367,672 | 340,600 |
| Provisions | 17 | 876 | 798 |
| Liabilities for current tax (net) | | 2,300 | 847 |
| | | **569,819** | **495,791** |
| **Total equity and liabilities** | | **1,226,095** | **1,079,986** |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the Consolidated Ind AS financial statements.
As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No: 5435

Place: Bengaluru
Date: June 18, 2020

# Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Notes | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 21 | 263,216 | 297,278 |
| Other income | 22 | 4,940 | 5,448 |
| **Total income (i)** | | **268,156** | **302,726** |
| **Expenses** | | | |
| Sub-contractor cost | | 79,489 | 73,308 |
| Cost of raw materials, components and stores consumed | 23 | 13,009 | 13,936 |
| Purchase of land stock | | 79,193 | 140,034 |
| (Increase) in inventories of stock of flats, land stock and work-in-progress | 24 | (40,152) | (67,805) |
| Employee benefits expense | 25 | 21,600 | 18,790 |
| Depreciation and amortization expense | 26 | 19,204 | 14,000 |
| Finance costs | 27 | 34,034 | 27,850 |
| Other expenses | 28 | 43,754 | 40,048 |
| **Total expenses (ii)** | | **250,131** | **260,161** |
| **Profit before share of profit of Associate and Exceptional Items (iii) = (i) - (ii)** | | **18,025** | **42,565** |
| Share of profit of Associate (net of tax) (iv) | | 160 | 177 |
| **Profit before exceptional items and tax (v) = (iii + iv)** | | **18,185** | **42,742** |
| Exceptional items - Impairment of property, plant and equipment and investment property (vi) | 4 | 2,050 | - |
| **Profit before tax and after exceptional items (vii) = (v) - (vi)** | | **16,135** | **42,742** |
| **Tax expense** | 18.3 | | |
| Current tax | | 7,190 | 10,287 |
| Deferred tax (credit)/charge | | (2,455) | 4,265 |
| **Total tax expense (viii)** | | **4,735** | **14,552** |
| **Profit for the year (ix) = (viii) - (vii)** | | **11,400** | **28,190** |
| **Other comprehensive income ('OCI')** | | | |
| Items that will not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement (losses)/gains of defined benefit plans | | (41) | 54 |
| Equity instruments (losses)/gains through OCI | | (178) | 37 |
| Income tax relating to above | | 66 | (24) |
| **Other comprehensive income ('OCI') (x)** | | **(153)** | **67** |
| **Total comprehensive income for the year (comprising profit and OCI for the year) (xi) = (ix) + (x)** | | **11,247** | **28,257** |
| **Net profit after taxes and share of profit of Associate** | | | |
| Attributable to : | | | |
| Equity holders of the parent | | 13,058 | 23,991 |
| Non-Controlling interests | | (1,658) | 4,199 |
| **Other comprehensive income** | | | |
| Attributable to : | | | |
| Equity holders of the parent | | (153) | 67 |
| Non-Controlling interests | | - | - |
| **Total Comprehensive income for the year** | | | |
| Attributable to : | | | |
| Equity holders of the parent | | 12,905 | 24,058 |
| Non-Controlling interests | | (1,658) | 4,199 |
| **Earnings per equity share** | 29 | | |
| [nominal value of share ₹10 (March 31, 2019: : ₹10] | | | |
| Basic (₹) | | 6.39 | 11.75 |
| Diluted (₹) | | 6.34 | 11.72 |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the Consolidated Ind AS financial statements.
As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No: 5435

Place: Bengaluru
Date: June 18, 2020

## A. Equity share capital *:

| Issued, subscribed and fully paid-up share capital | No. in Lakhs | (₹) in Lakhs |
|---|---|---|
| **Equity shares of ₹ 10 each:** | | |
| **As at April 01, 2018** | **1,360** | **13,607** |
| Issued during the year pursuant to the exercise of stock options | 1 | 11 |
| **As at March 31, 2019** | **1,361** | **13,618** |
| Issued during the year pursuant to the exercise of stock options | 1 | 10 |
| Issue of bonus shares | 681 | 6,810 |
| **As at March 31, 2020** | **2,043** | **20,438** |

* Refer Note 13 for details.

## B. Other equity*

| | Attributable to the equity holders of the parent | | | | | | | | | | | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Reserves and surplus | | | | | | | | Sub total | | |
| | Equity component of compound financial instruments | Amount received against share warrants | Capital reserve | Securities premium account | Debenture Redemption Reserve | Revaluation Reserve | Equity instruments through other comprehensive income | Stock options outstanding account | General Reserve | Retained earnings* | | | |
| **As at April 01, 2018** | **4,328** | **-** | **1** | **117,480** | **678** | **829** | **-** | **49** | **10,952** | **80,778** | **215,095** | **22,306** | **237,401** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 23,991 | 23,991 | 4,199 | 28,190 |
| Other comprehensive income** | - | | | | | | 27 | | | 40 | 67 | - | 67 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **27** | **-** | **-** | **24,031** | **24,058** | **4,199** | **28,257** |
| Reversal of profits on account of transition to Ind AS 115 (net of tax) | - | - | - | - | - | - | - | - | - | (40,667) | (40,667) | - | (40,667) |
| Minority Portion on reversal of profits on account of transition to Ind AS 115 (net of tax) | - | - | - | - | - | - | - | - | - | 7,662 | 7,662 | (7,662) | - |
| Dividend (including dividend distribution tax) (refer note 30) | - | - | - | - | - | - | - | - | - | (3,283) | (3,283) | - | (3,283) |
| Transfer to debenture redemption reserve from retained earnings | - | - | - | - | 353 | - | - | - | - | (353) | - | - | - |
| Transfer to general reserve from retained earnings | - | - | - | - | - | - | - | - | 73 | (73) | - | - | - |
| Issue of equity shares pursuant to exercise of stock options | - | - | - | 77 | - | - | - | (34) | - | - | 43 | - | 43 |
| Compensation expense for options granted during the year | - | - | - | - | - | - | - | 176 | - | - | 176 | - | 176 |
| Other adjustments | 238 | - | - | - | - | - | - | - | - | - | 238 | - | 238 |
| **As at March 31, 2019** | **4,566** | **-** | **1** | **117,557** | **1,031** | **829** | **27** | **191** | **11,025** | **68,095** | **203,322** | **18,843** | **222,165** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 13,058 | 13,058 | (1,658) | 11,400 |
| Other comprehensive income** | - | - | - | - | - | - | (122) | - | - | (31) | (153) | - | (153) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **(122)** | **-** | **-** | **13,027** | **12,905** | **(1,658)** | **11,247** |

# Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Attributable to the equity holders of the parent | | | | | | | | | | | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity component of compound financial instruments | Amount received against share warrants | Reserves and surplus | | | | | | | | Sub total | | |
| | | | Capital reserve | Securities premium account | Debenture Redemption Reserve | Revaluation Reserve | Equity instruments through other comprehensive income | Stock options outstanding account | General Reserve | Retained earnings* | | | |
| Dividend (including dividend distribution tax) (refer note 30) | - | - | - | - | - | - | - | - | - | (5,747) | (5,747) | - | (5,747) |
| Transfer to debenture redemption reserve from retained earnings | - | - | - | - | 303 | - | - | - | - | (303) | - | - | - |
| Transfer to general reserve from retained earnings | - | - | - | - | - | - | - | - | 153 | (153) | - | - | - |
| Amount received against share warrants (refer note 14) | - | 2,875 | - | - | - | - | - | - | - | - | 2,875 | - | 2,875 |
| Issue of bonus shares (refer note 13) | - | - | - | (6,810) | - | - | - | - | - | - | (6,810) | - | (6,810) |
| Issue of equity shares pursuant to exercise of stock options | - | - | - | 180 | - | - | - | (54) | - | - | 126 | - | 126 |
| Compensation expense for options granted during the year | - | - | - | - | - | - | - | 201 | - | - | 201 | - | 201 |
| Investment in equity of group companies by non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 200 | 200 |
| Drawings in subsidiary partnership firms by non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | (14) | (14) |
| Other adjustments | 19 | - | - | - | - | - | - | - | - | 784 | 803 | (784) | 19 |
| As at March 31, 2020 | 4,585 | 2,875 | 1 | 110,927 | 1,334 | 829 | (95) | 338 | 11,178 | 75,703 | 207,675 | 16,587 | 224,262 |

* Refer Note 14 for details.

** As required under Ind AS compliant Schedule III, the Group has recognised remeasurement gains/(losses) on defined benefit plans (net of tax) of ₹(31) Lakhs [March 31, 2019: ₹40 lakhs] as part of retained earnings.

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Consolidated Ind AS financial statements.
As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No: 5435

Place: Bengaluru
Date: June 18, 2020

# Consolidated Cash Flow Statement for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Notes | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before tax | | 16,135 | 42,742 |
| Adjustment to reconcile profit before tax to net cash flows: | | | |
| Depreciation and amortization expense | | 19,204 | 14,000 |
| Impairment of investment property and property, plant and equipment | | 2,050 | - |
| Share based payments to employees | | 201 | 176 |
| Finance costs | | 34,034 | 27,850 |
| Bad debts written off | | 55 | 30 |
| Provision for doubtful debts | | 162 | 235 |
| Provision for contract losses | | 132 | - |
| Loans and advances written off | | 4 | - |
| Profit on sale of property, plant and equipment | | (6) | (594) |
| Fair value gain on financial instruments at fair value through profit or loss | | (23) | (122) |
| Interest income from financial assets at amortized cost | | (2,410) | (2,021) |
| Gain on sale of mutual funds | | (40) | (531) |
| Provision no longer required, written back | | - | (63) |
| Share of profit of Associate | | (160) | (177) |
| Operating profit before working capital changes | | **69,338** | **81,525** |
| Movements in working capital : | | | |
| (Decrease)/Increase in trade payables | | (10,749) | 8,162 |
| Increase in other financial liabilities | | 13,903 | 9,257 |
| Increase in other liabilities | | 29,518 | 39,329 |
| Increase in provisions | | 47 | 99 |
| (Increase) in trade receivables | | (991) | (24,652) |
| (Increase) in inventories | | (38,256) | (66,452) |
| Decrease/(Increase) in loans | | 1,794 | (1,414) |
| (Increase) in other financial assets | | (694) | (552) |
| Decrease / (Increase) in other assets | | (11,001) | 12,589 |
| | | 52,909 | 57,891 |
| Direct taxes (paid)/ refund, net | | (6,420) | (11,170) |
| **Net cash flow from operating activities (A)** | | **46,489** | **46,721** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment (including capital work in progress, investment property under progress and capital advances) | | (74,145) | (62,852) |
| Proceeds from sale of property, plant and equipment | | 870 | 2,803 |
| Purchase of investments | | (1,253) | (23,727) |
| Redemption of investments | | 3,623 | 39,737 |
| Investments in bank deposits | | (14,096) | (4,599) |
| Redemption of bank deposits | | 11,795 | 1,742 |
| Interest received | | 1,548 | 1,700 |
| **Net cash flow used in investing activities (B)** | | **(71,658)** | **(45,196)** |

# Consolidated Cash Flow Statement for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Notes | March 31, 2020 (₹) | March 31, 2019 (₹) |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of share capital (including securities premium) | | 136 | 53 |
| Proceeds from issuance of share warrants | | 2,875 | - |
| Equity contribution in subsidiary companies by non-controlling interests | | 200 | - |
| Drawings in subsidiary partnership firms by non-controlling interests | | (14) | (8) |
| Proceeds from Non-current borrowings | | 129,751 | 112,862 |
| Repayment of Non-current borrowings | | (55,693) | (55,016) |
| (Decrease) in current borrowings (excluding bank overdraft facilities), net | | (818) | (18,597) |
| Interest paid | | (38,592) | (31,537) |
| Dividends paid on equity shares (including tax on dividend) | | (5,747) | (3,278) |
| **Net cash flow from financing activities (C)** | | **32,098** | **4,479** |
| **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | | **6,929** | **6,004** |
| Cash and cash equivalents at the beginning of the year | | 12,692 | 6,688 |
| **Cash and cash equivalents at the end of the year** | | **19,621** | **12,692** |
| **Components of cash and cash equivalents:** | | | |
| Cash and cash equivalent: | 12.1 | | |
| Balances with banks: | | | |
| – On current accounts | | 23,206 | 17,728 |
| – Deposits with maturity of less than 3 months | | 622 | 210 |
| Cash on hand | | 161 | 165 |
| **Cash and cash equivalents reported in balance sheet** | | **23,989** | **18,103** |
| Less: Bank overdraft facilities repayable on demand | 15 | (4,368) | (5,411) |
| Cash and cash equivalents as reported in cash flow statement | | 19,621 | 12,692 |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the Consolidated Ind AS financial statements.
As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Pavitra Shankar**
Director
DIN: 08133119

**Atul Goyal**
Chief Financial Officer

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No: 5435

Place: Bengaluru
Date: June 18, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 1. Corporate information

The Consolidated Ind AS financial statements comprise financial statements of Brigade Enterprises Limited ('BEL' or the 'Company' or the 'Holding Company') and its subsidiaries and associate (collectively, the Group) for the year ended March 31, 2020. The Holding Company is a public company domiciled in India and is incorporated on November 8, 1995 under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The registered office of the Holding Company is located at 29th & 30th Floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560 055.

The Group is carrying on the business of real estate development, leasing and hospitality and related services.

The Consolidated Ind AS financial statements were authorised for issue in accordance with a resolution of the directors on June 18, 2020.

## 2. Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Consolidated Ind AS financial statements of the Group are prepared and presented in accordance with Ind AS.

The Consolidated Ind AS financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.1 Changes in Accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

**Ind AS 116 Leases**

The Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 01, 2019. The standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. On transition, the adoption of new standard resulted in recognition of Right of use asset (ROU) of ₹ 3,673 lakhs (net of adjustment of lease equalisation reserve of ₹ 2,600 lakhs), and a lease liability of ₹ 6,273 lakhs and there was no impact to retained earnings.

In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost of ROU and finance cost for interest accrued on lease liability. In the context of initial application, the Group has exercised the option — not to apply the new recognition requirements to short-term leases and to leases of low-value asset. The impact of application of Ind AS 116 for the year ended March 31, 2020 is as detailed in note 33 of the Consolidated Ind AS financial statements.

### 2.2 Summary of significant accounting policies

**(a) Basis of consolidation**

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

**Consolidation procedure:**

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Ind AS financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. The manner of accounting for any related goodwill is explained below.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

recognition in the Consolidated Ind AS financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

e. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

f. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and tested for impairment annually.

When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for and reclassified to profit or loss.

ii. Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of associate used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognise an

impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit in associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**(b) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

**(c) Use of estimates**

The preparation of Consolidated Ind AS financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

**(d) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has evaluated and considered its operating cycle as below and accordingly has reclassified its assets and liabilities into current and non-current:

- Residential/ commercial/mixed use projects for real estate development – 3-5 years
- Hospitality/ leasing business/ others – 1 year

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**(e) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

**(f) Depreciation on property, plant and equipment and investment property**

Depreciation is calculated on written down value basis using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013:

| Category of Asset | Useful lives (in years) |
|---|---|
| Buildings | 60 |
| Plant and machinery | 15 |
| Electrical Installation and equipment | 10 |
| Furniture and fixtures | |
| i. General Furniture and fixtures | 10 |
| ii. Furniture and fixtures used in hotels | 8 |
| Computer hardware | |
| i. Computer equipment | 3 |
| ii. Servers and network equipment | 6 |
| Office equipment | 5 |
| Motor Vehicles | 8 |

Leasehold land is amortized on a straight-line basis over the balance period of lease

Based on the planned usage of certain project-specific assets and technical evaluation thereon, the management has estimated the useful lives of such classes of assets as below, which are lower from the useful lives as indicated in Schedule II and are depreciated on straight line basis:

| | | | |
|---|---|---|---|
| i. | Buildings | - | 14 – 25 years |
| ii. | Furniture and fixtures | - | 5-10 years |
| iii. | Office equipment | - | 5-10 years |
| iv. | Plant and Machinery | - | 5-10 years |
| v. | Motor Vehicles | - | 5 years |
| vi. | Computer hardware | - | 3 years |

The residual values, useful lives and methods of depreciation of property, plant and equipment and

investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized on a written down value basis over a period of three years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

Costs of assets not ready for use at the balance sheet date are disclosed under intangible assets under development.

**(h) Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**(i) Impairment**

A. Financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

B. Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**(j) Leases**

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Where the Group is lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as cash used in Financing activities. Also refer note 34 to the Consolidated Ind AS financial statements.

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(k) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

**(l) Inventories**

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i. Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii. Finished goods- Stock of Flats: Valued at lower of cost and net realizable value.

iii. Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv. Land stock: Valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(m) Land**

Advances paid by the Group to the seller/ intermediary toward outright purchase of land is recognised as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to land stock under inventories/ capital work in progress.

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Group under JDA is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress/ capital work in progress. Further, the amount of refundable deposit paid by the Group under JDA is recognized as deposits under loans.

**(n) Revenue recognition**

*Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Group presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Group undertakes to develop properties on such land and in lieu of land owner providing land, the Group has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project. Revenue is recognised over time using input method, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

*Contract balances*

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

*Cost to obtain a contract*

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

*Income from leasing*

Rental income receivable under operating leases (excluding variable rental income) is recognized in the income statement on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

*Revenue from hospitality services*

Revenue from hospitality operations comprise revenue from rooms, restaurants, banquets and other allied services, including membership, telecommunication, laundry, etc. Revenue is recognized as and when the services are rendered and is disclosed net of allowances. Revenue from membership fees is recognized as income on straight-line basis over the membership term.

*Income from maintenance and other services*

Commission, management fees, maintenance services and other fees receivable for services rendered are recognized as and when the services are rendered as per the terms of the contract.

*Interest income*

Interest income, including income arising from other financial instruments measured at amortised cost, is recognized using the effective interest rate method.

*Dividend income*

Dividend income is recognized when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

*Share in profits of partnership firm investments*

The Group's share in profits from a firm where the Group is a partner, is recognized basis of such firm's audited accounts, as per terms of the partnership deed.

**(o) Foreign currency translation**

*Functional and presentation currency*

The Group's Consolidated Ind AS financial statements are presented in Indian rupee (INR), which is also the Holding Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

*Foreign currency transactions and balances*

i) Initial recognition- Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion- Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences- The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

**(p) Retirement and other employee benefits**

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance

and Employee Pension Fund Schemes are defined contribution schemes (collectively the 'Schemes'). The Group has no obligation, other than the contribution payable to the Schemes. The Group recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Group recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Group presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**(q) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii. Deferred income tax

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

**(r) Share based payment**

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**(s) Segment reporting**

i. Identification of segments- The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

ii. Inter-segment transfers- The Group generally accounts for intersegment sales and transfers at appropriate margins. These transfers are eliminated in consolidation.

iii. Unallocated items- Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

iv. Segment accounting policies- The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Ind AS financial statements of the Group as a whole.

**(t) Provisions and contingent liabilities**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the Consolidated Ind AS financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**(u) Financial Instruments**

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

amount outstanding.

ii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iii. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries and associate are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

v. De-recognition of financial asset

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

vi. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

vii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

viii. Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ix. De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

x. Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Ind AS financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**(v) Convertible preference shares and debentures**

Convertible preference shares and debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares and debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares and debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**(w) Cash dividend to equity holders of the Holding Company**

The Holding Company recognizes a liability to make cash distributions to equity holders of the Holding Company when the distribution is authorized and the distribution is no longer at the discretion of the Holding Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

**(x) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(y) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of

outstanding bank borrowings repayable on demand as they are considered an integral part of the Group's cash management.

### 2.3 Significant accounting judgements, estimates and assumptions

The preparation of Consolidated Ind AS financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(a) Judgments**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the Consolidated Ind AS financial statements:

*Classification of property*

The Group determines whether a property is classified as investment property or inventory as below.

- Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.
- Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Group develops and intends to sell before or during the course of construction or upon completion of construction.

*Basis of Consolidation*

For the purpose of consolidation, judgements are involved in determining whether the Group has control over an investee entity by assessing the Group's exposure/rights to variable returns from its involvement with the investee and its ability to affect those returns through its power over the investee entity. The Group considers all facts and circumstances when assessing whether it controls an investee entity and reassess whether it controls an investee entity if facts and circumstances indicate that there are changes to one or more elements of control. Changes in judgements about these inputs could affect the reported value in the Consolidated Ind AS financial statements.

**(b) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Ind AS financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*Revenue from contracts with customers*

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

i) Identification of performance obligation

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Company considers factors such as:

- whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- whether the entity will be able to fulfil its promise under the contract to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

ii) Timing of satisfaction of performance obligation

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time, the Company considers the following indicators of the transfer of control of the asset to the customer:

- When the entity obtains a present right to payment for the asset.
- When the entity transfers legal title of the asset to the customer.
- When the entity transfers physical possession of the asset to the customer.
- When the entity transfers significant risks and rewards of ownership of the asset to the customer.
- When the customer has accepted the asset.

*Accounting for revenue and land cost for projects executed through joint development arrangements ('JDA')*

For projects executed through joint development arrangements, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Group under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The Group is of the view that the fair value method and estimates are reflective of the current market condition.

*Estimation of net realizable value for inventory (including land advance)*

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

*Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment

property recorded by the Group.

*Defined benefit plans- Gratuity*

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

*Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

*Measurement of financial instruments at amortized cost*

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

*Evaluation of control, joint control or significant influence by the Company over its investee entities for disclosure:*

Judgment is involved in determining whether the Company has control over an investee entity by assessing the Company's exposure/rights to variable returns from its involvement with the investee and its ability to affect those returns through its power over the investee entity. The Company considers all facts and circumstances when assessing whether it controls an investee entity and reassess whether it controls an investee entity if facts and circumstances indicate that there are changes to one or more elements of control. In assessing whether the Company has joint control over an investee the Company assesses whether decisions about the relevant activities require the unanimous consent of the parties sharing control. Further, in assessing whether Company has significant influence over an investee, the Company assesses whether it has the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control of those policies.

*Provision for litigations and contingencies*

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgments around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgments involved in such estimation the provision is sensitive to the actual outcome in future periods.

*Useful life and residual value of property, plant and equipment, investment property and intangible assets*

The useful life and residual value of property, plant and equipment, investment property and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgments involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

*Impact of Pandemic Covid-19*

The Group has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets [including property, plant and equipment, investment property, capital work in progress, intangible assets (including under development), goodwill,

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

investments, inventories, land advances, deposits, loans and receivables]. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these Consolidated Ind AS financial statements has used internal and external sources of information to assess the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on the current estimates, the Group expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. The Group has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 pandemic may be different from that estimated as at the date of approval of these Consolidated Ind AS financial statements.

## 3.1 Property, plant and equipment

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| | Freehold Land | Leasehold Land | Building | Electrical Installation and Equipment | Furniture & Fixtures | Plant & Machinery | Office Equipment | Computer Hardware | Vehicles | Right of use assets | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | |
| **At April 01, 2018** | **13,679** | **638** | **52,753** | **4,426** | **9,352** | **9,568** | **3,596** | **951** | **559** | **-** | **95,522** |
| Additions | - | 95 | 10,808 | 1,302 | 2,173 | 1,384 | 1,310 | 444 | 97 | - | 17,613 |
| Disposals | - | - | - | (6) | (15) | (52) | - | (24) | - | - | (97) |
| **At March 31, 2019** | **13,679** | **733** | **63,561** | **5,722** | **11,510** | **10,900** | **4,906** | **1,371** | **656** | **-** | **113,038** |
| Additions | - | 1,363 | 8,563 | 402 | 1,192 | 1,589 | 1,495 | 468 | 29 | - | 15,101 |
| Additions pursuant to Ind AS 116 (refer note 33) | - | - | - | - | - | - | - | - | - | 3,673 | 3,673 |
| Disposals | - | - | - | (12) | (88) | (4) | (34) | (21) | (27) | - | (186) |
| **At March 31, 2020** | **13,679** | **2,096** | **72,124** | **6,112** | **12,614** | **12,485** | **6,367** | **1,818** | **658** | **3,673** | **131,626** |
| **Depreciation** | | | | | | | | | | | |
| **At April 01, 2018** | **-** | **27** | **4,244** | **1,069** | **3,947** | **3,441** | **1,512** | **413** | **184** | **-** | **14,837** |
| Charge for the year | - | 7 | 2,457 | 762 | 1,522 | 1,070 | 821 | 284 | 122 | - | 7,045 |
| Disposals | - | - | - | (2) | (12) | (34) | - | (19) | - | - | (67) |
| **At March 31, 2019** | **-** | **34** | **6,701** | **1,829** | **5,457** | **4,477** | **2,333** | **678** | **306** | **-** | **21,815** |
| Charge for the year | - | 11 | 2,841 | 865 | 1,553 | 1,146 | 1,077 | 386 | 103 | 137 | 8,119 |
| Disposals | - | - | - | (4) | (37) | (2) | (14) | (12) | (27) | - | (96) |
| **At March 31, 2020** | **-** | **45** | **9,542** | **2,690** | **6,973** | **5,621** | **3,396** | **1,052** | **382** | **137** | **29,838** |
| **Impairment*** | | | | | | | | | | | |
| **At April 01, 2018** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Charge for the year | - | - | - | - | - | - | - | - | - | - | - |
| Reversal | - | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2019** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Charge for the year | - | - | 385 | 35 | 70 | 71 | 39 | - | - | - | 600 |
| Reversal | - | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2020** | **-** | **-** | **385** | **35** | **70** | **71** | **39** | **-** | **-** | **-** | **600** |
| **Net book value** | | | | | | | | | | | |
| **As at March 31, 2019** | **13,679** | **699** | **56,860** | **3,893** | **6,053** | **6,423** | **2,573** | **693** | **350** | **-** | **91,223** |
| **As at March 31, 2020** | **13,679** | **2,051** | **62,197** | **3,387** | **5,571** | **6,793** | **2,932** | **766** | **276** | **3,536** | **101,188** |

* During the year ended March 31, 2020, an impairment loss of ₹ 600 lakhs has been recognised in the statement of profit and loss, which represents the write-down value of certain property, plant and equipment in the hospitality segment to the recoverable amount. The impairment charge arose in the hospitality segment Cash Generating Unit ('CGU') due to slower ramp up of occupancy coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the" fair value less cost to lease" in accordance with Ind AS 36. The recoverable amount of the said properties of ₹ 15,098 lakhs as at March 31, 2020 was based on value in use and was determined at the level of the CGU being individual hotel property. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, revisiting the key operating assumptions as well as growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

### Capitalised borrowing costs

Refer note 27 for the amount of borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation was in the range of 8%-12%, which is the effective interest rate of the borrowing.

### Assets under construction

Refer note 3.2 and 5 for capital work in progress and intangible assets under development.

### Land or buildings

Refer note 15 for details of assets pledged as security for borrowings.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 3.2 Capital work in progress ('CWIP')

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| | Investment property under construction | Property, plant and equipment | Total |
|---|---|---|---|
| **As at April 01, 2018** | **199,015** | **13,059** | **212,074** |
| -Additions (subsequent expenditure) | 59,123 | 14,331 | 73,454 |
| -Transferred from inventory during the year | 1,510 | - | 1,510 |
| -Capitalised during the year | (44,052) | (16,471) | (60,523) |
| -Transferred to inventory during the year | (26,382) | - | (26,382) |
| **As at March 31, 2019** | **189,214** | **10,919** | **200,133** |
| -Additions (subsequent expenditure) | 87,987 | 8,172 | 96,159 |
| -Capitalised during the year | (71,223) | (14,933) | (86,156) |
| -Transferred to inventory during the year | (1,227) | - | (1,227) |
| **As at March 31, 2020** | **204,751** | **4,158** | **208,909** |

### Fair value disclosure

The Group has determined that the fair value of the investment property under construction is not reliably measurable and expects the fair value of the property to be reliably measurable when construction is complete. Accordingly, the Group will measure and disclose the fair value of the investment property when the construction is complete and its fair value becomes reliably measurable.

### Land and buildings

Refer note 15 for details of assets pledged as security for borrowings.

### Capitalised borrowing costs

Refer note 27 for the amount of borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation was in the range of 8%-12%, which is the effective interest rate of the borrowing.

## 4 Investment property

₹

| | Freehold Land | Leasehold Land | Building | Other assets forming part of Building | | | | Fit-outs | Computer Hardware | Right to use of assets | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Electrical Installation and Equipment | Furniture & Fixtures | Plant & Machinery | Office Equipment | | | | |
| **Cost** | | | | | | | | - | - | - | |
| **As at April 01, 2018** | **16,418** | **2,810** | **79,104** | **10,190** | **2,093** | **7,641** | **600** | **-** | **-** | **-** | **118,856** |
| Additions | 8,764 | 2,679 | 26,131 | 1,768 | 370 | 3576 | 765 | - | - | - | 44,053 |
| Disposals | - | (276) | (2,411) | - | (413) | (17) | (7) | - | - | - | (3,124) |
| **As at March 31, 2019** | **25,182** | **5,213** | **102,824** | **11,958** | **2,050** | **11,200** | **1,358** | **-** | **-** | **-** | **159,785** |
| Additions | 14,038 | - | 36,884 | 4,627 | 2,535 | 6,436 | 1,746 | 6,352 | 36 | 866 | 73,520 |
| Disposals | - | - | - | - | - | - | - | | | | - |
| **As at March 31, 2020** | **39,220** | **5,213** | **139,708** | **16,585** | **4,585** | **17,636** | **3,104** | **6,352** | **36** | **866** | **233,305** |
| **Depreciation** | | | | | | | | - | - | - | |
| **As at April 01, 2018** | **-** | **78** | **11,469** | **5,105** | **1,198** | **2,274** | **387** | **-** | **-** | **-** | **20,511** |
| Charge for the year | - | 85 | 3,805 | 1,350 | 300 | 828 | 366 | - | - | - | 6,734 |
| Disposals | - | (5) | (1,772) | - | (413) | (17) | (7) | - | - | - | (2,214) |
| **As at March 31, 2019** | **-** | **158** | **13,502** | **6,455** | **1,085** | **3,085** | **746** | **-** | **-** | **-** | **25,031** |
| Charge for the year | - | 126 | 5,390 | 1,884 | 464 | 1,714 | 702 | 461 | 16 | 14 | 10,771 |
| Disposals | - | - | - | - | - | - | - | | | | - |
| **As at March 31, 2020** | **-** | **284** | **18,892** | **8,339** | **1,549** | **4,799** | **1,448** | **461** | **16** | **14** | **35,802** |

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Freehold Land | Leasehold Land | Building | Other assets forming part of Building | | | | Fit-outs | Computer Hardware | Right to use of assets | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Electrical Installation and Equipment | Furniture & Fixtures | Plant & Machinery | Office Equipment | | | | |
| Impairment* | | | | | | | | - | - | - | |
| **At April 01, 2018** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Charge for the year | - | - | - | - | - | - | - | - | - | - | - |
| Reversal | - | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2019** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Charge for the year | 865 | - | 438 | 28 | - | 115 | 4 | - | - | - | 1,450 |
| Reversal | - | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2020** | **865** | **-** | **438** | **28** | **-** | **115** | **4** | | | | **1,450** |
| **Initial direct costs incurred in negotiating and arranging an operating lease** | | | | | | | | | | | |
| At March 31, 2019 | | | | | | | | | | | - |
| At March 31, 2020 | | | | | | | | | | | 874 |
| **Net book value** | | | | | | | | - | - | - | |
| **As at March 31, 2019** | **25,182** | **5,055** | **89,322** | **5,503** | **965** | **8,115** | **612** | **-** | **-** | **-** | **134,754** |
| **As at March 31, 2020** | **38,355** | **4,929** | **120,378** | **8,218** | **3,036** | **12,722** | **1,652** | **5,891** | **20** | **852** | **196,927** |

* During the year ended March 31, 2020, an impairment loss of ₹ 1,450 lakhs has been recognised in the statement of profit and loss, which represents the write-down value of certain investment properties in the leasing segment to the recoverable amount. The impairment charge arose in the leasing segment Cash Generating Unit ('CGU') due to vacant leased space coupled with the current economic conditions due to Covid-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the" fair value" in accordance with Ind AS 36. The recoverable amount of the said properties of ₹ 3,281 lakhs as at March 31, 2020 was based on value in use and was determined at the level of the CGU being individual leased properties. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, revisiting the key operating assumptions as well as growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

### Land and buildings

Refer note 15 for details of assets pledged as security for borrowings.

### Capitalised borrowing costs

Refer note 27 for the amount of borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation was in the range of 8%-12%, which is the effective interest rate of the borrowing.

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| Information regarding income and expenditure of Investment property | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Rental income derived from investment properties (including other operating income) | **36,635** | **30,286** |
| Direct operating expenses (including repairs and maintenance) generating rental income | (10,235) | (9,264) |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | (1,081) | (41) |
| **Profit arising from investment properties before depreciation and indirect expenses** | **25,319** | **20,981** |
| Less:- Depreciation expenses | (10,771) | (6,734) |
| **Profit arising from investment properties before indirect expenses** | **14,548** | **14,247** |

The management has determined that the investment properties consist of two classes of assets – office and retail – based on the nature, characteristics and risks of each property.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, except as disclosed in note 31(a)(i).

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| Fair value of Investment Properties: | Office properties | Retail Properties | Total |
|---|---|---|---|
| **As at March 31, 2019** | 178,538 | 168,318 | 346,856 |
| **As at March 31, 2020** | 324,819 | 211,451 | 536,270 |

These fair values are based on valuations performed by an independent valuer, who is assessed by the Group to be an expert in valuing these types of investment properties. The fair value of investment properties is based on discounted cash flows and classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs. There has been no change in valuation techniques used since prior years.

**Description of valuation techniques used and key inputs to valuation on investment properties:**

| Investment properties | Valuation technique | Significant observable inputs | Range (weighted average) | |
|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 |
| Office properties | DCF method | - Estimated rental value per sq. ft. per month | ₹40-₹130 | ₹30-₹112 |
| | | - Rent growth p.a. | 5% | 5% |
| | | - Discount rate | 9% | 8% |
| | | - Vacancy rate | 5% | 5% |
| Retail properties | DCF method | - Estimated rental value per sq. ft. per month | ₹50-₹310 | ₹50-₹310 |
| | | - Rent growth p.a. | 5% | 5% |
| | | - Discount rate | 8% | 8% |
| | | - Vacancy rate | 5% | 5% |

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real estate property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

## 5 Intangible assets

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| | Goodwill | Other Intangible Assets | | | Intangible assets under development |
|---|---|---|---|---|---|
| | | Computer Software | License Fees | Total | |
| **Cost** | | | | | |
| **At April 01, 2018** | **430** | **1,494** | **366** | **1,860** | **838** |
| Additions | - | 467 | - | 467 | - |
| Disposals | - | (8) | - | (8) | - |
| **At March 31, 2019** | **430** | **1,953** | **366** | **2,319** | **838** |
| Additions | - | 293 | - | 293 | - |
| Disposals | - | - | - | - | - |
| **At March 31, 2020** | **430** | **2,246** | **366** | **2,612** | **838** |
| **Amortisation** | | | | | |
| **At April 01, 2018** | **-** | **764** | **74** | **838** | **-** |
| Charge for the year | - | 184 | 37 | 221 | - |
| Disposals | - | - | - | - | - |
| **At March 31, 2019** | **-** | **948** | **111** | **1,059** | **-** |
| Charge for the year | - | 277 | 37 | 314 | - |
| Disposals | - | - | - | - | - |
| **At March 31, 2020** | **-** | **1,225** | **148** | **1,373** | **-** |
| **Net book value** | | | | | |
| **As at March 31, 2019** | **430** | **1,005** | **255** | **1,260** | **838** |
| **As at March 31, 2020** | **430** | **1,021** | **218** | **1,239** | **838** |

## 6 Investments

| | | Current | | Non-Current | |
|---|---|---|---|---|---|
| | | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| **A.** | **Investments at cost, unquoted** | | | | |
| | *Investment in equity shares (fully paid up)* | | | | |
| | 14.80 lakhs (March 31, 2019: 14.80 lakhs) Equity shares of ₹ 10/- each fully paid up in Tandem Allied Services Private Limited (Associate Company) | - | - | 7 | 7 |
| | Add:-Share in profit of associate [net of dividend income of ₹ 67 Lakhs (March 31, 2019: ₹ 37 lakhs)] | - | - | 1,154 | 1,061 |
| | **Total Investments carried at cost** | **-** | **-** | **1,161** | **1,068** |
| **B.** | **Investments at Fair Value through profit or loss** | | | | |
| | *Investment in mutual funds (quoted)* | | | | |
| | 0.52 lakhs (March 31, 2019 : 0.69 Lakhs) units of ₹ 3,093.61 per unit each (March 31, 2019 : ₹ 2,927.54 per unit each) in SBI Liquid Fund Regular Growth | 1,620 | 2,020 | - | - |
| | Nil (March 31, 2019 : 2.11 Lakhs) units of ₹ 1,001.42 per unit each in SBI Liquid Fund Regular Daily Dividend | - | 2,113 | - | - |
| | *Investment in Bonds (quoted)* | | | | |
| | 35,000 units (March 31, 2019: 35,000 units) of ₹ 1,000/- each fully paid up in Indian Renewable Energy Development Ltd. | - | - | 402 | 451 |
| | *Investment in equity instruments of Other Companies (unquoted)* | | | | |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Current | | Non-Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| 1.32 lakhs (March 31, 2019: 1.56 lakhs, ) Equity shares of ₹10/- each full paid up in Mangalore Energies Private Limited | - | - | 13 | 16 |
| 0.05 lakhs (March 31, 2019: 0.05 lakhs) Equity shares of ₹10/- each fully paid up in Diagnostic Research Private Limited | - | - | - | - |
| 2.39 lakhs (March 31, 2019: 2.39 lakhs, ) Equity shares of ₹10/- each fully paid up in AEC Promag Private Limited | - | - | - | - |
| **Total Investments carried at FVTPL** | **1,620** | **4,133** | **415** | **467** |
| **C. Investments at Fair Value through other comprehensive income** | | | | |
| *Unquoted Equity shares* | | | | |
| 0.05 lakhs (March 31, 2019: 0.05 lakhs) Equity shares of ₹10/- each fully paid up in Xlsys Technologies Private Limited | - | - | - | 71 |
| 0.005 lakhs (March 31, 2019: 0.005 lakhs) Equity shares of ₹10/- each fully paid up in Snaptude Technologies Private Limited | - | - | 1 | 16 |
| 0.003 Lakhs (March 31, 2019 : 0.003 lakhs) Equity shares of ₹10/- each in Aapkapainter Solutions Private Limited | - | - | - | - |
| 0.003 Lakhs (March 31, 2019 : 0.003 Lakhs) Equity shares of ₹10/- each in Naturaflex Private Limited | - | - | - | - |
| 0.003 Lakhs (March 31, 2019 : 0.003 Lakhs) Equity shares of ₹10/- each in Property Crow Services Private Limited | - | - | 4 | - |
| 0.005 Lakhs (March 31, 2019 : 0.005 Lakhs) Equity shares of ₹10/- each in Zeesense Systems Private Limited | - | - | - | - |
| 0.007 Lakhs (March 31, 2019 : Nil) Equity shares of ₹10/- each in Bhugol Analytics Private Limited | - | - | 3 | - |
| 0.004 Lakhs (March 31, 2019 : Nil) Equity shares of ₹10/- each in ECOSTP Technologies Private Limited | - | - | 1 | - |
| 0.004 Lakhs (March 31, 2019 : Nil) Equity shares of ₹10/- each in Pristech Technologies Private Limited | - | - | 1 | - |
| 0.014 Lakhs (March 31, 2019 : Nil) Equity shares of ₹10/- each in Synconext Technologies Private Limited | - | - | - | - |
| 0.028 Lakhs (March 31, 2019 : Nil) Equity shares of ₹10/- each in Wegot Utility Solutions Private Limited | - | - | - | - |

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | | Current | | Non-Current | |
|---|---|---|---|---|---|
| | | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| | **Unquoted Compulsory convertible preference shares** | | | | |
| | 0.016 lakhs (March 31, 2019: Nil) Compulsory Convertible Preference Shares ('CCPS') of ₹ 100/- each in Wegot Utility Solutions Private Limited | - | - | - | - |
| | 0.03 lakhs (March 31, 2019: 0.03 Lakhs) CCPS of ₹ 100/- each in Snaptude Technologies Private Limited | - | - | 6 | 10 |
| | **Total Investments carried at FVTOCI** | **-** | **-** | **16** | **97** |
| **D.** | **Investments at Amortised Cost** | | | | |
| | *Investment in Bonds (unquoted)* | | | | |
| | 250 units (March 31, 2019: 400 units) of ₹ 10,00,000/- each fully paid up and 300 Units of ₹ 5,00,000/- each (March 31, 2019: Nil) fully paid up in Lakshmi Vilas Bank Limited | - | - | 4,000 | 4,000 |
| | *Investment in Government or trust securities (unquoted)* | | | | |
| | Government securities | - | - | 2 | 2 |
| | **Total Investments at amortised cost** | **-** | **-** | **4,002** | **4,002** |
| | **Total Investments (A+B+C)** | **1,620** | **4,133** | **5,594** | **5,634** |
| | Notes: | | | | |
| | a) Aggregate amount of quoted investments and net asset value | 1,620 | 4,133 | 402 | 451 |
| | b) Aggregate amount of unquoted investments | - | - | 5,192 | 5,183 |
| | c) Aggregate amount of impairment in value of investments | - | - | - | - |

## 7 Loans

| (Unsecured, considered good) | Non-Current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Security deposits | 299 | 266 | 215 | 183 |
| Loans to related parties (refer note 32) | - | - | 1,788 | 1,305 |
| Loans to employees | - | - | 32 | 46 |
| Deposits under joint development arrangements* | 27,171 | 28,672 | - | - |
| | **27,470** | **28,938** | **2,035** | **1,534** |

* Advances paid by the Group to the landowner towards joint development of land is recognized as deposits since the advance is in the nature of refundable deposits. Includes an amount of ₹ 13,520 lakhs (March 31, 2019: ₹ 12,450 lakhs) which is advanced for a period of more than 3 years and the management is confident of recovery/launch of these projects in the future.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 8 Other financial assets

| (Unsecured, considered good) | Non-Current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Receivable on sale of property, plant and equipment | - | 537 | - | - |
| Margin money deposits with banks | 6,953 | 7,307 | 271 | - |
| Interest accrued and not due on deposits | 124 | 87 | 548 | 690 |
| Unbilled revenue | - | - | 529 | 112 |
| Lease deposit | 9 | 2 | 23 | 9 |
| Advance for investment in partnership firm | 1,250 | 1,250 | - | - |
| Others | - | - | 256 | - |
| | **8,336** | **9,183** | **1,627** | **811** |

Refer note 15 for details of unbilled revenue pledged as security for borrowings.

## 9 Other assets

| | Non-Current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Land advance* | 12,111 | 9,567 | - | - |
| Advance to suppliers | - | - | 17,027 | 11,323 |
| Balances with statutory / government authorities | 4,932 | 4,490 | 7,895 | 3,817 |
| Prepaid expenses | 280 | 250 | 3,255 | 2,135 |
| Capital advances | 5,562 | 1,872 | - | - |
| Advances recoverable in cash or kind | 4 | 6 | 2,953 | 6,520 |
| Others | 1,113 | 714 | 252 | - |
| | **24,002** | **16,899** | **31,382** | **23,795** |

* Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Group and the Group/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation. Includes an amount of ₹ 5,610 lakhs which is advanced for a period of more than 3 years and the management is confident of obtaining the title for these projects including usage of Tangible Development Rights ('TDR') in the future.

## 10 Inventories

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **(Valued at lower of cost and net realisable value)** | | |
| Raw materials, components and stores | 3,977 | 5,808 |
| Work-in-progress (refer note 21.4) | 439,556 | 364,457 |
| Land stock | 2,081 | 10,047 |
| Stock of flats (refer note 21.4) | 75,322 | 101,294 |
| | **520,936** | **481,606** |

Refer note 15 for details of inventories pledged as security for borrowings.

## 11 Trade receivables (unsecured)

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Trade receivables, considered good | | |
| Receivable from others | 43,041 | 41,863 |
| Receivables from related parties (refer note 32) | 20 | 219 |
| Trade receivables - credit impaired | 345 | 261 |
| | **43,406** | **42,343** |
| Impairment Allowance (allowance for bad and doubtful debts) | | |
| Trade receivables - credit impaired | (345) | (261) |
| **Total trade receivables** | **43,061** | **42,082** |

Refer note 15 for details of trade receivables pledged as security for borrowings.

## 12.1 Cash and cash equivalents

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Balances with banks: | | |
| – On current accounts | 23,206 | 17,728 |
| – Deposits with original maturity of less than 3 months | 622 | 210 |
| Cash on hand | 161 | 165 |
| | **23,989** | **18,103** |

**Changes in liabilities arising from financing activities:**

| Particulars | Lease liabilities | Non-current borrowings | Current borrowings (including current portion) | Total |
|---|---|---|---|---|
| Balance as at April 1, 2018 | - | 263,308 | 75,661 | **338,969** |
| Cash inflows | - | 112,862 | - | **112,862** |
| Cash Outflows | - | (55,016) | (18,597) | **(73,613)** |
| Net cash credit facilities forming part of cash and cash equivalents for statement of cash flow | - | - | 329 | **329** |
| Others* | - | 10,401 | (10,401) | **-** |
| **Net debt as at March 31, 2019** | **-** | **331,555** | **46,992** | **378,547** |
| Lease liability recognised during the year | 7,245 | - | - | 7,245 |
| Cash inflows | - | 129,751 | - | 129,751 |
| Cash Outflows | - | (55,693) | (818) | (56,511) |
| Interest accrued and not due on loans | - | 1,415 | - | 1,415 |
| Net bank overdraft facilities forming part of cash and cash equivalents for statement of cash flow | - | - | (1,043) | (1,043) |
| Others* | - | (20,323) | 20,323 | - |
| **Net debt as at March 31, 2020** | **7,245** | **386,705** | **65,454** | **459,404** |

* Others indicate the effect of movement in reclassification of current portion of long-term borrowings to other financial liabilities basis the balance repayment period.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:**

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Balances with banks: | | |
| – On current accounts | 23,206 | 17,728 |
| – Deposits with original maturity of less than 3 months | 622 | 210 |
| Cash on hand | 161 | 165 |
| | **23,989** | **18,103** |
| Less - bank overdraft facilities (note 15) | (4,368) | (5,411) |
| | **19,621** | **12,692** |

## 12.2 Balances at bank other than Cash and cash equivalents

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Balances with banks: | | | | |
| – Deposits with remaining maturity of less than 12 months | - | - | 6,480 | 4,099 |
| – Deposits with original maturity of more than 12 months - Margin money deposits | 6,953 | 7,307 | - | - |
| – On unpaid dividend account* | - | - | 22 | 20 |
| | **6,953** | **7,307** | **6,502** | **4,119** |
| Amount disclosed under non-current financial assets (note 8) | (6,953) | (7,307) | - | - |
| | **-** | **-** | **6,502** | **4,119** |

*The Group can utilize the balance only towards settlement of the respective unpaid dividend.

**Break up of financial assets carried at amortised cost**

| | Notes | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| Investments | 6 | 4,002 | 4,002 |
| Loans (current) | 7 | 2,035 | 1,534 |
| Loans (non-current) | 7 | 27,470 | 28,938 |
| Trade receivables | 11 | 43,061 | 42,082 |
| Cash and cash equivalents | 12.1 | 23,989 | 18,103 |
| Bank balances other than cash and cash equivalents | 12.2 | 6,502 | 4,119 |
| Other financial assets (current) | 8 | 1,627 | 811 |
| Other financial assets (non-current) | 8 | 8,336 | 9,183 |
| | | **117,022** | **108,772** |

## 13 Share capital

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Authorised share capital (No.)** | | |
| 2,500 lakhs (March 31, 2019: 1,500 lakhs) Equity shares of ₹ 10 each | 25,000 | 15,000 |
| | | |
| **Issued, subscribed and fully paid-up shares (No.)** | | |
| 2,044 lakhs (March 31, 2019: 1,361 lakhs) Equity shares of ₹ 10 each | 20,438 | 13,618 |
| **Total issued, subscribed and fully paid-up shares** | **20,438** | **13,618** |

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

| Equity shares | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. in lakhs | ₹ | No. in lakhs | ₹ |
| At the beginning of the year | 1,361 | 13,618 | 1,360 | 13,607 |
| Issued during the year pursuant to the exercise of stock options | 1 | 10 | 1 | 11 |
| Issue of bonus shares (refer note below) | 681 | 6,810 | - | - |
| **Balance at the end of the year** | **2,043** | **20,438** | **1,361** | **13,618** |

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company:**

| Equity shares | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. in lakhs | % holding | No. in lakhs | % holding |
| **Equity shares of ₹10 each fully paid** | | | | |
| M.R. Jaishankar | 345 | 17% | 230 | 17% |
| Githa Shankar | 281 | 14% | 187 | 14% |
| Nirupa Shankar | 140 | 7% | 93 | 7% |

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**(d) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:**

| | No. in lakhs | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium | 681 | - |

On August 30, 2019, pursuant to a bonus issue approved by the shareholders at the annual general meeting held on August 14, 2019, the Company has allotted 6,81,01,581 fully paid up equity shares of face value ₹10 each in the ratio of 1:2, i.e., 1 bonus share of ₹10 each fully paid up for every 2 shares of ₹10 each fully paid up held in the Company as at the record date of August 29, 2019. The bonus shares have been issued by way of capitalization of securities premium.

**(d) Shares issued for consideration other than cash and reserved for issue under options**

The Company has issued total 15 Lakhs shares (March 31, 2019: 18 Lakhs shares) during the period of 5 years immediately preceding the reporting date on exercise of options granted under Employee Stock Option Plan ('ESOP') wherein part consideration was received in the form of employee services.

For details of shares reserved for issue under the ESOP of the Company, refer note 35.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 14 Other equity

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Capital reserve** | | |
| Balance at the beginning of the year | 1 | 1 |
| Movement during the year | - | - |
| **Balance at the end of the year** | **1** | **1** |
| **Securities premium** | | |
| Balance at the beginning of the year | 117,557 | 117,480 |
| Add: Issue of equity shares pursuant to exercise of stock options | 180 | 77 |
| Less: utilisation pursuant to bonus issue | (6,810) | - |
| **Balance at the end of the year** | **110,927** | **117,557** |
| Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act. | | |
| **Amount received against share warrants*** | | |
| Balance at the beginning of the year | - | - |
| Movement during the year | 2,875 | - |
| **Balance at the end of the year** | **2,875** | **-** |
| *During the year, the Company has issued warrants to the Promoter Group and Promoter Entity @ ₹ 179.33 per warrant aggregating to ₹ 11,500 lakhs. The Company has received ₹ 2,875 lakhs from warrant holders being initial 25% of the consideration and the balance 75% of the consideration shall be collected at the time of allotment of the equity shares pursuant to exercise of options by the warrant holders within a period of 18 months from the date of allotment of warrants. | | |
| **Debenture redemption reserve** | | |
| Balance at the beginning of the year | 1,031 | 678 |
| Add: Amount transferred from surplus balance in the statement of profit and loss | 303 | 353 |
| **Balance at the end of the year** | **1,334** | **1,031** |
| **Revaluation reserve** | | |
| Balance at the beginning of the year | 829 | 829 |
| Movement during the year | - | - |
| **Balance at the end of the year** | **829** | **829** |
| **Stock options outstanding account** | | |
| Balance at the beginning of the year | 191 | 49 |
| Add: Compensation expense for options granted during the year | 201 | 176 |
| Less: Transferred to securities premium on exercise of stock options | (54) | (34) |
| **Balance at the end of the year** | **338** | **191** |
| Stock options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees. In case of lapse, corresponding balance is transferred to general reserve. | | |
| **Equity component of compound financial instruments - interest free loans** | | |
| Balance at the beginning of the year | 4,566 | 4,328 |
| Movement during the year | - | 238 |
| **Balance at the end of the year** | **4,566** | **4,566** |
| **Equity component of compound financial instruments** | | |
| Balance at the beginning of the year | - | - |
| Movement during the year | 19 | - |
| **Balance at the end of the year** | **19** | **-** |

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Equity instruments through OCI** | | |
| Balance at the beginning of the year | 27 | - |
| Movement during the year | (122) | 27 |
| **Balance at the end of the year** | **(95)** | **27** |
| **General reserve** | | |
| Balance at the beginning of the year | 11,025 | 10,952 |
| Transfer from retained earnings | 153 | 73 |
| **Balance at the end of the year** | **11,178** | **11,025** |
| General reserve represents appropriation of profit. | | |
| **Retained earnings** | | |
| Balance at the beginning of the year | 68,095 | 80,778 |
| Total comprehensive income for the year | 13,027 | 24,031 |
| Dividend (including dividend distribution tax) - (refer note 30) | (5,747) | (3,283) |
| Transfer to Debenture Redemption Reserve | (303) | (353) |
| Transfer to General Reserve | (153) | (73) |
| Reversal of profits on account of transition to Ind AS 115 (net of tax) | - | (40,667) |
| Minority share impact on account of transition to Ind AS 115 (net of tax) | - | 7,662 |
| Other adjustments | 784 | - |
| **Balance at the end of the year** | **75,703** | **68,095** |
| | **207,675** | **203,322** |
| **Non-controlling interests** | | |
| Balance at the beginning of the year | 18,843 | 22,306 |
| Total comprehensive income for the year | (1,658) | 4,199 |
| Investment in equity of group companies | 200 | - |
| Drawings in partnership firms | (14) | - |
| Reversal of profits on account of transition to Ind AS 115 (net of tax) | - | (7,662) |
| Other adjustments | (784) | - |
| **Balance at the end of the year** | **16,587** | **18,843** |

## 15 Borrowings

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Non-current borrowings** | | |
| ***Debentures (unsecured)*** | | |
| 490 (March 31, 2019: 490) 16% A Series Non Convertible Debentures (NCD) of ₹10,00,000 each (refer below note for borrowings (i)) | 4,900 | 4,900 |
| 2,57,55,200 (March 31, 2019: 2,57,55,200) 12% A Series Fully Convertible Debentures (FCD) of ₹100 each (refer below note for borrowings (ii)) | 25,755 | 25,755 |
| 250 (March 31, 2019: 250) 14.10% B Series NCD of ₹ 1,000,000 each (refer below note for borrowings (iii)) | 2,500 | 2,500 |
| 30,00,000 (March 31, 2019 - Nil) Unlisted 12% A Series NCD of ₹100 each (refer below note for borrowings (iv)) | 3,000 | - |
| 15,00,000 (March 31, 2019 - Nil) Unlisted 12% B Series NCD of ₹ 100 each (refer below note for borrowings (v)) | 1,500 | |
| 1,500,000 (March 31, 2019 - Nil) Unlisted 12% B Series II NCD of ₹ 100 each (refer below note for borrowings (vi)) | 1,500 | - |
| 3,000,000 (March 31, 2019 - Nil) 12% A Series NCD of ₹100 each (refer below note for borrowings (vii)) | 3,000 | - |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| 15,00,000 (March 31, 2019 - Nil) 12% B Series NCD of ₹100 each (unsecured) (refer below note for borrowings (viii)) | 1,500 | - |
| 53,920 Unlisted 0.01% Non– Convertible redeemable debentures of ₹ 100 each (unsecured) (refer below note for borrowings (ix)) | 31 | - |
| **Liability component of compound financial instruments (unsecured)** | | |
| Compulsorily Convertible Preference shares(CCPS) | 9 | 9 |
| **Loans from related parties (unsecured)** | | |
| Loans from related parties (refer note 32) | 13,164 | 11,850 |
| **Term loans from banks (secured)** | | |
| Term loans from banks | 390,932 | 327,304 |
| | **447,791** | **372,318** |
| Less: Current maturities - term loans from banks* | (61,086) | (40,763) |
| **Total non-current borrowings** | **386,705** | **331,555** |
| * Represent amounts repayable within the operating cycle. Amount repayable within twelve months is ₹31,740 lakhs (March 31, 2019: ₹26,326 lakhs). | | |
| **Current borrowings** | | |
| **Loans from banks repayable on demand** | | |
| Bank overdraft facilities (secured) | 4,368 | 5,411 |
| **Other loans from banks** | | |
| Working capital loan facilities from banks (secured) | - | 818 |
| **Total current borrowings** | **4,368** | **6,229** |

**Notes:**

**Debentures**

(i) A Series NCD have been issued at par carrying an interest rate of 16% per annum. These are mandatorily redeemable at the expiry of 7 years from the date of its issue i.e. March 20, 2015. The redemption of the A Series NCD shall be solely in accordance with the provisions of the Investment Agreements and the NCD Agreement.

(ii) A Series fully convertible debentures have been issued at par carrying an interest rate of 12% per annum. These are mandatorily convertible to into Class C equity shares at the expiry of 20 years from the date of its issue i.e. March 09, 2016, however the Group may at any time prior to the expiry of 20 years convert the A Series fully convertible debentures into Class C equity shares. 1 (one) A Series fully convertible debenture would be converted to 10 (Ten) Class C equity shares. The conversion of the A Series fully convertible debentures shall be solely in accordance with the Investment Agreements and the Articles. The Group has offered to convert and/or redeem the instrument on March 31, 2024.

(iii) B Series NCD have been issued at par carrying interest rate of 14.10% per annum. These are mandatorily redeemable within a period of 7 years from the date of issue i.e. July 05, 2017. The redemption of the B Series NCD shall be solely in accordance with the provisions of the Investment Agreements and the Articles.

(iv) A Series NCD have been issued at par carrying interest rate of 12% per annum. These are mandatorily redeemable within a period of 5 years from the date of issue i.e. May 03, 2019. The redemption of the A Series NCD shall be solely in accordance with the provisions of the Investment Agreements and the Articles.

(v) B Series NCD have been issued at par carrying interest rate of 12% per annum. These are mandatorily redeemable within a period of 5 years from the date of issue i.e. September 27, 2019. The redemption of the B Series NCD shall be solely in accordance with the provisions of the Investment Agreements and the Articles.

(vi) B Series II NCD have been issued at par carrying interest rate of 12% per annum. These are mandatorily redeemable within a period of 5 years from the date of issue i.e. December 26, 2019. The redemption of the B Series II NCD shall be solely in accordance with the provisions of the Investment Agreements and the Articles.

(vii) A Series NCD have been issued at par carrying an interest rate of 12% per annum. These are non-convertible and mandatorily redeemable at the expiry of 5 years from the date of its issue i.e., April 24, 2019. The redemption of A Series NCD shall be solely in accordance with the provisions of the NCD agreement.

(viii) B Series NCD have been issued at par carrying an interest rate of 12% per annum. These are non-convertible and mandatorily redeemable at the expiry of 5 years from the date of its issue i.e., February 17, 2020. The redemption of B Series NCD shall be solely in accordance with the provisions of the NCD agreement.

(ix) NCD have been issued at par carrying an interest rate of 0.01% per annum. These are non-convertible and mandatorily redeemable at the expiry of 5 years from the date of its issue i.e., March 25, 2020.

**CCPS**

> CCPS have been issued at par carrying a cumulative dividend rate of 0.01% per annum. The holder of CCPS may at any time prior to the expiry of 20 years exercise the option to convert CCPS to Class C equity shares. 1 (one) CCPS would be converted to 10 (ten) Class C equity share. The options (including conversion) under the CCPS shall be exercised solely in accordance with the Investors Agreements and the Articles. The subsidiary company has offered to convert the instrument on March 31, 2024. The presentation of liability and equity portions of CCPS is explained in the summary of significant accounting policy.

**Loans from related parties**

> Loans from related parties are unsecured, repayable over a period of 12 years with effective interest rate of 10-12% p.a.

**Term Loans from banks**

> Term loan from banks of ₹65,341 lakhs (March 31, 2019: ₹49,217 lakhs) are secured by way of assignment of project receivables and further secured by collateral security of underlying land, building and movable fixed assets. The loans carry interest in the range of 8-12% and are repayable within 12-60 instalments of upto ₹300 lakhs.

> Term loan from banks of ₹3,25,591 lakhs (March 31, 2019: ₹2,78,087 lakhs) by way of mortgage of project properties, future lease rentals and Cash flows of Hotels. The loans carry interest rate in the range of 8-12% and are repayable within 60-144 instalments of upto ₹300 lakhs.

**Loans from banks repayable on demand**

> Bank overdraft facilities from banks (secured) are secured by way of mortgage of project properties and are personally guaranteed by the Directors of the Holding Company. The facilities carry interest rate in the range of 10%-13% and are repayable on demand.

**Other loans from banks**

> Working capital loan from banks are secured by way of mortgage of project properties. The loans carry interest rate in the range of 10-12%.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 16 Other financial liabilities

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Lease deposits | 8,776 | 4,539 | 11,823 | 8,550 |
| Interest accrued but not due | - | 3,062 | 16,423 | 8,835 |
| Current maturities of long-term borrowings (note 15) | - | - | 61,086 | 40,763 |
| Payable towards purchase of property, plant and equipment | - | - | 29,188 | 8,143 |
| Employee benefits payable | - | - | 2,663 | 3,479 |
| Interest free deposits from customers | 477 | 1,624 | 22,259 | 16,725 |
| Lease liability | 7,120 | - | 125 | - |
| Other liabilities | - | - | 987 | 14 |
| | **16,373** | **9,225** | **144,554** | **86,509** |

## 17 Provisions

| | Long term | | Short term | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| **Provision for employee benefits** | | | | |
| Gratuity (refer note 34) | 161 | 142 | 200 | 256 |
| Leave benefits | 14 | 27 | 544 | 542 |
| | **175** | **169** | **744** | **798** |
| **Other provisions** | | | | |
| Provision for losses on construction contracts* | - | - | 132 | - |
| | **175** | **169** | **876** | **798** |

* Represents provision made during the current year towards contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

## 18 Income Tax

### 18.1 Deferred tax liabilities, net

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| *Deferred tax liabilities* | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 4,823 | |
| Impact of accounting for financial instruments at amortized cost | 1,980 | |
| Others | 394 | |
| **Gross deferred tax liabilities** | **7,197** | |
| *Deferred tax assets* | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years | - | |
| Deferred tax on reversal of profits recognised at transition date on account of transition to Ind AS 115 | 6,067 | |
| Unused tax credit - MAT Credit entitlement | 120 | |
| **Gross deferred tax assets** | **6,187** | |
| **Net deferred tax liabilities** | **1,010** | |

### 18.2 Deferred tax assets, net

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| *Deferred tax liabilities* | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 940 | 6,306 |
| Impact of accounting for financial instruments at amortized cost | 37 | 3,451 |
| Others | 154 | 973 |
| **Gross deferred tax liabilities** | **1,131** | **10,730** |
| *Deferred tax assets* | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 646 | 135 |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years | 8,279 | 5,927 |
| Deferred tax on reversal of profits recognised at transition date on account of transition to Ind AS 115 | 68 | 12,182 |
| Unused tax losses | 6,682 | 3,595 |
| Others | 201 | 299 |
| **Gross deferred tax assets** | **15,876** | **22,138** |
| **Net deferred tax assets** | **14,745** | **11,408** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 18.3 Tax expense

| Components of income tax expense | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Statement of profit and loss:** | | |
| Current income tax: | | |
| Current income tax charge | 7,190 | 10,287 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (2,455) | 4,265 |
| **Income tax expense reported in the statement of profit or loss** | **4,735** | **14,552** |
| **Other comprehensive income** | | |
| Deferred tax related to items recognised in OCI during in the year: | | |
| Income tax relating to remeasurements (loss)/gain of defined benefit plans and equity instrument through OCI | (66) | 24 |
| **Income tax (credit)/expense reported in OCI** | **(66)** | **(24)** |

**Notes:**

**1. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Accounting profit before income tax | 16,135 | 42,742 |
| Tax on accounting profit at statutory income tax rate 25.17%/29.12% (March 31, 2019: 34.94%/29.12%) | 4,699 | 14,934 |
| *Impact of non-deductible expenses for tax purposes:* | | |
| Disallowance u/s 80G | 197 | 58 |
| *Impact of non taxable income for tax purposes:* | | |
| Share of profit of Associate | 160 | 177 |
| Sec 80IB Benefit availed | - | (614) |
| Impact due to change in tax rate* | (968) | - |
| Tax effect of other non-deductible expenses/(non-taxable income), net | 648 | (3) |
| **Tax expense reported in the Statement of profit or loss** | **4,735** | **14,552** |

* On September 20, 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 vide the Taxation Laws (Amendments) Ordinance 2019, which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain conditions. The Company and few of its subsidiaries have opted to pay corporate tax at reduced rates effective April 01, 2019 and accordingly, the tax expenses for the year ended March 31, 2020 is net of reversal of ₹ 968 lakhs.

**2. Reconciliation of deferred tax liabilities (net of deferred tax assets):**

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Balance at the beginning of the year | (11,408) | 2,594 |
| Deferred tax (credit)/charge for the year recognised in statement of profit and loss | (2,455) | 4,265 |
| Deferred tax (credit)/charge during the year recognised in OCI | (66) | 24 |
| MAT Credit utilised/(recognised) | - | 104 |
| Deferred tax (credit)/charge during the year on reversal of profits due to Ind AS 115 | - | (19,726) |
| Others | 194 | 1,331 |
| **Balance at the end of the year** | **(13,735)** | **(11,408)** |

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 19 Other liabilities

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2020 ₹ | March 31, 2019 ₹ | March 31, 2020 ₹ | March 31, 2019 ₹ |
| Deferred revenue (refer note 21.2) | 583 | 2,917 | 210,120 | 212,590 |
| Income received in advance | 6,004 | 1,946 | 3,570 | 346 |
| Lease equalisation reserve | - | 2,600 | - | - |
| Advance from customers | 726 | - | 17,833 | 26,950 |
| Liability under joint development arrangement* | - | - | 133,038 | 97,261 |
| Statutory dues payable | - | - | 2,988 | 3,325 |
| Unclaimed dividend** | - | - | 22 | 19 |
| Other liabilities | - | - | 101 | 109 |
| | **7,313** | **7,463** | **367,672** | **340,600** |

*Includes amount payable to landowners where the Group has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Group has agreed to transfer certain percentage of constructed area/ revenue proceeds, net of revenue recognised.

**Investor Education and Protection Fund shall be credited for unclaimed dividends when due.

## 20 Trade payables

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Trade payable | | |
| - Total outstanding dues of micro enterprises and small enterprises | 1,965 | 1,460 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| - Payable to related parties (refer note 32) | 120 | 204 |
| - Payable to other parties | 47,964 | 59,144 |
| | **50,049** | **60,808** |

| Break up of financial liabilities carried at amortised cost | Notes | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| Borrowings (non-current) | 15 | 386,705 | 331,555 |
| Borrowings (current) | 15 | 4,368 | 6,229 |
| Trade payable | 20 | 50,049 | 60,808 |
| Other financial liabilities (current) | 16 | 144,554 | 86,509 |
| Other financial liabilities (non-current) | 16 | 16,373 | 9,225 |
| | | **602,049** | **494,326** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 21 Revenue from operations

| | | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| **Revenue from contracts with customers** | | | |
| -Revenue from real estate development | | 191,400 | 234,927 |
| -Revenue from hospitality services | | 32,231 | 29,703 |
| -Revenue from maintenance services | | 7,123 | 6,713 |
| Income from leasing | | 29,137 | 24,646 |
| | **(A)** | **259,891** | **295,989** |
| | | | |
| Other operating revenue | | | |
| Commission income | | 375 | 389 |
| Others | | 2,950 | 900 |
| | **(B)** | **3,325** | **1,289** |
| | | | |
| | **(A)+(B)** | **263,216** | **297,278** |

### 21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers by timing of transfer of goods or services.

| **Revenue from contracts with customers** | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Revenue from real estate development | | |
| - Recognised at a point in time | 151,287 | 205,917 |
| - Recognised over time | 40,113 | 29,010 |
| Revenue from hospitality services (recognized over time) | 32,231 | 29,703 |
| Revenue from maintenance services (recognized over time) | 7,123 | 6,713 |
| | **230,754** | **271,343** |

### 21.2 Contract balances

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Contract assets | | |
| -Trade receivables | 40,871 | 40,495 |
| -Unbilled revenue | 529 | 112 |
| Contract liabilities | | |
| - Deferred Revenue | 210,703 | 215,507 |
| - Advance from customers | 17,833 | 26,950 |
| | **269,936** | **283,064** |

Trade receivables are generally on credit terms as per schedule of upto 30 days.

Contract liabilities include advances received from customers, deferred revenue and liability under joint development arrangements representing transaction price allocated to unsatisfied performance obligations. The outstanding balances of these accounts has been increased primarily on account of deferred revenue pursuant to adoption of Ind AS 115.

| | |
|---|---|
| Revenue recognised in the reporting period that was included in the deferred revenue balance at the beginning of the period | 103,279 |
| Revenue recognised in the reporting period from performance obligations satisfied in previous periods | - |

### 21.3 Performance obligations

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year *

| | |
|---|---|
| Revenue to be recognised at a point in time | 210,703 |

* The Group expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

### 21.4 Assets recognised from the costs to obtain or fulfil a contract with a customer

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Inventories | | |
| - Work-in-progress | 439,556 | 364,457 |
| - Stock of flats | 75,322 | 101,294 |
| Prepaid expenses (represents brokerage costs pertaining to sale of real estate units) | 1,991 | 1,172 |

## 22 Other income

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Interest income on: | | |
| Bank deposits | 788 | 664 |
| Others (including unwinding of discount on financial assets) | 1,622 | 1,357 |
| Gain on sale of mutual fund | 40 | 531 |
| Fair Value gain on financial instruments at fair value through profit and loss | 69 | 122 |
| Profit on sale of property, plant and equipment | 6 | 594 |
| Provision no longer required, written back | - | 63 |
| Other non-operating income | 2,415 | 2,117 |
| | **4,940** | **5,448** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 23 Cost of raw materials, components and stores consumed

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Inventory at the beginning of the year | 5,808 | 7,618 |
| Add: Purchases | 11,178 | 12,126 |
| | **16,986** | **19,744** |
| Less: Inventory at the end of the year | (3,977) | (5,808) |
| **Cost of raw materials, components and stores consumed** | **13,009** | **13,936** |

## 24 (Increase) in inventories of stock of flats, land stock and work-in-progress

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Inventories at the end of the year | | |
| Work-in-progress - Real estate | 439,556 | 364,457 |
| Land stock | 2,081 | 10,047 |
| Stock of flats | 75,322 | 101,294 |
| | 516,959 | 475,798 |
| Inventories at the beginning of the year | | |
| Work-in-progress - Real estate | 364,457 | 162,099 |
| Land stock | 10,047 | 10,995 |
| Stock of flats | 101,294 | 37,235 |
| Impact on inventory on account of transition to Ind AS 115 | | |
| Work-in-progress - Real estate | - | 125,478 |
| Stock of flats | - | 47,314 |
| | 475,798 | 383,121 |
| Cost of land transferred to related parties for CSR activities (refer note 32) | (218) | - |
| Add: Cost of project transferred from Capital Work in Progress to Work in progress | 1,227 | 26,382 |
| Less: Cost of project transferred from Work in Progress to Capital Work in progress | - | (1,510) |
| | **(40,152)** | **(67,805)** |

## 25 Employee benefits expense

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Salaries and wages | 19,624 | 17,195 |
| Contribution to provident and other funds | 864 | 739 |
| Share based payments to employees (refer note 35) | 201 | 176 |
| Staff welfare expenses | 911 | 680 |
| | **21,600** | **18,790** |

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 26 Depreciation and amortization expense

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Depreciation of property, plant and equipment (note 3.1) | 7,982 | 7,045 |
| Depreciation on investment properties (note 4) | 10,757 | 6,734 |
| Amortization of intangible assets (note 5) | 314 | 221 |
| Depreciation of Right-of-use assets (note 3.1 & 4) | 151 | - |
| | **19,204** | **14,000** |

## 27 Finance costs

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Interest charges* | | |
| On bank borrowings | 35,277 | 28,612 |
| On debentures** | 5,056 | 4,228 |
| On loans from related parties** | 1,416 | 1,264 |
| On lease deposit | 808 | 500 |
| On lease liabilities (refer note 33) | 664 | - |
| Other borrowing costs | 2,237 | 1,277 |
| | **45,458** | **35,881** |
| Less: Interest capitalised | (11,424) | (8,031) |
| **Total** | **34,034** | **27,850** |

* Gross of interest amounting to ₹ 6,660 lakhs (March 31, 2019: ₹5,217 lakhs) inventorised to qualifying work in progress.

** Refer Note 32

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 28 Other expenses

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Legal and professional fees | 3,633 | 3,290 |
| Payments to auditors (refer note below) | 191 | 161 |
| Architect & consultancy fees | 2,321 | 2,602 |
| Property tax | 1,873 | 1,735 |
| Power and fuel | 4,291 | 3,368 |
| Rent | 197 | 868 |
| Repairs & maintenance: | | |
| Building | 3,401 | 1,576 |
| Plant & machinery | 793 | 679 |
| Others | 1,215 | 883 |
| Insurance | 498 | 388 |
| Rates and taxes | 1,560 | 1,524 |
| License fees and plan approval charges | 4,563 | 4,636 |
| Brokerage and discounts | 2,042 | 1,540 |
| Advertisement and sales promotion | 6,808 | 6,522 |
| Travelling and conveyance | 1,886 | 1,856 |
| Training and recruitment expenses | 216 | 289 |
| Communication costs | 421 | 363 |
| Loans and advances written off | 4 | - |
| Property maintenance cost | 386 | 916 |
| Bad debts written off | 55 | 30 |
| Provision for doubtful debts | 162 | 235 |
| Printing and stationery | 266 | 241 |
| Security charges | 2,217 | 2,373 |
| Provision for contract losses | 132 | - |
| Donation | 1,563 | 168 |
| Political contribution | 310 | 320 |
| Directors' sitting fees and commission | 83 | 98 |
| Exchange difference (net) | 57 | - |
| Miscellaneous expenses | 2,610 | 3,387 |
| | **43,754** | **40,048** |

| **Payment to auditor:** | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| As auditor: | | |
| Audit fees | 133 | 106 |
| Limited review | 36 | 34 |
| Other services | 18 | 14 |
| Reimbursement of expenses (excluding Goods and Service tax) | 4 | 7 |
| | **191** | **161** |

## 29 Earnings per share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the holding company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Profit after tax | 13,058 | 23,991 |
| Weighted average number of equity shares for basic EPS (No. in lakhs) | 2,043 | 2,042 |
| Effect of dilution: stock options granted under ESOP and share warrants (No. in lakhs) | 16 | 1 |
| Weighted average number of equity shares adjusted for the effect of dilution (No. in lakhs) | **2,059** | **2,043** |

*In accordance with Ind AS 33 - Earnings per share, the earnings per share has been adjusted for previous year to give effect to the bonus issue. (refer note 13)

## 30 Distribution made and proposed

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended on March 31, 2019: ₹ 2.00 per share (for the year ended March 31, 2018 - ₹ 2.00) | 2,724 | 2,722 |
| Interim dividend for the year ended on March 31, 2020: ₹ 1.00 per share (for the year ended March 31, 2019 - ₹ Nil) | 2,044 | - |
| Tax on dividend | 1,092 | 559 |
| Dividend Distribution Tax paid in subsidiaries | (113) | (199) |
| | **5,747** | **3,082** |
| **Proposed dividends on equity shares:*** | | |
| Final cash dividend for the year ended on March 31, 2020: ₹ 2.00 per share (March 31, 2019: ₹ 2.00 per share) | - | 2,724 |
| Tax on proposed dividend | - | 560 |
| | **-** | **3,284** |

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including tax thereon) as at the balance sheet date.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 31 Commitments and contingencies

### a. Other Commitments

(i) The estimated amount of contract (net of advance) remaining to be executed on capital account not provided for is ₹ 86,394 lakhs (March 31, 2019: ₹92,809 lakhs)

(ii) The Group has given ₹ 39,282 lakhs (March 31, 2019: ₹ 38,239 lakhs) as advances/deposits for purchase of land/ joint development. Under the agreements executed with the land owners, the Group is required to make further payments and/or give share in area/ revenue from such development in exchange of undivided share in land based on the agreed terms/ milestones.

(iii) In connection with Group's investments in certain subsidiaries, the Group has entered into shareholders agreement with other shareholders wherein it has certain commitments including further investment in accordance with the terms of the agreement.

(iv) The holding company has entered into a power purchase agreement with a party wherein the holding company has committed minimum purchase of power.

### b. Contingent liabilities

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Claims against the Group not acknowledged as debts | | |
| - Income tax (refer note below) | 8,203 | 2,676 |
| - Sales tax / Value added tax/ Entry tax | 1,601 | 1,823 |
| - Service tax | 3,692 | 3,692 |
| Letter of credit and bank guarantees | 18,283 | 3,187 |
| Others | 1,075 | - |
| | **32,854** | **11,378** |

**Other Litigations:**

The Group is also subject to certain legal proceedings and claims, which have arisen in the ordinary course of business, including certain litigation for commercial development or land parcels held for construction purposes, either through joint development arrangements or through outright purchases, the impact of which is not quantifiable. These cases are pending with various courts and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the management believes that these cases will not have an adverse effect on the Consolidated Ind AS financial statements.

The Group has received a legal notice from a vendor demanding payment of compensation of ₹1,214 lakhs for procuring maximum permissible Floor Space Index for development of land parcels procured from such vendor. The Group does not expect any payment in respect of the aforesaid obligation/ claim and it is not probable that an outflow of resources will be required to settle the same and hence, no provision has been made in the Consolidated Ind AS financial statements in this regard.

In November 2017, a search under Section 132(1) of Income Tax Act, 1961, was conducted at various premises of the Group. The management has complied with / responded to the notices received in this regard. During the year, the Group has received assessment orders and have submitted their appeals/rectifications with the concerned authorities and does not expect any additional liability beyond the amounts already provided for, on final assessment of the aforesaid matter. Based on management evaluation, the amounts demanded as per the assessment orders have been disclosed as contingent liability above.

Note: The Group does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timing of the cash outflows, if any, in respect of aforesaid matters and it is not probable that an outflow of resources will be required to settle the above obligations/claims.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 32 Related Party disclosure

| | | | |
|---|---|---|---|
| **I.** | **Names of related parties and related party relationship** | | |
| | Associates | Tandem Allied Services Private Limited | "TASPL" |
| | Enterprises having significant | Reco Begonia Pte. Ltd. | "RBPL" |
| | influence over the Group | Reco Iris Pte. Ltd. | "RIPL" |
| | | Reco Caspia Pte Ltd | "RCPL" |
| | Key management personnel ("KMP") | Mr. M.R. Jaishankar, Chairman and Managing Director | |
| | | Mrs. Githa Shankar, Executive Director (Upto November 06, 2019) | |
| | | Ms. Pavitra Shankar, Executive Director (From May 16, 2018) | |
| | | Ms. Nirupa Shankar, Executive Director (From May 16, 2018) | |
| | | Mr. Amar Mysore, Executive Director (From May 16, 2018) | |
| | | Mr. Vineet Verma, Executive Director | |
| | | Mr. Roshin Mathew, Executive Director (From November 07, 2019) | |
| | Enterprises owned or | Mysore Holdings Private Limited | "MHPL" |
| | significantly influenced | Brigade Foundation Trust | "BFT" |
| | by KMP | M.R. Jaishankar (HUF) | "MRJ" |
| | | Indian Music Experience Trust | "IMET" |
| **(ii)** | **Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year KMP's:** | | |
| | - Chief Financial Officer | Mr. Atul Goyal ( From August 02, 2018) | |
| | | Mr. Pradeep K P (upto June 22, 2018) | |
| | | Mr. Ananda Natarajan | |
| | | Mr. Bhuvan T M (From July 26, 2018) | |
| | | Mr. Ankit Garg (July 24, 2018 to November 18, 2019) | |
| | | Mr. Sivaram N (From March 26, 2019) | |
| | | Mr. Akhil Mottamary (From January 30, 2020) | |
| | - Company Secretary & Compliance Officer | Mr. P. Om Prakash | |
| | | Mr. Veerabhadra M Khanure | |
| | | Mr. Nagaraj K V (upto January 05, 2019) | |
| | | Ms. Amrutha Bhaskar | |
| | | Ms. Akanksha Bijawat (From January 25, 2019) | |
| | | Mr. Vineet Dharmdas (From January 23, 2020) | |
| | | Ms. Priti Mishra (From April 15, 2019 to August 23, 2019) | |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | |
|---|---|
| | Ms. Varsha Jain (From May 31, 2019 to October 31, 2019) |
| - Manager | Mr. Pradyumna Krishna Kumar |
| | Mr. Amar Mysore (upto July 27, 2018) |
| | Mr. Manjunath Prasad (From March 26, 2019) |
| | Mr. Arindam Mukherjee (From March 30, 2019) |
| | Mr. Harakumar K G (From July 26, 2018) |
| Directors | Mr. M.R. Shivram ( upto August 17, 2018) |
| | Mr. M.R. Gurumurthy (upto August 17, 2018) |
| | Mr. P.V. Maiya |
| | Dr. Srinivas Murthy (upto August 17, 2018) |
| | Mr. Aroon Raman |
| | Mr. Bijou Kurien |
| | Mr. M.S. Ravindra |
| | Mrs. Lakshmi Venkatachalam |
| | Ms. Meera Krishna Kumar |
| | Mr. Pradeep Kumar Panja |
| | Mr. Balram Menon |
| | Dr. Venkatesh Panchapagesan (From May 16, 2018) |
| Relatives of KMP/ Directors | Mr. M R Shivram |
| | Mrs. Kavita Om Prakash |
| | Mrs. Umadevi |
| | Mrs. Nishi Goyal |
| | Mrs. M.K. Manjula |
| | Mr. Ramakrishnan Suresh |
| | Mrs. Reena Roshin Mathew |
| | Mrs. Latha Shivaram |
| | Mr. M R Krishna Kumar |
| | Mr. M R Gurumurthy |
| | Mr. M R Shivram (HUF) |

## II. Related party transactions and balances

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

### a. Sale/ purchase of goods, services and capital assets and advances given

| | Year ended | Transactions during the year | | | | | | | | | | Balances as at the year-end | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Revenue from operation | Other income | Purchase of capital assets | Purchase of goods | Purchase of services / expenses | Sale of capital assets | Lease rental pass-through | Security deposits received | Advance received/ (paid) | Advances given/ (repaid) | Trade receivable | Other Financial Asset | Trade Payable | Other current financial liabilities | Other current liabilities | Long term loans | Short term loans |
| Enterprises owned or significantly influenced by KMP | | | | | | | | | | | | | | | | | | |
| MHPL | 31-Mar-20 | 2 | - | - | - | - | - | - | 3 | (208) | - | - | - | 1 | 3 | 1,425 | - | - |
| | 31-Mar-19 | 3,216 | - | - | - | - | - | - | - | 4,849 | - | - | - | 130 | - | 1,633 | - | - |
| BFT | 31-Mar-20 | 8 | 140 | - | - | - | - | - | - | - | - | 2 | - | - | - | - | - | - |
| | 31-Mar-19 | - | 358 | - | - | - | - | - | - | - | - | - | 537 | - | - | - | - | |
| IMET | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | 2 | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | 2 | - | - | - | - | - | - |
| M R Jaishankar (HUF) | 31-Mar-20 | 45 | 62 | - | - | - | - | - | - | - | - | - | - | - | - | 500 | 598 | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | 500 | - | - | - | - | - | 500 | 536 | - |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Year ended | Transactions during the year | | | | | | | | | Balances as at the year-end | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Revenue from operation | Other income | Purchase of capital assets | Purchase of goods | Purchase of services / expenses | Sale of capital assets | Lease rental pass-through | Security deposits received | Advance received/ (paid) | Advances given/ (repaid) | Trade receivable | Other Financial Asset | Trade Payable | Other current financial liabilities | Other current liabilities | Long term loans | Short term loans |
| **KMP** | | | | | | | | | | | | | | | | | | |
| Mr. M R Jaishankar | 31-Mar-20 | 10 | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,125 | 40 | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | 1,125 | - | - | - | - | - | 1,125 | 40 | - |
| Mrs. Githa Shankar | 31-Mar-20 | 3 | - | - | - | - | - | - | - | - | (21) | - | - | - | - | - | - | 6 |
| | 31-Mar-19 | 3 | - | - | - | - | - | - | - | 21 | - | - | - | - | - | 21 | - | 6 |
| Mr. M.R. Shivram & Mr. Amar Mysore (Under joint ownership) | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | 804 | - | - | - | - | - | - | - | 804 | - | - | - | - | - | - | - | - |
| Mr. Vineet Verma | 31-Mar-20 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ms. Nirupa Shankar | 31-Mar-20 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mr. Amar Mysore | 31-Mar-20 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | 1 | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mr. P Om Prakash | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | 81 | - | - | - | - | - | - | - | 16 | - | - | - | - | - | - | - | - |

| | Year ended | Transactions during the year | | | | | | | | | | Balances as at the year-end | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Revenue from operation | Other income | Purchase of capital assets | Purchase of goods | Purchase of services / expenses | Sale of capital assets | Security deposits given | Security deposits received | Advance received/ (paid) | Advances given/ (repaid) | Trade receivable | Other Financial Asset | Trade Payable | Other current financial liabilities | Other current liabilities | Long term loans | Short term loans |
| **Relatives of KMP** | | | | | | | | | | | | | | | | | | |
| Mrs. Reena Roshin Mathew | 31-Mar-20 | - | - | - | - | 7 | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mrs. Umadevi | 31-Mar-20 | - | - | - | - | 9 | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | 9 | - | - | - | - | - | - | - | - | - | - | - | - |
| Mrs. Nishi Goyal | 31-Mar-20 | - | - | - | - | 15 | - | - | - | - | - | - | - | 1 | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | 11 | - | - | - | - | - | - | - | - | - | - | - | - |
| Mrs. Latha Shivram | 31-Mar-20 | - | - | - | - | - | - | - | - | 780 | - | - | - | - | - | 780 | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mrs. Kavita Om Prakash | 31-Mar-20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 31-Mar-19 | 102 | - | - | - | - | - | - | - | 17 | - | - | - | - | - | - | - | - |
| **Associate company** | | | | | | | | | | | | | | | | | | |
| TASPL | 31-Mar-20 | 2 | 184 | - | - | 904 | - | - | - | - | - | 16 | - | 119 | - | - | - | - |
| | 31-Mar-19 | 7 | 232 | - | - | 875 | - | - | - | - | - | 217 | - | 74 | - | - | - | - |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**b. Reimbursement of expenses paid/ received**

| | Year ended | Reimbursement paid | Reimbursement received |
|---|---|---|---|
| **KMP** | | | |
| M R Jaishankar | 31-Mar-20 | - | - |
| | 31-Mar-19 | 2 | - |
| Mr. Vineet Verma | 31-Mar-20 | 4 | - |
| | 31-Mar-19 | 4 | - |
| Mr. Amar Mysore | 31-Mar-20 | 1 | - |
| | 31-Mar-19 | - | - |
| **Enterprises owned or significantly influenced by KMP** | | | |
| MHPL | 31-Mar-20 | 1 | - |
| | 31-Mar-19 | 3 | - |
| BFT | 31-Mar-20 | - | 9 |
| | 31-Mar-19 | - | - |

**c. Remuneration -**

**(i) Salaries, Bonus and Contribution to PF*** ₹

| | March 31, 2020 | March 31, 2019 | Payable as on March 31, 2020 | Payable as on March 31, 2019 |
|---|---|---|---|---|
| **KMP/ Relatives of KMP** | | | | |
| Mr. M.R. Jaishankar | 689 | 1,124 | 533 | 1579 |
| Mrs. Githa Shankar | 83 | 187 | 4 | 139 |
| Ms. Pavitra Shankar | 52 | 101 | 53 | 52 |
| Ms. Nirupa Shankar | 52 | 101 | 54 | 52 |
| Mr. Amar Mysore | 54 | 94 | 56 | 53 |
| Mr. Roshin Mathew | 82 | - | 10 | - |
| Mr. Atul Goyal | 199 | 79 | - | - |
| Mr. K P Pradeep | - | 22 | - | - |
| Mr. P. Om Prakash | 48 | 44 | - | - |
| Mr. Vineet Verma** | 141 | 140 | - | - |
| Mr. Balram Menon | 22 | 37 | - | - |
| Mr. Ananda Natarajan | 28 | 26 | - | - |
| Mr. Bhuvan T M | 22 | 20 | - | - |
| Mr. Ankit Garg | 13 | 10 | - | - |
| Mr. Nagaraj K V | - | 9 | - | - |
| Ms. Akanksha Bijawat | 12 | 2 | - | - |
| Mr. Veerabhadra M Khanure | 9 | 8 | - | - |
| Ms. Amrutha Bhaskar | 8 | 5 | - | - |
| Mr. Akhil Motamarry | 3 | - | - | - |
| Mr. Vineet Dharmdas | 1 | - | - | - |
| Ms. Varsha Jain | 3 | - | - | - |
| Ms. Priti Mishra | 2 | - | - | - |

* The above compensation represents short-term employee benefit expenses and excludes expense towards gratuity, leave benefits and stock options as they are determined and recorded for the Group as a whole.

** Including share of profit in partnership firm - ₹ 10 lakhs (March 31, 2019: ₹ 14 lakhs)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**(ii) Directors' Sitting fees and commission** ₹

| | March 31, 2020 | March 31, 2019 | Payable as on March 31, 2020 | Payable as on March 31, 2019 |
|---|---|---|---|---|
| **Other directors** | | | | |
| Mr. M.R. Shivram | - | 1 | - | - |
| Mr. M.R. Gurumurthy | - | 1 | - | - |
| Mr. P.V. Maiya | 1 | 2 | - | - |
| Dr. Srinivas Murthy | - | 1 | - | - |
| Mr. Aroon Raman | 14 | 16 | 12 | 15 |
| Mr. Bijou Kurien | 14 | 17 | 12 | 15 |
| Ms. Lakshmi Venkatachalam | 14 | 16 | 12 | 15 |
| Dr. Venkatesh Panchapagesan | 14 | 16 | 12 | 15 |
| Mr. Pradeep Kumar Panja | 16 | 18 | 12 | 15 |
| Mr. Mohan Parvatikar | 4 | 3 | - | - |
| Ms. Meera Krishna Kumar | 5 | 3 | - | - |
| Mr. M.S.Ravindra | 1 | 1 | - | - |

**d. Borrowings made**

| | Year ended | Transactions during the year | | | | Balances as at the year-end | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Shares issued | Debentures issued | Interest on debentures & CCPS | Conversion of debentures | Debentures outstanding | Interest payable | Other current asset | Debt component of CCPS | Equity component of CCPS* |
| **Enterprises having significant influence over the Group** | | | | | | | | | | |
| RIPL | 31-Mar-20 | - | 10,500 | 1,964 | - | 17,900 | 4,354 | - | - | - |
| | 31-Mar-19 | - | - | 1,137 | - | 7,400 | 2,685 | - | - | - |
| RBPL | 31-Mar-20 | - | - | - | - | - | 377 | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | 377 | - | - | - |
| RCPL | 31-Mar-20 | - | - | 3,092 | - | 25,755 | 11,111 | - | 9 | 10 |
| | 31-Mar-19 | - | - | 3,091 | - | 25,755 | 8,484 | - | 9 | 10 |

* Included in Non Controlling Interest

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## e. Loans taken/made by the Group from/to its shareholders

| BDPL's Shareholder's Name | Year ended | Equity component of interest free loan | Debt component of interest free loan | Interest Accrued on Loan | Interest | Financial Asset- Loans | Reimburse- ment paid for the year |
|---|---|---|---|---|---|---|---|
| Anitha Purnesh | 31-Mar-20 | 2,037 | 1,065 | 2,501 | 385 | 443 | 120 |
| | 31-Mar-19 | 2,037 | 1,065 | 2,116 | 341 | 323 | 215 |
| D M Purnesh | 31-Mar-20 | 227 | 119 | 217 | 36 | 5 | 1 |
| | 31-Mar-19 | 227 | 119 | 181 | 32 | 4 | 3 |
| D M Shankar | 31-Mar-20 | 487 | 255 | 434 | 74 | 101 | 27 |
| | 31-Mar-19 | 487 | 255 | 360 | 66 | 74 | 49 |
| D S Abhinand | 31-Mar-20 | 285 | 149 | 248 | 42 | 61 | 16 |
| | 31-Mar-19 | 285 | 149 | 206 | 38 | 45 | 30 |
| D S Shravan Thejas | 31-Mar-20 | 285 | 149 | 248 | 42 | 61 | 16 |
| | 31-Mar-19 | 285 | 149 | 206 | 38 | 45 | 30 |
| Manjula Reddy T V | 31-Mar-20 | 302 | 158 | 170 | 34 | 74 | 20 |
| | 31-Mar-19 | 302 | 158 | 136 | 31 | 54 | 36 |
| Naveen T V | 31-Mar-20 | 63 | 33 | 37 | 7 | 44 | 11 |
| | 31-Mar-19 | 63 | 33 | 30 | 7 | 33 | 22 |
| Saraswathamma | 31-Mar-20 | 693 | 362 | 460 | 89 | 105 | 29 |
| | 31-Mar-19 | 693 | 362 | 371 | 79 | 76 | 51 |
| Valmark Estates Pvt. Ltd. | 31-Mar-20 | 753 | 394 | 448 | 90 | - | - |
| | 31-Mar-19 | 753 | 394 | 358 | 80 | - | - |
| Ratan B Lath | 31-Mar-20 | 1,813 | 948 | 1,407 | 253 | 447 | 121 |
| | 31-Mar-19 | 1,813 | 948 | 1,154 | 225 | 326 | 218 |
| Tejraj Gulecha | 31-Mar-20 | 1,813 | 948 | 2,414 | 361 | 447 | 121 |
| | 31-Mar-19 | 1,813 | 948 | 2,053 | 322 | 326 | 218 |

## f. Loans made by PHVL from its shareholders

| PHVL's Shareholder's Name | Year ended | Transactions during the year | | | | Balances as at the year-end | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Issue of 0.01% B Series Cumulative CCPS | Issue of Non-convertible debentures | Loans (ICDs) | Interest | Interest expenses Waived Off | Equity component of compound financial instruments (NCD) | Liability component of compound financial instruments (NCD) | Interest due |
| Subramanian Engineering limited | 31-Mar-20 | 150 | 50 | - | 3 | 5 | 17 | 31 | - |
| | 31-Mar-19 | - | - | 100 | 3 | - | - | - | 6 |

## g. Other transactions

1. During the year, the Holding and Subsidiary Companies has made donation to IMET - ₹ 182 Lakhs (March 31, 2019: Nil).
2. During the year, the Holding and Subsidiary Companies has made donation to BFT of ₹ 1,273 Lakhs (March 31, 2019: ₹ Nil), including gift of land amounting to ₹ 218 lakhs (March 31, 2019: Nil)
3. During the year, the Holding Company has received dividend from TASPL of ₹ 67 Lakhs (March 31, 2019: ₹ 37 Lakhs).
4. The Company has Paid ₹ 860 Lakhs (March 31, 2019: ₹ Nil) to M.R.Jaishankar (HUF) towards its share of collections from Brigade Atmosphere Project (Joint Development Project Where M.R.Jaishankar (HUF) is the land owner)
5. Brigade Innovations LLP has received ₹ 50 Lakhs (March 31, 2019: Nil) towards the Investment as capital in the LLP
6. The Company has paid the dividend to KMP's and other related parties as below:

₹

| Name of the Person/Company | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Mr. M R Jaishankar | 807 | 461 |
| Mrs. Githa Shankar | 655 | 374 |
| M R Jaishankar (HUF) | 97 | 55 |
| Ms.Nirupa Shankar | 326 | 187 |
| Mr. Amar Mysore | 45 | 26 |
| Mr. P. Om Prakash | 1 | 1 |
| Mr. M R Krishna Kumar | 138 | 79 |
| Mr. M R Gurumurthy | 39 | 23 |
| Mr. M R Shivram | 61 | 35 |
| Mr. M R Shivram (HUF) | 71 | 41 |
| M/s MHPL | 11 | 3 |

**h. Other information**

1. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than those disclosed above.

   The Group has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.

2. In respect of the transactions with the related parties, the Group has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

## 33 Leases

**A. Transition to Ind AS 116**

**1. Effect of adoption of new accounting standard on Leases: Ind AS 116**

The Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 01, 2019. The standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

On transition, the adoption of new standard resulted in recognition of Right of use asset (ROU) of ₹ 3,673 lakhs (net of lease equalisation reverse of ₹ 2,600 lakhs as on April 01, 2019, and a lease liability of ₹ 6,273 lakhs.

In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost of ROU and finance cost for interest accrued on lease liability.

In the context of initial application, the Group has exercised the option — not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**2. Reconciliation of lease liability**

| | As at April 01, 2019 ₹ |
|---|---|
| Off-balance sheet lease obligations as of March 31, 2019 | - |
| Add:- Current leases with lease term of 12 months or less (short-term leases) | - |
| Add:- Leases of low value assets (low-value leases) | - |
| Operating lease obligations as of April 01, 2019 (gross without discounting) | 22,402 |
| Less:- Effect from discounting at the incremental borrowing rate as at April 01, 2019 | 16,129 |
| Lease liabilities due to initial application of Ind AS 116 as at April 01, 2019 | 6,273 |

The lease liabilities were discounted using the incremental borrowing rate of the Group as at April 01, 2019. The weighted average discount rate used for recognition of lease liabilities was 10.50%.

**B. Group as Lessee**

**Set out below are the carrying amount of right-of-use assets recognised and movements during the period:**

| | ₹ |
|---|---|
| **Adoption of Ind AS 116 Leases - As at April 01, 2019** | 3,673 |
| Additions during the year | 866 |
| Depreciation during the year | 151 |
| **Closing net carrying balance - As at March 31, 2020** | **4,388** |

**Set out below are the carrying amounts of lease liabilities and the movements during the period:**

| | Lease liability ₹ |
|---|---|
| **Adoption of Ind AS 116 Leases - As at April 01, 2019** | 6,273 |
| Additions during the year | 866 |
| Accretion of interest | 664 |
| Payments | (558) |
| **Closing balance - As at March 31, 2020** | **7,245** |
| **Non-current** | **7,120** |
| **Current** | **125** |

| **Statement of profit and loss** | **March 31, 2020 ₹** |
|---|---|
| Depreciation expense of right-of-use assets | 151 |
| Interest expense on lease liabilities | 664 |
| Expense relating to short-term leases (included in other expenses) | 197 |
| **Total amount recognised in profit and loss** | **1,012** |

| **Statement of cash flows** | **March 31, 2020 ₹** |
|---|---|
| **Amount recognised in statement of cash flow** | |
| Total cash outflow for leases | 558 |

**C. Group as lessor**

The Group has entered into operating leases (cancellable and non-cancellable) on its investment properties portfolio consisting of certain office and retail buildings with varying lease terms of upto eighteen years and with escalation and renewal clauses. All leases include a clause to enable upward revision of the lease rental on periodical basis and includes variable rent determined based on percentage of sales of lessee in certain cases. The Group is also required to maintain the property over the lease term.

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Lease rentals recognised as an income in the statement of profit and loss* | 29,137 | 24,646 |

*Includes:

(a) income from certain commercial properties, which are held as inventory and leased out during the interim period until such properties are sold.

(b) income based on percentage of sales is ₹ 806 lakhs (March 31, 2019: ₹ 762 lakhs).

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Within one year | 21,698 | 4,354 |
| After one year but not more than five years | 40,623 | 10,203 |
| More than five years | 222 | - |
| | **62,543** | **14,557** |

## 34 Defined benefit plan - Gratuity

The Group operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amount recognised in the balance sheet.

## Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2020

| Gratuity | April 01, 2019 | Expense charged to profit or loss | | | Benefits paid | Remeasurement gains/(losses) in other comprehensive income | | | | | Contributions by employer | March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Service cost | Net interest expense | Sub-total included in profit or loss | | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | | |
| Defined benefit obligation | 1,176 | 212 | 109 | 321 | (92) | - | (5) | 22 | (56) | (39) | - | 1,366 |
| Fair value of plan assets | 778 | - | 46 | 46 | (61) | 2 | - | - | - | 2 | 240 | 1,005 |
| **Net liability - Gratuity** | **398** | | | **275** | **(31)** | | | | | **(41)** | **(240)** | **361** |

## Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2019

| Gratuity | April 01, 2018 | Expense charged to profit or loss | | | Benefits paid | Remeasurement gains/(losses) in other comprehensive income | | | | | Contributions by employer | March 31, 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Service cost | Net interest expense | Sub-total included in profit or loss | | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | | |
| Defined benefit obligation | 1,033 | 176 | 64 | 240 | (43) | - | 2 | (85) | 29 | (54) | - | 1,176 |
| Fair value of plan assets | 716 | - | 42 | 42 | (45) | - | - | - | - | - | 65 | 778 |
| **Net liability - Gratuity** | **317** | | | **198** | **2** | | | | | **(54)** | **(65)** | **398** |
| **Subsidiaries with net asset balance** | | | | | | | | | | | | |
| Defined benefit obligation | 112 | 21 | 9 | 29 | (9) | - | - | - | 9 | 9 | - | 141 |
| Fair value of plan assets | 128 | - | - | - | (5) | 10 | - | - | - | 10 | 58 | 191 |
| **Net asset - Gratuity** | **(17)** | | | **29** | **(4)** | | | | | **(1)** | **(58)** | **(50)** |

The major categories of plan assets of the fair value of the total plan assets are as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fund Managed by Insurer | 100% | 100% |

The principal assumptions used in determining pension and post-employment benefit obligations for the Group's plans are shown below:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Discount rate | 8% | 8% |
| Future salary benefit levels | 10%-12% | 10%-12% |
| Expected rate of return on assets | 8.0% | 8.0% |

A quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below:

| Particulars | March 31, 2020 | | | | March 31, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| Assumptions | Discount Rate | | Further Salary Increase | | Discount Rate | | Further Salary Increase | |
| Sensitivity Level | -1.0% | 1.0% | -1.0% | 1.0% | -1.0% | 1.0% | -1.0% | 1.0% |
| | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) | INR (lakhs) |
| Impact on defined benefit obligation - Gratuity | 112 | -84 | -79 | 103 | 74 | -68 | -61 | 67 |
| % change compared to base due to sensitivity | -91.8% | -106.1% | -105.8% | -92.5% | -94.6% | -105.0% | -104.5% | -95.1% |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan - gratuity in future years:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Within 1 year | 200 | 256 |
| Between 2 and 5 years | 161 | 142 |
| **Total expected payments** | **361** | **398** |

## 35 Share based payment

The Company provides share-based payment schemes to its employees. During the year ended March 31, 2020, two employee stock option plans (ESOPs) were in existence. The relevant details of the scheme and the grants are as below:

**Employees Stock Option Scheme ('ESOP 2011'):** The Company instituted this scheme pursuant to the Board of Directors and Shareholders' resolution dated May 04, 2011 and August 11, 2011, respectively. As per ESOP 2011, the Company granted 24,94,300 (till March 31, 2019: 24,94,300) options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The options under this grant would vest to the employees equally as 25% of the total grant every year at the end of first, second, third and fourth year from the date of the grant respectively, with an exercise period of five years from the date of respective vesting. The contractual life (comprising the vesting period and the exercise period) of options granted is 9 years from date of such grant. The other relevant terms of the grant are mentioned below.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**Employees Stock Option Scheme ('ESOP 2017'):** The Company instituted this scheme pursuant to the Board of Directors and Shareholders' resolution dated August 08, 2017 and September 21, 2017, respectively. As per ESOP 2017, the Company granted 22,14,557 (till March 31, 2019: 13,68,270) options comprising equal number of equity shares in one or more tranches to the eligible employees of the Company and its subsidiaries. The options under this grant would vest to the employees equally as 25% of the total grant every year at the end of first, second, third and fourth year from the date of the grant respectively, with an exercise period of five years from the date of respective vesting. The contractual life (comprising the vesting period and the exercise period) of options granted is 9 years from date of such grant. The other relevant terms of the grant are mentioned below.

The fair value of the share options is estimated at the grant date using Black Scholes Model taking into account the terms and conditions upon which the share options are granted and there are no cash settled alternatives for employees.

Expense recognised for employee services received during the year is shown in the following table:

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Expense arising from equity settled share based payment transactions (net of reversals on account of forfeitures) | | |
| - ESOP 2011 | 11 | (7) |
| - ESOP 2017 | 190 | 183 |
| | 201 | 176 |

**Movements during the year ESOP 2011****

The following table illustrates the number and weighted average exercise price of share options during the year

The details of activity under the Scheme are summarized below:

| | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. of options (lakhs) | WAEP* ₹ | No. of options (lakhs) | WAEP* ₹ |
| Outstanding at the beginning of the year | 0.4 | 50 | 2.2 | 50 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | 50 | 0.7 | 50 |
| Exercised during the year | 0.3 | 50 | 1.1 | 50 |
| Outstanding at the end of the year | 0.1 | 50 | 0.4 | 50 |
| Exercisable at the end of the year | 0.1 | 50 | 0.4 | 50 |

*Weighted Average Exercise Price

** There were no cancellations or modifications to the plan during the year ended March 31, 2020 and March 31, 2019.

For options exercised during the period, the weighted average share price at the exercise date was ₹ 270.07 per share (March 31, 2019: ₹ 223.14 per share). The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 is 1 year (March 31, 2019: 1.3 years)

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant 1-2 | Grant 3 |
|---|---|---|
| Dividend yield (%) | 1.52% | 1.21% |
| Expected volatility (%) | 48.42% | 34.90% |
| Risk-free interest rate (%) | 7.81% | 6.80% |
| Weighted average share price (₹) | 131.68 | 275.30 |
| Exercise price (₹) | 50.00 | 50.00 |
| Expected life of the options granted (in years) (vesting and exercise period) | 7.66 | 7.66 |

**Movements during the year for ESOP 2017****

The following table illustrates the number and weighted average exercise price of share options during the year.

The details of activity under the Scheme are summarized below:

| | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. of options (lakhs) | WAEP* ₹ | No. of options (lakhs) | WAEP* ₹ |
| Outstanding at the beginning of the year | 13 | 250 | - | - |
| Granted during the year | 2 | 167 | 14 | 250 |
| Forfeited during the year | 2 | 167 | 1 | 250 |
| Exercised during the year | 1 | 167 | - | - |
| Additional options granted pursuant to bonus** | 6 | 167 | - | - |
| Outstanding at the end of the year | 18 | 167 | 13 | 250 |
| Exercisable at the end of the year | 3 | 167 | - | - |

*Weighted Average Exercise Price

** Pursuant to the Bonus Issue (refer note 13) there has been modification to ESOP 2017 scheme.

Committee of Directors vide resolution dated August 30, 2019 have further approved the grant of 6,28,721 additional Options and revised the issue price of Options to ₹ 166.67 in accordance with the bonus issue ratio. This is in accordance with the Brigade Employee Stock Option Plan, 2017 and the approval provided by the Members.

For options exercised during the period, the weighted average share price at the exercise date was ₹ 226.02 per share (March 31, 2019: Nil). The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 is 5.9 years (March 31, 2019: 6.74 years)

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant 1 | Grant 2 | Grant 3 | Grant 4 |
|---|---|---|---|---|
| Dividend yield (%) | 0.78% | 0.78% | 0.78% | 0.78% |
| Expected volatility (%) | 35.24% | 37.30% | 35.20% | 47.40% |
| Risk-free interest rate (%) | 6.41% | 7.20% | 7.20% | 7.20% |
| Weighted average share price (₹) | 255 | 214 | 161 | 198 |
| Exercise price (₹) | 167 | 167 | 167 | 167 |
| Expected life of the options granted (in years) [vesting and exercise period] | 7.50 | 7.50 | 7.50 | 7.50 |

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

## 36 Segment reporting

For management purposes the Group is organised into 3 Strategic Business Units (SBUs) based on risks and rates of return of the products and services offered by those SBUs as follows: Real Estate, Hospitality and Leasing. The management reviews operating results of SBUs separately for the purpose of making decisions about resource allocation and performance assessment. Also the companies financing (including finance costs and finance income) and income taxes are managed at corporate level and are not allocated to operating Segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

| | For the year ended March 31, 2020 | | | | For the year ended March 31, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | Real Estate | Hospitality | Leasing | Total | Real Estate | Hospitality | Leasing | Total |
| **Revenue** | | | | | | | | |
| External Customers | 195,681 | 33,440 | 37,572 | 266,693 | 237,449 | 30,519 | 33,088 | 301,056 |
| Inter-segment | (2,119) | (421) | (937) | (3,477) | (546) | (430) | (2,802) | (3,778) |
| **Total Revenue** | **193,562** | **33,019** | **36,635** | **263,216** | **236,903** | **30,089** | **30,286** | **297,278** |
| **Expenses** | | | | | | | | |
| Depreciation and amortisation expense | 822 | 7,467 | 10,771 | 19,060 | 975 | 6,291 | 6,734 | 14,000 |
| Add: Unallocable amount | | | | 144 | | | | - |
| | | | | 19,204 | | | | 14,000 |
| **Segment Profit** | 44,364 | 1,133 | 14,404 | 59,901 | 58,830 | 1,198 | 14,247 | 74,275 |
| Add: Other income (including interest income) | | | | 4,940 | | | | 5,448 |
| Less: Finance costs | | | | (34,034) | | | | (27,850) |
| Less: Other unallocable expenditure | | | | (12,782) | | | | (9,308) |
| **Profit before share of profit of Associate and Exceptional Items** | | | | **18,025** | | | | **42,565** |
| Share of profit of Associate (net of tax) | | | | 160 | | | | 177 |
| **Profit before exceptional items and tax** | | | | **18,185** | | | | **42,742** |
| Less: Exceptional items | | | | (2,050) | | | | - |
| **Profit before tax** | | | | **16,135** | | | | **42,742** |

| | For the year ended March 31, 2020 | | | | For the year ended March 31, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | Real Estate | Hospitality | Leasing | Total | Real Estate | Hospitality | Leasing | Total |
| **Segment Assets** | 631,773 | 97,383 | 416,860 | 1,146,016 | 589,505 | 94,207 | 331,499 | 1,015,211 |
| Add: Investments | | | | 7,214 | | | | 9,767 |
| Add: Loans to related parties | | | | 1,788 | | | | 1,305 |
| Add: Cash and cash equivalents and bank balances | | | | 30,491 | | | | 22,222 |
| Add: Other unallocable assets | | | | 40,586 | | | | 31,481 |
| | | | | **1,226,095** | | | | **1,079,986** |
| **Segment Liabilities** | 425,206 | 21,497 | 55,611 | 502,314 | 397,637 | 17,048 | 27,964 | 442,649 |
| Add: Borrowings | | | | 452,159 | | | | 378,547 |
| Add: Deferred tax liabilities (net) | | | | 1,010 | | | | - |
| Add: Other unallocable liabilities | | | | 25,912 | | | | 23,007 |
| | | | | **981,395** | | | | **844,203** |
| **Other disclosures** | | | | | | | | |
| Capital expenditure | 349 | 11,957 | 89,057 | 101,363 | 1,091 | 14,848 | 34,252 | 50,191 |

The Group is domiciled in India. The Group's revenue from operations from external customers primarily relate to operations in India and all the non-current assets of the Group are located in India.

## 37 Fair value measurements

The details of fair value measurement of Group's financial assets/liabilities are as below:

| | Level | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|---|
| **Financial assets/liabilities measured at fair value through profit/loss:** | | | |
| Investment in quoted investments | Level 1 | 2,022 | 4,584 |
| Investment in unquoted equity instruments of other companies | Level 3 | 13 | 16 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. There have been no transfers between levels during the period.

The management assessed that the carrying values of cash and cash equivalents, trade receivables, investments, loans, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

- The quoted investments (mutual funds and bonds) are valued using the quoted market prices in active markets for identical investments.

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

## 38 Capital management

The Group's objectives of capital management is to maximize the shareholder value. In order to maintain or adjust the capital structure, the Group may adjust the return to shareholders, issue/ buyback shares or sell assets to reduce debt. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below.

- Equity includes equity share capital and all other equity components attributable to the equity holders

- Net Debt includes borrowings (non-current and current), trade payables and other financial liabilities, less cash and cash equivalents (including bank balances other than cash and cash equivalents and margin money deposits with banks)

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Borrowings (non-current and current, including current maturities of non-current borrowings) | 452,159 | 378,547 |
| Trade payables | 50,049 | 60,808 |
| Other financial liabilities (current and non-current excluding current maturities of non-current borrowings) | 99,841 | 54,971 |
| Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits) | (37,444) | (29,529) |
| **Net Debt (A)** | **564,605** | **464,797** |
| Equity share capital | 20,438 | 13,618 |
| Other equity | 224,262 | 222,165 |
| **Equity (B)** | **244,700** | **235,783** |
| **Equity plus net debt ( C = A + B )** | **809,305** | **700,580** |
| **Gearing ratio ( D = A / C )** | **70%** | **66%** |

In order to achieve the objective of maximize shareholders value, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowing.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

## 39 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade, other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision and are used exclusively for hedging purposes and not as trading or speculative instruments.

### i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real-estate risk.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The Group is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Group's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Group is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

**Interest rate sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

| | Change in interest rate | Effect of profit before tax |
|---|---|---|
| March 31, 2020 | +1% | 4,571 |
| | -1% | (4,571) |
| March 31, 2019 | +1% | 3,717 |
| | -1% | (3,717) |

The Group invests surplus funds in liquid mutual funds. The Group is exposed to market price risk arising from uncertainties about future values of the investment. The Group manages the equity price risk through investing surplus funds on liquid mutual funds for short term basis.

The table below summarises the impact of increase/decrease of the Net Asset Value (NAV) on the profit for the year. The analysis is based on the assumption that the NAV price would increase 5% and decrease by 5% with all variable constant.

| Increase/(decrease) in profit | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Price - increase by 5% | 81.00 | 206.63 |
| Price - decrease by 5% | (81.00) | (206.63) |

**ii. Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Group's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets.

Other financial assets like security deposits, loans and bank deposits are mostly with employees, government bodies and banks and hence, the Group does not expect any credit risk with respect to these financial assets.

With respect to trade receivables/ unbilled revenue, the Group has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for all unsecured receivables based on lifetime expected credit loss.

The following table summarizes the change in the loss allowance measured using ECL

| Particulars | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Opening balance | 261 | 26 |
| Amount provided during the year | 162 | 235 |
| Amount reversed during the year | (78) | - |
| **Closing balance** | **345** | **261** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### iii. Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below.

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Cash and cash equivalents | 23,989 | 18,103 |
| Bank balances other than Cash and cash equivalents | 6,502 | 4,119 |
| Margin money deposit | 6,953 | 7,307 |
| Investments - current | 1,620 | 4,133 |

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date, which are based on contractual undiscounted payments.

| | Maturity period | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **Financial liabilities - Current** | | | |
| Borrowings (current maturities of non-current borrowings) | Within 1 year | 31,740 | 26,326 |
| Borrowings (current maturities of non-current borrowings) | Between 1-3 years | 29,346 | 14,437 |
| Current borrowings (includes cash credit facilities from banks) | On demand | 4,368 | 5,411 |
| Current borrowings (includes cash credit facilities from banks) | Between 1-3 years | - | 818 |
| Trade payables | Within 1 year | 50,049 | 60,808 |
| Lease liabilities | Within 1 year | 125 | - |
| Other financial liabilities (excluding current maturities of non-current borrowings) | Within 1 year | 83,468 | 45,746 |
| | | | |
| **Financial liabilities - Non current** | | | |
| Borrowings | Between 1-10 years | 386,705 | 331,555 |
| Lease liabilities | Between 1-27 years | 7,120 | - |
| Other financial liabilities | Between 1-10 years | 16,373 | 9,225 |

## 40 Group Information

The Consolidated Ind AS financial statements of the Group includes the following components:

### (a) Associate

The Group has a 37% interest in Tandem Allied Services Private Limited ('Tandem'), which is engaged in real estate property management services in India. The Group's interest in Tandem is accounted for using the equity method in the Consolidated Ind AS financial statements. Tandem is not a listed company and hence, there is no quoted market price for the investment made by the Group.

The following table illustrates the summarised financial information of the Group's investment in Tandem:

#### (i) Summary of assets and liabilities

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Current assets | 2,285 | 1,914 |
| Non-current assets | 3,629 | 3,486 |
| Current liabilities | (1,019) | (825) |
| Non-current liabilities | (1,455) | (1,468) |
| **Total Equity** | **3,440** | **3,107** |
| **Attributable to the Group (37%)** | **1,273** | **1,150** |

#### (ii) Summary of profit and loss

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Total Revenue | 4,501 | 4,549 |
| Profit/(loss) for the year | 553 | 634 |
| **Total comprehensive income** | **550** | **612** |
| **Attributable to the Group (37%)** | **205** | **235** |

#### (iii) Summary of cash flows

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Net cash inflow/(outflow) during the year | (32) | 139 |

#### (iv) Summary of commitments and contingent liabilities

| | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|---|---|
| Capital commitments | 942 | - |
| Contingent liabilities | 39 | 4 |
| | **981** | **4** |
| **Attributable to the Group (37%)** | **363** | **1** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**(b) Subsidiaries**

| Name of the entity | Principal activities | Country of Incorporation / Principal place of business | % Equity interest held by the Group | |
|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 |
| BCV Developers Private Limited | Real Estate Development | India | 50.01% | 50.01% |
| Brigade Properties Private Limited (refer note 42) | Real Estate Development | India | 51% | 51% |
| Perungudi Real Estates Private Limited | Real Estate Development | India | 51% | 51% |
| SRP Prosperita Hotel Ventures Limited | Hospitality Services | India | 50.01% | 50.01% |
| Orion Property Management Services Limited (Formerly known as Orion Mall Management Company Limited) | Real Estate Management | India | 100% | 100% |
| Brigade Hospitality Services Limited | Hospitality Services | India | 100% | 100% |
| WTC Trades and Projects Private Limited | Real Estate Management | India | 100% | 100% |
| Brigade Tetrarch Private Limited | Real Estate Development | India | 100% | 100% |
| Brigade Estates and Projects Private Limited | Real Estate Development | India | 100% | 100% |
| Brigade Infrastructure and Power Private Limited | Real Estate Development | India | 100% | 100% |
| Celebrations LLP (Formerly known as Celebrations Catering and Events LLP) | Hospitality Services | India | 95% | 95% |
| Brigade (Gujarat) Projects Private Limited | Real Estate Development | India | 100% | 100% |
| Mysore Projects Private Limited | Real Estate Development | India | 100% | 100% |
| Brigade Innovations LLP | Real Estate Development | India | 99.82% | 99.80% |
| Brigade Hotel Ventures Limited | Hospitality Services | India | 100% | 100% |
| Augusta Club Private Limited | Hospitality Services | India | 100% | 100% |
| Brigade Flexible office Spaces LLP | Real Estate Development | India | 99.99% | - |

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| Name of the entity | Principal activities | Country of Incorporation / Principal place of business | % Equity interest held by non-controlling interests | |
|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 |
| BCV Developers Private Limited | Real Estate Development | India | 49.99% | 49.99% |
| Brigade Properties Private Limited | Real Estate Development | India | 49% | 49% |
| Perungudi Real Estates Private Limited | Real Estate Development | India | 49% | 49% |
| SRP Prosperita Hotel Ventures Limited | Hospitality Services | India | 49.99% | 49.99% |
| Celebrations LLP (Formerly known as Celebrations Catering and Events LLP) | Hospitality Services | India | 5% | 5% |
| Brigade Innovations LLP | Real Estate Development | India | 0.18% | 0.20% |
| Brigade Flexible office Spaces LLP | Real Estate Development | India | 0.01% | - |

## 41 Group Information (continued)

Financial information of subsidiaries that have non-controlling interests:

| | BCV Developers Pvt. Ltd. | | Brigade Properties Pvt. Ltd. (refer note 42) | | Celebrations LLP (Formerly known as Celebrations Catering and Events LLP) | | SRP Prosperita Hotel Ventures Ltd. | | Perungudi Real Estates Pvt. Ltd. | | Brigade Innovations LLP | | Brigade Flexible Office Spaces LLP | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(i) Summary of assets and liabilities** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** |
| Current assets | 86,735 | 96,035 | 19,391 | 23,900 | 577 | 694 | 462 | 524 | 33,796 | 29,333 | 110 | 120 | 392 | - |
| Non-current assets | 22,287 | 20,236 | 118,306 | 75,753 | 87 | 56 | 16,661 | 18,649 | 120,218 | 79,322 | 76 | 182 | 2,224 | - |
| Current liabilities | (44,321) | (59,691) | (28,280) | (25,974) | (500) | (413) | (2,222) | (2,855) | (36,204) | (20,561) | (120) | (33) | (1,027) | - |
| Non-current liabilities | (51,814) | (44,919) | (97,116) | (59,291) | - | - | (7,936) | (8,394) | (106,100) | (75,933) | (28) | (10) | (1,310) | - |
| **Total Equity** | **12,887** | **11,661** | **12,301** | **14,388** | **164** | **337** | **6,965** | **7,924** | **11,710** | **12,161** | **38** | **259** | **279** | **-** |
| **Attributable to:** | | | | | | | | | | | | | | |
| Equity holders of the parent | 9,134 | 8,522 | 6,865 | 6,787 | 122 | 291 | 5,540 | 5,970 | 5,829 | 6,059 | (12) | 258 | 279 | - |
| Non-Controlling Interests | 3,753 | 3,139 | 5,436 | 7,601 | 42 | 46 | 1,425 | 1,954 | 5,881 | 6,102 | 50 | 1 | - | - |
| | **12,887** | **11,661** | **12,301** | **14,388** | **164** | **337** | **6,965** | **7,924** | **11,710** | **12,161** | **38** | **259** | **279** | **-** |
| **(ii) Summary of profit and loss** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** |
| Total Revenue | 23,625 | 40,186 | 9,121 | 42,498 | 3,092 | 2,769 | 4,190 | 4,118 | 52 | 4 | 26 | 2 | 208 | - |
| Profit/(loss) for the year | 1,228 | 3,605 | (2,723) | 6,302 | 204 | 283 | (1,359) | (1,382) | (451) | (107) | (291) | (234) | 29 | - |
| Total comprehensive income | 1,226 | 3,610 | (2,723) | 6,302 | 203 | 281 | (1,357) | (1,378) | (451) | (107) | (469) | (203) | 29 | - |
| **Attributable to:** | - | | | | | | | | | | | | | |
| Equity holders of the parent | 612 | 1,808 | (1,342) | 3,655 | 193 | 267 | (678) | (687) | (230) | (54) | (468) | (203) | 29 | - |
| Non-Controlling Interests | 614 | 1,802 | (1,381) | 2,647 | 10 | 14 | (679) | (691) | (221) | (53) | (1) | - | - | - |
| | **1,226** | **3,610** | **(2,723)** | **6,302** | **203** | **281** | **(1,357)** | **(1,378)** | **(451)** | **(107)** | **(469)** | **(203)** | **29** | **-** |
| **(iii) Summary of cash flows** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** | **March 31, 2020 ₹** | **March 31, 2019 ₹** |
| Net cash inflow/ (outflow) during the year | (533) | 1,041 | (429) | 248 | (90) | 64 | (38) | (65) | 2,740 | 47 | (47) | 51 | 19 | - |

## 42 Scheme of Amalgamation

The Scheme of Amalgamation between Brigade Properties Private Limited ('BPPL') and its wholly owned subsidiary Brookefields Real Estates and Projects Private Limited ('BREPPL'), and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the

provisions of Sections 230 to 233 of the Companies Act, 2013 for amalgamation of BREPPL with BPPL has been approved by the Regional Director, Ministry of Corporate Affairs and Ministry of Commerce and Industry authorities on October 25, 2019, with an appointed date of April 01, 2018. The Scheme has no impact on the Consolidated Ind AS financial statements.

## 43 Additional information to Consolidated Ind AS financial statements based on the audited Standalone Ind AS financial statements of the components of the Group

| Name of the entity | Net Assets/ (Liabilities) | | | | Total comprehensive income for the year ended March 31, 2020 | | | | | | Total comprehensive income for the year ended March 31, 2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | | March 31, 2019 | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent** | | | | | | | | | | | | | | | | |
| Brigade Enterprises Limited | 65% | 254,353 | 64% | 230,705 | 143% | 26,080 | 4% | (9) | 145% | 26,071 | 72% | 23,422 | 21% | 19 | 72% | 23,441 |
| **Subsidiaries - Indian** | | | | | | | | | | | | | | | | |
| BCV Developers Private Limited | 3% | 12,887 | 3% | 11,661 | 7% | 1,228 | 1% | (2) | 7% | 1,226 | 11% | 3,605 | 6% | 5 | 11% | 3,610 |
| Brigade Properties Private Limited (refer note 42) | 3% | 12,301 | 4% | 14,388 | (15%) | (2,723) | 0% | - | (15%) | (2,723) | 19% | 6,302 | 0% | - | 19% | 6,302 |
| Perungudi Real Estates Private Limited | 3% | 11,710 | 4% | 12,161 | (2%) | (451) | 0% | - | 0% | (451) | (0%) | (108) | 0% | - | (0%) | (108) |
| SRP Prosperita Hotel Venture Limited | 2% | 6,965 | 2% | 7,924 | (7%) | (1,359) | (1%) | 2 | (8%) | (1,357) | (4%) | (1,382) | 4% | 4 | (4%) | (1,378) |
| Orion Property Management Services Limited (Formerly known as Orion Mall Management Company Limited) | 0% | 518 | 0% | 760 | 1% | 244 | 2% | (4) | 1% | 240 | 2% | 519 | 1% | 1 | 2% | 520 |
| Brigade Hospitality Services Limited | 1% | 2,369 | 1% | 3,003 | 2% | 445 | 5% | (10) | 2% | 435 | 2% | 656 | (4%) | (4) | 2% | 652 |
| WTC Trades and Projects Private Limited | 0% | 1,213 | 0% | 1,094 | 1% | 240 | 0% | - | 1% | 240 | 2% | 687 | 1% | 1 | 2% | 688 |
| Brigade Tetrarch Private Limited | 3% | 10,972 | 2% | 7,493 | (5%) | (844) | 0% | - | (5%) | (844) | (0%) | (153) | 0% | - | (0%) | (153) |
| Brigade Estates and Projects Private Limited | 1% | 4,903 | 1% | 4,045 | (0%) | (57) | 0% | - | (0%) | (57) | (0%) | (68) | 0% | - | (0%) | (68) |
| Brigade Infrastructure and Power Private Limited | 7% | 27,166 | 7% | 24,013 | (0%) | (17) | 0% | - | (0%) | (17) | 0% | 24 | 0% | - | 0% | 24 |
| Celebrations LLP (Formerly known as Celebrations Catering and Events LLP) | 0% | 164 | 0% | 337 | 1% | 204 | 0% | (1) | 1% | 203 | 1% | 283 | (2%) | (2) | 1% | 281 |
| Brigade (Gujarat) Projects Private Limited | 1% | 3,702 | 1% | 2,937 | (8%) | (1,491) | 0% | - | (8%) | (1,491) | (1%) | (416) | 0% | - | (1%) | (416) |
| Mysore Projects Private Limited | 4% | 16,380 | 3% | 8,253 | (2%) | (346) | 0% | - | (2%) | (346) | (1%) | (242) | 0% | - | (1%) | (242) |
| Brigade Innovations, LLP | 0% | 38 | 0% | 259 | (3%) | (291) | 85% | (178) | (4%) | (469) | (1%) | (234) | 34% | 31 | (1%) | (203) |
| Brigade Hotel Ventures Limited | 6% | 22,646 | 7% | 25,897 | (18%) | (3,246) | 2% | (5) | (18%) | (3,251) | (4%) | (1,230) | 16% | 14 | (4%) | (1,216) |
| Augusta Club Private Limited | 0% | 382 | 0% | 330 | 0% | 53 | 0% | - | 0% | 53 | 0% | 17 | 0% | - | 0% | 17 |
| Brigade Flexi office Spaces LLP | 0% | 279 | 0% | - | 0% | 29 | 0% | - | 0% | 29 | 0% | - | 0% | - | 0% | - |

| Name of the entity | Net Assets/ (Liabilities) | | | | Total comprehensive income for the year ended March 31, 2020 | | | | | | Total comprehensive income for the year ended March 31, 2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | | March 31, 2019 | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | | Share in profit/ (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Associates (as per equity method) - Indian | | | | | | | | | | | | | | | | |
| Tandem Allied Services Private Limited | 1% | 3,440 | 1% | 3,107 | 3% | 553 | 2% | (3) | 3% | 550 | 2% | 634 | 23% | 21 | 2% | 655 |
| **Sub total** | **100%** | **392,388** | **100%** | **358,367** | **100%** | **18,251** | **100%** | **(210)** | **100%** | **18,041** | **100%** | **32,316** | **100%** | **90** | **100%** | **32,406** |
| Share of Non-controlling interest in subsidiaries: | | | | | | | | | | | | | | | | |
| - Net Assets /(Liabilities) | | 16,587 | | 18,843 | | | | | | | | | | | | |
| - (Profit)/Loss | | | | | | (1,658) | | - | | (1,658) | | 4,199 | | - | | 4,199 |
| Elimination and consolidation adjustments | | (164,275) | | (141,427) | | (5,193) | | 57 | | (5,136) | | (8,325) | | (23) | | (8,348) |
| **Consolidated Total** | | **244,700** | | **235,783** | | **11,400** | | **(153)** | | **11,247** | | **28,190** | | **67** | | **28,257** |

**44** As per the transfer pricing rules prescribed under the Income-tax Act, 1961, the Group is examining the domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions involved.

## 45 Standards issued but not yet effective

As at March 31, 2020, there are no standards that have been issued but are not yet effective, which will impact the Consolidated Ind AS financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

**per Adarsh Ranka**
Partner
Membership no.: 209567

Place: Bengaluru
Date: June 18, 2020

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

**M.R. Jaishankar**
Chairman & Managing Director
DIN: 00191267

**Atul Goyal**
Chief Financial Officer

Place: Bengaluru
Date: June 18, 2020

**Pavitra Shankar**
Director
DIN: 08133119

**P. Om Prakash**
Company Secretary & Compliance Officer
Membership No:5435

BRIGADE

## BRIGADE ENTERPRISES LIMITED

Regd Off. : 29th & 30th Floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560055

# Building Positive Experiences!

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**
Regd Off: 29th & 30th Floors, World Trade Center, Brigade Gateway Campus
26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055

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

BRIGADE

**PRIVILEGE COUPON**

**Serial No:**

PROJECT NAME AND AREA : .....

NAME OF THE SHAREHOLDER : .....

CLIENT ID : .....

DEPOSITORY PARTICIPANT ID : .....

GIFTED TO (OPTIONAL) : .....

RESIDENTIAL ADDRESS : .....

.....

.....

TELEPHONE / MOBILE NO. : .....

EMAIL ID : .....

**CONDITIONS:**

1. Discount will be based on the list price on the date of booking.
2. The offer is valid up to 31st December, 2020.
3. Shareholders can avail the discount only for a single booking.
4. The privilege coupon can be gifted. In case it is gifted, apart from providing his details, the Shareholder needs to fill in the details of the person to whom it is being gifted.
5. The 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).

# Notice

Notice is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING (25th)** of the members of **BRIGADE ENTERPRISES LIMITED** will be held at 11.00 a.m. on Tuesday, September 29, 2020 through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020, including the Audited Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with the reports of the Board of Directors and Auditors thereon:

   a) **"RESOLVED THAT** the audited standalone financial statements of the Company including the Balance Sheet as at March 31, 2020, the statement of profit and loss, the cash flow statement for the year ended on that date, notes to financial statements, reports of the Board and Auditor's thereon be and are hereby received, considered and adopted."

   b) **"RESOLVED THAT** the audited consolidated financial statements of the Company including the Balance Sheet as at March 31, 2020, the statement of profit and loss, the cash flow statement for the financial year ended March 31, 2020, notes to financial statements, along with the Auditor's report thereon be and are hereby received, considered and adopted."

2. Confirmation of Dividend:

   **"RESOLVED THAT** Interim Dividend of 1.00 per equity share (10%) of ₹ 10/- each fully paid up declared and paid during the financial year 2019-20 be and is hereby confirmed as the Final Dividend for the financial year 2019-20."

3. To appoint a Director in place of Mr. Amar Mysore (DIN: 03218587) who retires by rotation and being eligible, offers himself for re-appointment:

   **"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Amar Mysore (DIN: 03218587) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

   **RESOLVED FURTHER THAT** Mr. Amar Mysore shall continue as Executive Director of the Company on the terms and conditions of his original appointment with effect from May 16, 2018 for a period of five years from that date."

4. To appoint a Director in place of Ms. Nirupa Shankar (DIN: 02750342) who retires by rotation and being eligible, offers herself for re-appointment:

   **"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Nirupa Shankar (DIN: 02750342), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

   **RESOLVED FURTHER THAT** Ms. Nirupa Shankar shall continue as Executive Director of the Company on the terms and conditions of her original appointment with effect from May 16, 2018 for a period of five years from that date.

## SPECIAL BUSINESS

5. To re-appoint Mr. Bijou Kurien as an Independent Director of the Company:

   The Board of Directors recommends to consider and if thought fit, to pass with or without modification(s) the following resolution as **a Special Resolution:**

   **"RESOLVED THAT,** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Bijou Kurien (DIN: 01802995) who has submitted to the Company his declaration of Independent Status and a statement that he doesn't suffer from any disqualifications as per Section 149 of Companies Act and as stipulated

under SEBI (LODR) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company for a period of five consecutive years from January 31, 2020 in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and who shall not be liable to retire by rotation.

6. To appoint Mr. Roshin Mathew as Whole-time Director of the Company:

The Board of Directors recommends to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, Mr. Roshin Mathew (DIN: 00673926), who was appointed as an Additional Director of the Company with effect from November 7, 2019 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded for appointment of Mr. Roshin Mathew as Whole-time Director, designated as Executive Director of the Company for a period of Five Years with effect from November 7, 2019 on the terms and conditions including remuneration as detailed out in the explanatory statement attached to the notice and is liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate based on the recommendation of the Nomination & Remuneration Committee, provided that such variation or increase as the case may be is within the overall limits specified in Schedule V & the relevant provisions of the Companies Act, 2013."

7. Ratification of remuneration payable to M/S. Murthy & Co. LLP, Cost Accountants, Cost Auditors for the Financial Year 2019-20:

The Board of Directors recommends to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration not exceeding ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand) apart from applicable taxes and out of pocket expenses to Messrs Murthy & Co. LLP, Cost Accountants (LLP ID No. AAB-1402), appointed as Cost Auditors by the Board of Directors of the Company for conducting cost audit for the financial year 2019-20 (April 01, 2019 to March 31, 2020) be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

8. Remuneration payable to Executive Promoter Directors in excess of the threshold limit as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors recommends to consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, consent of the members be and is hereby accorded to continue the payment of remuneration to Mr. M.R. Jaishankar, Chairman & Managing Director as well as Promoter of the Company as per the existing terms and conditions of his re-appointment approved by the Shareholders in the Twenty Second Annual General Meeting of the Company held on September 21, 2017 for a period of five years with effect from April 1, 2017 till the expiry of his term i.e. March 31, 2022, notwithstanding:

a) the annual remuneration payable to him exceeding

5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher, or

b) the aggregate annual remuneration of all the Executive Directors belonging to Promoter / Promoter Group exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 for the remaining period of present tenure of Mr. M. R. Jaishankar i.e. up to March 31, 2022.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

9. Fund Raising by the Company:

The Board of Directors recommends to consider and if thought fit, to pass with or without modification(s) the following resolution as **a Special Resolution**:

**"RESOLVED THAT** subject to the provisions of the Memorandum and Articles of Association of the Company and pursuant to the provisions of Sections 23, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force (the **"Companies Act")** and the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Foreign Exchange Management Act, 1999, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force (the **"FEMA"**), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, as amended and replaced from time to time (the **"FDI Policy"**), the relevant regulations of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, including any amendment(s), modification(s), variation or re-enactment thereof (the **"ICDR Regulations"**), the applicable listing agreement(s) entered into by the Company with the stock exchange(s) where the equity shares of the Company of the face value of Rs. 10 each (the **"Equity Shares"**) are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**) to the extent applicable, and all other applicable statutes, clarifications, rules, regulations, circulars, notifications, guidelines, as may be applicable, and as amended from time to time, issued by the Government of India (the **"GoI"**), Ministry of Corporate Affairs (the **"MCA"**), Reserve Bank of India (the **"RBI"**), Securities and Exchange Board of India (the **"SEBI"**), BSE Limited and National Stock Exchange of India Limited (collectively referred to as **"Stock Exchanges")** and/or any other regulatory/statutory authorities in India or abroad from time to time, to the extent applicable and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from any regulatory/statutory authorities and guidelines and clarifications issued thereon from time to time, including by the GoI, MCA, RBI, SEBI and the Stock Exchanges (hereinafter singly or collectively referred to as the **"Appropriate Authorities"**) as may be required and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (the **"Board"**) (which term shall be deemed to include any committee constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the best interest of the Company, the consent of the Members of the Company be and is hereby accorded to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash at such price that may be decided by the Board in terms of the applicable regulations and as permitted under the applicable law, in one or more tranches, with or without green shoe option for an aggregate amount of up to Rs. 500 Crores (Rupees Five Hundred Crores Only) to such investors, whether Indian or foreign, that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers (the **"QIBs"**) as defined in the ICDR Regulations, by way of a public and / private offerings, preferential issue, rights issue, qualified institutions placement (the **"QIP"**) in accordance with the provisions of Chapter VI of the ICDR Regulations, or through any other permissible mode and/or combination thereof as may be considered appropriate, by way of issue of non-convertible debentures or Equity Shares or

by way of issue of any financial instrument or security including securities convertible into Equity Shares such as warrants (in registered or bearer form), fully convertible debentures, partly convertible debentures and preference shares convertible into Equity Shares, and/or any other eligible securities which may or may not be listed (instruments mentioned above collectively with the Equity Shares to be hereinafter referred to as the **"Securities"**) or any combination of Securities, with or without premium or discount (as may be permitted), to be subscribed to in Indian and/or any foreign currency(ies) by all eligible investors, including, resident and/or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise)/ foreign portfolio investors/mutual funds/pension funds/ venture capital funds/ banks/alternate investment funds/ Indian and/or multilateral financial institutions, insurance companies and any other category of persons or entities who/which are authorised to invest in Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company (collectively referred to as the **"Investors"**), to all or any of them, jointly and/or severally through an offer/placement document and/or other letter or circular and/or letter of offer and / or on private placement basis, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, including securities premium, or its equivalent amount in such currencies as may be necessary inclusive of any premium and green shoe option attached thereto, in one or more tranche or tranches, at such price or prices, (whether at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) and on such terms and conditions at the Board's absolute discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company and where necessary in consultation with the book running lead managers and/ or underwriters and/or stabilizing agent and/or other advisors or otherwise on such terms and conditions, including making of calls and manner of appropriation of application money or call money, in respect of different class(es) of Investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be issued and allotted on conversion/ redemption/extinguishment of debt(s), rights attached to the warrants, terms of issuance, period of conversion, fixing of record date or book closure dates, if any, as the Board may in its absolute discretion decide, in each case, subject to the applicable laws.

**RESOLVED FURTHER THAT** the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such Securities, in terms of the Companies Act, the ICDR Regulations and other applicable laws, regulations and guidelines; in the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board.

**RESOLVED FURTHER THAT** in case of an issue and allotment of Securities by way of a QIP in terms of Chapter VI of the ICDR Regulations:

(i) the allotment of Securities, or any combination of Securities as may be decided by the Board, shall be completed within 365 days from the date of the resolution of the members of the Company or such other time as may be allowed under the ICDR Regulations;

(ii) the Equity Shares (including issuance of the Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) issued shall rank pari passu in all respects including entitlement to dividend with the existing Equity Shares of the Company as may be provided under the terms of issue and in accordance with the placement document(s);

(iii) any issue of Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations (the **"QIP Floor Price"**). The Board may, however, in its absolute discretion, issue Equity Shares at a discount of not more than five percent or as may be in accordance with the applicable law on such QIP Floor Price;

(iv) the allotment to a single Qualified Institutional Buyer (QIB) in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law; and

(v) the Securities shall not be sold for a period of one year from the date of allotment, except on a recognised Stock Exchange or except as may be permitted from time to time by the ICDR Regulations".

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to prospectus and/ or letter of offer and/or circular and/or offering circular and/or placement memorandum and/ or preliminary placement documents and/or placement document, registration statement and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise with regard to the issue, offer or allotment of Securities and take all such steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion, deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of rights issue, if the Equity Shares are not subscribed, the same may be disposed of by the Board in such manner which is not dis-advantageous to the shareholders and the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred by this resolution to any Committee duly authorised by the Board or subject to applicable law to any one or more director and/or any one or more officers of the Company to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto".

Place : Bengaluru
Date : August 12, 2020

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

**P. Om Prakash**
**Company Secretary & Compliance Officer**

Registered Office:
29th & 30th Floors, World Trade Center
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bengaluru – 560 055
CIN: L85110KA1995PLC019126

**NOTES:**

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

   Board of Directors of the Company at its meeting held on June 18, 2020 and August 12, 2020 considered that the special business under Item Nos. 4 to 9, being considered unavoidable, to be transacted at the AGM of the Company.

2. In view of the prevailing lockdown situation across the country due to outbreak of COVID-19 pandemic

and resultant travel restrictions as well as continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs (MCA) vide its Circular No. 20/2020 dated May 5, 2020 read with Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020 has permitted companies to hold their Annual General Meetings (AGM) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') not requiring the physical presence of the Members at a common venue. Considering the health and safety of all stakeholders including the shareholders, the 25th AGM of the Company is being conducted through VC/OAVM in compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable circulars issued in this regard herein after called as "e-AGM".

Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum for the meeting under Section 103 of the Act.

3. Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting.

4. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the company. However, as this AGM is being held through VC/OAVM, physical attendance of Members is being dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the proxy form and attendance slip are not being annexed to this Notice and the resultant requirement for submission of proxy forms does not arise.**

   Corporate Members are required to access the link https://evoting.karvy.com/ and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC

5. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members electronically during the meeting. Members seeking to inspect such documents can send an e-mail to investors@brigadegroup.com

7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members electronically during the meeting. Members seeking to inspect such documents can send an e-mail to investors@brigadegroup.com.

8. The certificate received from the Statutory Auditors of the company certifying that the Brigade Employee Stock Option Plan 2011 & Brigade Employee Stock Option Plan 2017 are being implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection by the members electronically during the meeting. Members seeking to inspect such documents can send an e-mail to investors@brigadegroup.com.

9. Members are requested to convert physical shareholding if any to electronic mode pursuant to notification dated September 10, 2018 issued by The Ministry of Corporate Affairs for public limited companies and hence are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are also encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

10. Members are requested to send all communications relating to Shares including dividend matters to our Registrar and Share Transfer Agents at the following address:

    KFIN Technologies Private Limited
    Selenium Tower B, Plot no. 31 & 32,
    Financial District Nanakramguda, Serilingampally Mandal,
    Hyderabad – 500 032.
    Ph No.: +91 40 6716 2222
    Email: raju.sv@karvy.com

11. Members are requested to note that the dividends not encashed or claimed within 7 (seven) years from the date of transfer to the Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013, respective shares lying in the pool account and unpaid dividend amount be transferred to the Investor Education and Protection Fund. The details of the unclaimed dividend and respective shares of the earlier years are available on our website https://www.brigadegroup.com. Members who haven't encashed or claimed the dividend for the earlier years are requested to approach the Company / Registrar & Transfer Agents and whose shares transferred to IEPF can claim by making an application in form **IEPF-5 to IEPF** Authority through Companies Nodal

Officer and Registrar & Transfer Agents at the earliest.

Members are requested to note that pursuant to an amendment in the Finance Act, 2020, dividends declared and paid by the Company with effect from April 1, 2020 will be taxed in the hands of the recipient of dividend i.e. shareholders. All dividends declared after April 1, 2020 by the Company will be paid to the Members after deducting tax at the applicable rate prescribed under the Income Tax Act, 1961. Members may note that in the absence of the details of the PAN, the Company would be required to deduct tax at a higher rate prescribed under the Income Tax, 1961. Hence, Members who have not furnished their PAN to the Company are requested to update the same with their Depository Participant. Members seeking non-deduction of tax on their dividends may submit Form 15G/15H as applicable to the Company on a yearly basis at the link https://ris.kfintech.com/form15/. The detailed information with respect to tax deduction at source on dividend payments including the formats of Form 15G/Form 15H for seeking exemption is available in the links https://ris.kfintech.com/form15/ as well as https://www.brigadegroup.com/investor. Members may contact the Company Secretary or any executive in the Secretarial department in case of any clarification in this regard.

12. In view of the prevailing COVID-19 pandemic situation, MCA vide its Circular dated May 5, 2020 has exempted companies from sending Annual Reports in physical mode. Accordingly, an electronic copy of the Annual Report is being sent to all the Members holding shares in dematerialised form and whose e-mail addresses are available with the DPs as well as to all the Members holding shares in physical mode whose e-mail addresses are registered with the Company/RTA for communication purposes. Procedure for obtaining the Annual Report, AGM notice as well as electronic voting (e-voting) instructions for Members whose e-mail addresses are not registered with the DPs or with RTA is provided herein and also available on the website of the Company. The Annual Report is also available on the Company's website https://www.brigadegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively as well as the website of RTA at https://evoting.karvy.com.

    In view of the exemptions provided, no physical or hard copies of the Notice and Annual Report will be sent to Members who have not registered their e-mail addresses with the Company/RTA as well as to those specifically requesting for physical copy of the documents.

    Members may follow the process detailed below for registration of e-mail addresses to obtain the Annual Report and Notice:

    i. Physical Members may send an e-mail request to einward.ris@kfintech.com or investors@brigadegroup.com along with a :

        - Scanned copy of the signed request letter mentioning the Folio No., name of the Member, e-mail address and mobile number;
        - Self-attested copy of PAN;
        - Self-attested copy of any address proof including Aadhar, Passport etc.;
        - Scanned copy of share certificate(s) (front and back).

    ii. Demat Members may contact their DPs and register or update their respective e-mail addresses in the demat account, as per the process recommended by the DP.

        Alternatively, Members holding shares in physical or in electronic form who have not registered their e-mail address may temporarily get their e-mail address and mobile number registered with RTA by clicking the link: https://ris.kfintech.com/email_registration/ for enabling receipt of the Annual report electronically. Members are requested to follow the process stated in the link to register their e-mail address and mobile number. After due verification, RTA will forward the documents and the login credentials for voting and attending the AGM to the registered e-mail address.

        In case of any queries, Members may write to einward.ris@kfintech.com or investors@brigadegroup.com by quoting their Folio number or DP and Client ID.

13. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting is furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment/ re-appointment.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit their PAN to their

Depository Participant(s). Members holding Shares in physical form shall submit their PAN details to the Registrar & Transfer Agents / Company.

15. All documents referred to in the Notice will be available for inspection during normal business hours on working days up to the date of the Annual General Meeting.

16. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and in compliance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is mandatory to extend to the Members of the Company, the facility to vote at the Annual General Meeting (AGM) by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

17. The Company has appointed Mr. K. Rajshekar, Practising Company Secretary (CP No.:2468), who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three (3) working days from the date of conclusion of e-voting period, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the Annual General Meeting proceedings. The e-voting results will also be uploaded on the website of the Company (https://www.brigadegroup.com).

18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

19. The Company has entered into an agreement with KFin Technologies Private Limited (Kfintech) for facilitating e-voting for the Annual General Meeting. The instructions for e-voting are as follows:

**INSTRUCTIONS FOR ATTENDING THE AGM AND VOTING:**

**Instructions for remote e-Voting before the AGM:**

**A. In case a Member receiving an email from Kfintech [for Members whose email IDs are registered with the Company / Depository Participant(s)]**

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. **User ID and Password** as provided separately). Your DP ID-Client ID / Folio No. will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, Click on "LOGIN".

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., Brigade Enterprises Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple demat accounts / folios shall choose the voting process separately for each demat accounts / folios.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: rajaarthi.cs@gmail.com with a copy marked to evoting@kfintech.com and investors@brigadegroup.com. The scanned image of the abovementioned documents should be in the naming format "Brigade Enterprises Limited, 25th Annual General Meeting".

xiii. The e-voting period commences on Saturday, September 26, 2020 from 9.00 a.m. to Monday, September 28, 2020 at 5.00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Tuesday, September 22, 2020, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of poll, if held at the Meeting.

**B. In case of Members holding shares in dematerialised form whose email IDs are not registered with the Depository Participant(s) / Company and Members holding shares in physical form:**

i. Please follow the steps provided in Note 12 in this Notice to obtain the User ID and password.

ii. Please follow all steps from Si. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.

In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call KFin on 1800 345 4001 (toll free).

**Instructions for attending the AGM through VC/OAVM:**

i. Member can attend the e-AGM through video conferencing facility provided by M/s. KFin Technologies Private Limited. Members may access the same at https://emeetings.kfintech.com by using their remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.

ii. Members are requested to follow the below procedure to join the AGM:

i. Launch internet browser (Chrome/Firefox/Safari) by typing the

URL: https://emeetings.kfintech.com

ii. Enter the login credentials (i.e., User ID and password for remote e-voting).

iii. After logging in, click on 'Video Conference' option.

iv. Click on Camera icon appearing against AGM event of Brigade Enterprises Limited, to attend the Meeting.

i. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

ii. The facility to join the AGM through VC/OAVM will be open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

i. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

ii. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

iii. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

iv. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into https://emeetings.kfintech.com/ and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos. The post your questions shall commerce on September 26, 2020 at 9.00 a.m. and closed on September 27, 2020 at 5.00 p.m.

v. **Speaker Registration during e-AGM session:** In case of decision to allow the Q&A session in the meeting, meeting may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commerce on September 26, 2020 at 9.00 a.m. and closed on September 27, 2020 at 5.00 p.m. Those Members who have registered themselves as a Speaker on or before September 27, 2020 will only be allowed to express their views or ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

vi. Facility for joining the e-AGM through VC/OAVM shall be available for 1,000 members on first come first served basis.

However, participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairperson of Audit Committee, Chairperson of Stakeholders Relationship Committee, Chairperson of Nomination & Remuneration Committee and Auditors are not restricted by first come first basis.

vii. Members who need technical assistance before or during the e-AGM can contact KFin at +91 40 6716 2222 or contact Mr. S V Raju, of KFin at +91 40 6716 2222 or toll free no. 18003454001

**19.3 Instructions for voting during the AGM through Instapoll:**

i. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

ii. The facility to cast the vote at the AGM would be available on the left hand corner of the Video Conferencing screen in the form of a 'Thumb' sign and will be activated once the voting is announced by the Chairman during the Meeting. Members can click on the same to take them to the 'Instapoll' page.

iii. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

## EXPLANATORY STATEMENT
## PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 5:

The Board of Directors of the Company based on recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and the Articles of Association of the Company and on the basis of the report of the performance evaluation and subject to the approval of the members has appointed Mr. Bijou Kurien (DIN: 01802995) as an Independent Director of the Company for a further period of 5 years with effect from January 31, 2020.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member under Section 160 of the Act proposing to re-appoint Mr. Bijou Kurien as the Independent Director of the Company for the office of Director of the Company.

Mr. Bijou Kurien is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter-alia stipulates the criteria of independence should a Company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of Directors for retirement by rotation.

The Company has received a declaration from Mr. Bijou Kurien that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and SEBI (LODR) Regulations.

In the opinion of the Board, Mr. Bijou Kurien fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and as stipulated in the SEBI (LODR) Regulations. Mr. Bijou Kurien is independent of the management.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment subject to approval of shareholders by way of a Special Resolution.

The Board recommends passing of resolution no. 5 as a special resolution.

Except Mr. Bijou Kurien and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

### Item No. 6:

The Board of Directors of the Company based on recommendation of Nomination and Remuneration Committee has subject to the approval of the members appointed Mr. Roshin Mathew (DIN: 00673926) as an Additional Director and as a Whole-time Director and designated as Executive Director of the Company for a period of 5 years with effect from November 7, 2019.

An abstract of the terms of appointment are as follows:

1. Duties and Powers

   a. Mr. Roshin Mathew, Whole-time Director, designated as Executive Director of the Company shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such subsidiaries or any other executive body or committee of such a Company.

   b. The Whole-time Director shall discharge the duties laid down under Section 166 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

   c. The Whole Time Director shall duly abide by the Code of Conduct laid down by the Company.

2. Period of Appointment: From November 7, 2019 to November 6, 2024.

3. Remuneration

   a. Basic Salary

      Basic Salary up to of ₹ 1,44,00,000/- p.a. (Rupees One Crore Forty Four Lakhs per annum), with authority to the Board to fix the salary within the said maximum amount from time to time. The annual increments shall be effective as may be decided by the Board based on the recommendation of the Nomination & Remuneration Committee and will be merit based and take into account the Company's performance.

b. Perquisites & Allowances:

In addition to salary, Mr. Roshin Mathew is entitled to perquisites and allowances aggregating up to ₹ 29,00,000/- p.a. (Rupees Twenty Nine Lakhs per annum)

(1) Perquisites such as:

i. Furnished accommodation, with expenditure on gas, electricity, water and maintenance and repairs thereof or House Rent Allowance and house maintenance allowance with expenditure on gas, electricity, water and furnishings.

ii. Leave Travel Allowance for self and family.

Medical Reimbursement: Expenses incurred by the Whole Time Director and his family will be subject to ceiling of one month's salary.

iii. Club Fees

And such other perquisites and allowances in accordance with the rules of the Company and as may be agreed by the Board of Directors and Mr. Roshin Mathew subject to overall ceiling as may be fixed by the Board of Directors from time to time based on the recommendation of the Nomination & Remuneration Committee.

(2) Company maintained Car with Driver for official and personal use.

(3) Telecommunication & Internet facilities at residence

(4) Contribution of Provident Fund and Gratuity; The Whole Time Director will be eligible to the benefit of contribution to Provident Fund & Gratuity, based on the policy of the Company.

(5) Leave and encashment of unavailed leave as per the rules of the Company.

(6) Other Benefits: Such as servant allowance, entertainment expenses etc. as applicable from time to time as per the Company Policies.

c. Commission

Remuneration by way of Commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of the each financial year based on the recommendation of the Nomination & Remuneration Committee. The exact amount payable will be decided by the Board of Directors which shall not exceed 1% of the net profits based on certain performance criteria and shall be payable only after the Annual Accounts of the Company have been approved by the Board of Directors.

d. Termination:

The appointment will be for a period of five years, which may be terminated by either party giving to the other 90 days notice in writing.

Mr. Roshin Mathew satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out in Section 196(3) of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The above may be treated as a written understanding setting out the terms of appointment of Mr. Roshin Mathew under Section 190 of the Companies Act, 2013.

The Board recommends passing of resolution no. 6 as an Ordinary resolution.

Except Mr. Roshin Mathew, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice

**Item No.7:**

The provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 mandates the Company to get its cost records audited every year. The Board of Directors, based on the recommendation of the Audit Committee, have appointed Messrs Murthy & Co. LLP, Cost Accountants (LLP ID No. AAB-1402) as the Cost Auditors of the Company for the financial year 2019-20 at a remuneration of Rs.1,25,000/- (Rupees One Lakh and Twenty Five Thousand only) apart from applicable taxes and out of pocket expenses, if any.

Ratification of remuneration payable to Cost Auditors needs to be done by the Shareholders of the Company in terms of Section 148 of the Companies Act, 2013 read

with the Companies (Audit and Auditors) Rules, 2014. Due to which consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

The Board recommends passing of resolution no. 7 as an ordinary resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested, financially or otherwise, if any in the Resolution No. 7 of the accompanying Notice except to the extent of their Shareholding, if any in the Company.

**Item No.8:**

Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group shall be subject to approval of shareholders by way of special resolution if:

a) the annual remuneration payable to such executive director exceeds rupees 5 crores or 2.5 percent of the net profits of the listed entity, whichever is higher;

or

b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the listed entity.

Mr. M. R, Jaishankar, Chairman & Managing Director and Promoter of the Company was re-appointed for a further period of five years w.e.f April 1, 2017. The Members have approved remuneration payable to him is within the limits as prescribed at that time as per Companies Act, 2013, while approving his re-appointment earlier, which is in excess of the newly prescribed threshold limits specified in Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This necessitates seeking fresh approval of the members by way of special resolution for retaining all existing terms and conditions of appointment of Mr. M. R. Jaishankar including remuneration payable to him for the rest of his tenure till March 31, 2022.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the company has approved the above proposal at their respective meetings.

Except Mr. M.R. Jaishankar, Ms. Pavitra Shankar and Ms. Nirupa Shankar none of the Directors, Key Managerial Personnel or their relatives are interested, financially or otherwise, if any in the Resolution No. 8 of the accompanying Notice except to the extent of their Shareholding, if any in the Company.

**Item No.9:**

The Company has in pipeline various real estate and commercial projects for which apart from internal accruals funding by way of equity as well as debt will be required. The Board of Directors have continuously evaluated funding requirements for the various projects of the Company through optimum mix of equity as well as debt funding mainly by way of project loans & lease rental discounting loans.

The Company proposes to raise capital for the purpose of financing, inter alia, the ongoing projects in Residential business & Commercial business, proposed capital expenditure and for general corporate purposes for which the Company may offer or invite subscription for securities, in one or more series/ tranches on private placement/ on preferential basis, issuable/ redeemable at par/premium.

Pursuant to Sections 23, 42, 62, 71 of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the approval of members is required to be obtained by a special resolution for making any further issue of equity shares or Securities to any person(s) other than the existing members of the Company.

As the Members are aware, the Company, its subsidiaries and associate are engaged in the business of real estate development, leasing and related services., the Company is exploring various avenues for raising additional funds. Considering buoyancy in capital market and global investor's appetite it is necessary that the Company should be prepared for accessing any window of opportunity for capital / fund raising going forward as and when the opportunity arises. Accordingly, the Board of Directors, at its meeting held on August 12, 2020, has approved, and decided to obtain an enabling approval from the Company's Members to raise funds for an amount aggregating up to ₹ 500 Crores (Rupees Five Hundred Crores Only).

For the above purpose, the Company has been exploring various avenues for raising funds by way of issue of Equity Shares or by way of issue of any financial instrument or securities convertible into Equity Shares such as warrants (in registered or bearer form), fully convertible debentures, partly convertible debentures and preference shares convertible into Equity Shares, and/or any other eligible securities which may or may not be listed (instruments

mentioned above collectively with the Equity Shares to be hereinafter referred to as the "Securities") for an aggregate amount of up to ₹ 500 Crores (Rupees Five Hundred Crores Only) including through qualified institutions placement (the "QIP") to qualified institutional buyers (the "QIBs") as defined in ICDR Regulations or public and / private offerings, preferential issue, rights issue or through any other permissible mode and/or combination thereof as may be considered appropriate under the applicable laws. The issue of Securities may be consummated in one or more tranches at such time or times at such price as may be determined by the Board in its absolute discretion, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and such other authority or authorities as may be necessary and subject, as applicable, to the ICDR Regulations, and other applicable guidelines, notifications, rules and regulations, each as amended.

The proposed Special Resolution seeks to confer upon the Board (including any Committee thereof) the absolute discretion to determine the terms of the aforementioned issuance of Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements. The detailed terms and conditions of such issuance will be determined by the Board or any Committee duly authorised by the Board, considering prevailing market conditions, practices and in accordance with the applicable laws. Accordingly, the Board (including a Committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

The relevant date for the purpose of pricing the Securities shall be the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such Securities, subsequent to receipt of Members' approval in terms of the applicable laws. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board.

In the event of issuance of Securities by way of a QIP, as per the provisions of Chapter VI of the ICDR Regulations, an issue of Securities shall be made at a price not less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations. The Board or any Committee duly authorised by the Board may offer a discount of not more than five percent on such price determined in accordance with the pricing formula provided under the said Chapter, in accordance with the applicable laws. Further, in the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the Members.

The Board recommends passing of resolution no. 9 as a special resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested, financially or otherwise, if any in the Resolution No. 9 of the accompanying Notice except to the extent of their Shareholding, if any in the Company.

Place : Bengaluru
Date : August 12, 2020

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

**P. Om Prakash**
**Company Secretary & Compliance Officer**

Registered Office:
29th & 30th Floors, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bengaluru – 560 055
CIN: L85110KA1995PLC019126
Email: investors@brigadegroup.com
Website: https://brigadegroup.com

## Details of the Director seeking re-appointment at the 25th Annual General Meeting

### {Pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meeting}

| Name of the Director | Mr. Amar Mysore | Ms. Nirupa Shankar | Mr. Bijou Kurien | Mr. Roshin Mathew |
|---|---|---|---|---|
| Date of Birth | 21/06/1979 | 31/10/1982 | 17/01/1959 | 24/12/1962 |
| Age (in years) | 41 | 37 | 61 | 57 |
| Date of Appointment | 16/05/2018 | 16/05/2018 | 31/01/2015 | 07/11/2019 |
| Qualification | Masters in Engineering from Pennsylvania State University USA | Bachelor's Degree in Economics from the University of Virginia, USA and has a Masters of Management in Hospitality in 2009 from Cornell University. | Business Management from XLRI, Jamshedpur | Bachelor degree in Civil Engineering from Kerala University and Masters in Building Engineering and Management from the School of Planning and Architecture, New Delhi |
| No. of equity shares held in the Company | 19,40,659 | 139,89,937 | NIL | 49,555 |
| Expertise in functional areas | He has a decade of diverse experience in fields of Supply Chain Management, Manufacturing, Power Sector and Real Estate. | She has a decade of experience in Hospitality, Business Development, Human Resource Management and Strategy | He has more than 3 decades of experience especially in Retail Industry | He has more than 3 decades of diverse experience in Project Management, Civil Contracting and Real Estate development |
| Directorships held in other Companies | 1. Brigade Hospitality Services Limited<br>2. Brigade Estates & Projects Private Limited<br>3. Brigade Tetrarch Private Limited<br>4. Brigade Infrastructure & Power Private Limited<br>5. Augusta Club Private Limited<br>6. BCV Developers Private Limited<br>7. Orion Property Management Services Limited | 1. Brigade Hospitality Services Limited<br>2. Orion Property Management Services Limited<br>3. SRP Prosperita Hotel Ventures Limited<br>4. Brigade Infrastructure & Power Private Limited<br>5. Mysore Holdings Private Limited<br>6. WTC Trades & Projects Private Limited<br>7. Brigade Hotel Ventures Limited | 1. Stella Treads Private Limited<br>2. Oceanic Rubber Works Private Limited<br>3. Timex Group India Limited<br>4. Future Lifestyle Fashions Limited<br>5. Ziqitza Health Care Limited<br>6. Orange County Resorts & Hotels Limited<br>7. Suguna Foods Private Limited<br>8. Mindtree Limited | 1. Brigade Properties Private Limited<br>2. BCV Developers Private Limited<br>3. Brigade (Gujarat) Projects Private Limited<br>4. Mysore Projects Private Limited |

| Name of the Director | Mr. Amar Mysore | Ms. Nirupa Shankar | Mr. Bijou Kurien | Mr. Roshin Mathew |
|---|---|---|---|---|
| Committee positions held in other Companies (Audit Committee and Stakeholders Relationship Committee) | NIL | NIL | **Timex Group India Limited**<br>Audit Committee - Member<br>Stakeholders Relationship Committee – Chairman<br>**Orange County Resorts & Hotels Limited**<br>Audit Committee - Member<br>**Ziqitza Health Care Limited**<br>Audit Committee - Chairman<br>**Mindtree Limited**<br>Stakeholders Relationship Committee – Chairman | NIL |

## Notes

## Notes

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Building Positive Experiences

If undelivered, please return to the address below:
**Brigade Enterprises Limited**
Corporate Identification Number (CIN): L85110KA1995PLC01926
29th & 30th Floors, World Trade Center,
Brigade Gateway Campus, 26/1, Dr. Rajkumar Road,
Malleswaram-Rajajinagar, Bengaluru – 560 055
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