RED HERRING PROSPECTUS
Dated November 29, 2007
Please read section 60B of the Companies Act, 1956
100% Book Built Issue

BRIGADE ENTERPRISES LIMITED

(Our Company was originally a partnership firm called Brigade Enterprises under a partnership deed dated May 29, 1990 and its status was subsequently changed to a private limited company called 'Brigade Enterprises Private Limited' with effect from November 8, 1995. The status of our Company was changed to a public limited company by a special resolution of the members passed at the annual general meeting held on June 20, 2007. The fresh certificate of incorporation consequent to the change of name was granted to our Company on July 20, 2007, by the Registrar of Companies, Karnataka)

Registered Office: 'Pent House', Brigade Towers, 135, Brigade Road, Bangalore 560 025, Karnataka, India
Company Secretary and Compliance Officer: Mr. A. Anil Kumar
Tel: (91 80) 4137 9200, Fax: (91 80) 2221 0784, Email: investors@brigadegroup.com, Website: www.brigadegroup.com

PUBLIC ISSUE OF 16,624,720 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS [•] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE, AGGREGATING RS. [•] MILLION (THE "ISSUE") BY BRIGADE ENTERPRISES LIMITED (THE "COMPANY OR "THE ISSUER"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF 16,524,720 SHARES OF RS. 10 EACH (THE "NET ISSUE") AND A RESERVATION OF UP TO 100,000 EQUITY SHARES OF RS. 10 EACH FOR ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THERE WILL ALSO BE A GREEN SHOE OPTION OF UP TO 2,493,708 EQUITY SHARES FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING TO RS. [•] MILLION (THE "GREEN SHOE OPTION"). THE ISSUE AND THE GREEN SHOE OPTION, IF EXERCISED IN FULL, WILL AGGREGATE TO 19,118,428 EQUITY SHARES AMOUNTING TO RS. [•]. THE ISSUE WILL CONSTITUTE 16.87% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY ASSUMING THAT THE GREEN SHOE OPTION IS EXERCISED IN FULL AND 15.00% ASSUMING THAT THE GREEN SHOE OPTION IS NOT EXERCISED. THE NET ISSUE WILL CONSTITUTE 16.78% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY ASSUMING THAT THE GREEN SHOE OPTION IS EXERCISED IN FULL AND 14.91% ASSUMING THAT THE GREEN SHOE OPTION IS NOT EXERCISED.

PRICE BAND: RS. 351 TO RS. 390 PER EQUITY SHARE OF FACE VALUE RS. 10.
THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 AND THE FLOOR PRICE IS 35.1 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 39.0 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding Period will be extended for three additional days after revision of the Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate.

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further, up to 100,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

IPO GRADING

The Issue has been graded IPO Grade 3 by ICRA Limited indicating average fundamentals.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10 per Equity Share and the Issue Price is [•] times of the face value. The Issue Price (as determined by the Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page IX.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received in-principle approval from NSE and BSE for the listing of our Equity Shares pursuant to letters dated October 9, 2007 and October 10, 2007, respectively. For purposes of this Issue, the Designated Stock Exchange is NSE.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS		BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
J.P. Morgan India Private Limited Mafatlal Centre, 9th Floor Nariman Point Mumbai 400 021, India Tel: (91 22) 2285 5666 Fax: (91 22) 6639 3091 Email: brigade_ipo@jpmorgan.com Website: www.jpmipl.com Contact Person: Mr. Varun Behl	**Enam Securities Private Limited** 801, Dalamal Towers Nariman Point Mumbai 400 021, India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: brigade.wg@enam.com Website: www.enam.com Contact Person: Ms. Dipali Dalal	**ICICI Securities Limited** ICICI Centre, H.T. Parekh Marg Churchgate Mumbai 400 020, India Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: bel_ipo@ isecltd.com Website: www.icicisecurities.com Contact Person: Mr. Rajiv Poddar	**Karvy Computershare Private Limited** Karvy House, 46 Avenue 4 Street No. 1, Banjara Hills Hyderabad 500 034, India Tel: (91 40) 2342 0818 Fax: (91 40) 2342 0814 Email: brigadeipo@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	December 10, 2007	BID/ISSUE CLOSES ON	December 13, 2007

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SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "us", "our", "BEL" "Issuer", "the Company" and "our Company".	Unless the context otherwise indicates or implies, refers to Brigade Enterprises Limited on a consolidated/stand alone basis.

Company Related Terms

Term	Description
Articles	Articles of Association of our Company
Associates	Tandem Allied Services Private Limited and AEC Infotech Private Limited
Auditors	The statutory auditors of our Company, M/s. Narayanan, Patil and Ramesh, Chartered Accountants
Board / Board of Directors	Board of Directors of our Company
Developable Area	Total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking
Directors	Directors of Brigade Enterprises Limited, unless otherwise specified
ESOP 2007	Brigade Employee Stock Option Plan 2007
Forthcoming Projects	Properties that are in planning stage where approvals are in the process of being obtained but construction has not yet begun
Land Reserves	Lands to which our Company has title, or land from which the Company can derive the economic benefit through a documented framework (such as with third party individuals or corporate entities), or where the Company has executed a joint development agreement or an agreement to sell or an MoU or an agreement to transfer the development rights to it
Memorandum	Memorandum of Association of our Company
Ongoing Projects	Properties on which development is currently underway
Promoters	Mr. M.R. Jaishankar and Ms. Githa Shankar
Promoter Group	Capronics Private Limited, Mysore Holdings Private Limted, Mercury Premises Leasing Private Limited, Plantation Management Company, The Plantation Caretakers, Estate Management Company, Slimline Circuits, The Cash Pharmacy,Brigade Infrastructure Private Limited, Tetrarch Equity Research and Analysis Private Limited, PCB Inc, M.R Gurumurthy (Smaller HUF), M.R. Shivram (HUF), M.R. Jaishankar (HUF) and Brigade Foundation
Registered Office of the Company	'Pent House', Brigade Towers, 135, Brigade Road, Bangalore 560 025
Saleable Area	That part of the Developable Area relating to our economic interests
Subsidiaries	Brigade Hospitality Services Private Limited, Tetrarch Holdings Private Limited, Brigade Estates and Projects Private Limited and Brigade Properties Private Limited

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue
Allottee	The successful Bidder to whom the Equity Shares are/ have been issued
Banker(s) to the Issue	ABN AMRO Bank, HDFC Bank Limited, ICICI Bank Limited, Standard Chartered Bank and YES Bank Limited
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid / Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Kannada newspaper with wide circulation
Bid / Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a English national newspaper, a Hindi national newspaper and a Kannada newspaper with wide circulation

Term	Description
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares of our Company in terms of the Red Herring Prospectus and the Bid cum Application Form
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding / Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
BRLM	Book Running Lead Manager to the Issue, in this case being ICICI Securities Limited
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Cut-off Price	The Issue Price finalised by our Company in consultation with the GCBRLMs and BRLM
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	NSE
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
ECS	Electronic Clearing Service
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue
Eligible Employee	A permanent employee of the Company and/or of our Subsidiaries as of three days prior to Bid/Issue Opening Date and based, working and present in India as on the date of submission of the Bid cum Application Form. A director of the Company and/or any of its Subsidiaries, whether a whole time director except any Promoters or members of the promoter group, part time director or otherwise as of three days prior to Bid/Issue Opening Date and based and present in India as on the date of submission of the Bid cum Application Form. The Employee(s) may also be referred to as "Eligible Employee under the Employee Reservation Portion" in this Red Herring Prospectus
Employee Reservation Portion	The portion of the Issue being up to 100,000 Equity Shares available for allocation to Eligible Employees
ENAM	Enam Securities Private Limited having its registered office at 24, B.D. Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai 400 021
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar, GCBRLMs, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being ABN AMRO Bank, HDFC Bank Limited, ICICI Bank Limited, Standard Chartered Bank and YES Bank Limited
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, above which the Issue Price will be finalized and below which no Bids will be accepted
GCBRLMs	Global Co-ordinators and Book Running Lead Managers in this case being J.P. Morgan India Private Limited and Enam Securities Private Limited
Green Shoe Lender	Ms. Githa Shankar and Mr. M.R. Jaishankar
Green Shoe Option or GSO	An option to allocate Equity Shares in excess of the Equity Shares included in the

Term	Description
	Issue and operate a post-listing price stabilisation mechanism in accordance with Chapter VIII-A of the SEBI Guidelines, which is to be exercised through the Stabilising Agent
Green Shoe Option Portion	Up to 15.0% of the Issue or 2,493,708 Equity Shares aggregating Rs. [•] million, if exercised in full
GSO Bank Account	The bank account to be opened by the Stabilising Agent pursuant to the Stabilisation Agreement on the terms and conditions thereof
GSO Demat Account	The demat account to be opened by the Stabilising Agent pursuant to the Stabilisation Agreement on the terms and conditions thereof
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
I-Sec	ICICI Securities Limited**,** having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India
Issue	The issue of 16,624,720 Equity Shares of Rs. 10 each at a price of [●] each for cash, aggregating [●] by the Company under the RHP and the Prospectus. The Issue comprises a Net Issue to the Public of 16,524,720 Equity Shares and the Employees Reservation Portion of up to 100,000 Equity Shares
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus. The Issue Price will be decided by the Company in consultation with the GCBRLMs and BRLM on the Pricing Date
JP Morgan	J.P. Morgan India Private Limited, having its registered office at Mafatlal Centre, 9th Floor, Nariman Point, Mumbai 400 021, India
Loaned Shares	Up to 2,493,708 Equity Shares loaned by the Green Shoe Lender pursuant to the terms of the Stabilisation Agreement
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Monitoring Agency	Karntaka State Financial Corporation
Mutual Fund Portion	5% of the QIB Portion or 495,742 Equity Shares (assuming the QIB Portion is for at least 60% of the Issue Size assuming Green Shoe Option is not exercised) available for allocation to Mutual Funds only, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Non Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs)
Non Institutional Portion	The portion of the Issue being not less than 1,652,472 Equity Shares of Rs. 10 each available for allocation to Non Institutional Bidders assuming Green Shoe Option assuming Green Shoe Option is not exercised
Net Issue	The Issue less the Employee Reservation Portion
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	(a) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (b) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Price Band	Price band of a minimum price (floor of the price band) of Rs. 351 and the maximum price (cap of the price band) of Rs. 390 and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs and BRLM finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being at least 9,914,832 Equity Shares of Rs. 10 each to be allocated to QIBs assuming Green Shoe Option is not exercised
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million

Term	Description
RTGS	Real Time Gross Settlement
Refund Banker	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having its registered office as indicated on the cover page.
Retail Individual Bidder(s)	Individual Bidders (including HUFs) who have not Bid for Equity Shares for an amount more than or equal to Rs. 1,00,000 in any of the bidding options in the Issue (including HUF applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 4,957,416 Equity Shares of Rs. 10 each available for allocation to Retail Bidder(s) assuming Green Shoe Option is not exercised
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus which will be filed with RoC in terms of Section 60B of the Companies Act, at least 3 days before the Bid/ Issue Opening Date
Stabilising Agent	Enam Securities Private Limited
Stabilisation Agreement	The agreement entered into by us, the Green Shoe Lender and the Stabilising Agent dated September 10, 2007 in relation to the Green Shoe Option
Stabilisation Period	The period commencing on the date of obtaining trading permission from the Stock Exchanges in respect of the Equity Shares in the Issue and ending 30 calendar days thereafter unless terminated earlier by the Stabilising Agent in accordance with the Stabilisation Agreement
Stock Exchanges	BSE and NSE
Syndicate	The GCBRLMs, BRLM and the Syndicate Member
Syndicate Agreement	Agreement between the Syndicate and the Company in relation to the collection of Bids in this Issue
Syndicate Member	The GCBRLMs and the BRLM shall also act as Syndicate Members
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The GCBRLMs, BRLM and the Syndicate Members
Underwriting Agreement	The Agreement between the members of the Syndicate and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BPO	Business Process Outsourcing
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DIPP	Deparment of Industrial Policy and Promotion
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Easements Act	The Easements Act, 1882
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
ECS	Electronic Clearing Service
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FII(s)	Foreign Institutional Investors (as defined under SEBI (Foreign Institutional

Term	Description
	Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IT	Information Technology
I.T. Act	The Income Tax Act, 1961, as amended from time to time
ITES	Information Technology Enabled Services
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Mn / mn	Million
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961,
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
RoC	Registrar of Companies
RONW	Return on Net Worth
Rs.	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
Sec.	Section
SEZ	Special Economic Zone
Stamp Act	The Indian Stamp Act, 1899
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
T.P. Act	Transfer of Property Act, 1882

Term	Description
Urban Land Ceiling Act	The Urban Land (Ceiling and Regulation) Act, 1976
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America

Industry Related Terms

Term	Description
AAI	Airport Authority of India
Acre	Equals 43,560 sq. ft
CRIS INFAC	CRIS INFAC Industry Information Service, a brand of CRISIL Research and Information Services Limited
FSI	Floor Space Index
Gunta	Equals 1,089 sq. ft
IT	Information Technology
ITES	Information Technology Enabled Services
Keys	An industry term referring to a room or a serviced residence
KIADB	Karnataka Industrial Areas Development Board
SBA	Super Built up Area
Sq. ft.	Square Feet

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Red Herring Prospectus, lands referred to as "our Lands" or "our Land Reserves" are lands the title to which is with our Company, or lands from which the Company can derive economic benefit through a documented framework (such as with third party individuals or corporate entities), or where the Company has executed a joint development agreement or an agreement to sell or an MoU or an agreement to transfer the development rights to it.

All references to "Rupees" or "Rs" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Unless stated otherwise the financial data in this Red Herring Prospectus is derived from our restated consolidated financial statements prepared in accordance with Indian GAAP and the SEBI Guidelines, which are included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year. So all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year and all references to September 30, 2007 are to the six month period from April 1, 2007 to September 30, 2007.

All the numbers in the document, except the section on "Our Promoter" have been presented in million or in whole numbers where the numbers have been too small to present in millions.

There are significant differences between Indian GAAP, IFRS and US GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Market and industry data used in this Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable however, they have not been verified by any independent sources. We have also used in this Red Herring Prospectus data from Knight Frank (India) Private Limited, CRISIL Limited, Cushman & Wakefield (India) Private Limited, and Jones Lang LaSalle Property Consultants (India) Private Limited.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the real estate industry in India and methodologies and assumptions may vary widely among different industry sources.

In this Red Herring Prospectus we have mentioned the names of some entities with whom with have various arrangements such as Starwood Asia Pacific Hotels & Resorts, AAPC Hotels Management Private Limited, Intercontinental Hotels Group (Asia Pacific) Private Limited and others. None of these entities are related or affiliated to us in any manner, other than the operating arrangements that we have executed with them. Each of the entities has provided their consent to us their name in this Red Herring Prospectus, and is not responsible for any of the disclosures or other information mentioned in this Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Important factors that could cause actual results and property valuations to differ materially from our expectations include, but are not limited to, the following:

- the performance of the real estate market and the availability of real estate financing in India;
- the extent to which sale proceeds differ from our land valuations;
- our ability to manage our growth effectively;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to replenish our land reserves and identify suitable projects;
- our ability to acquire lands for which we have entered into MoUs;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- impairment of our title to land;
- our ability to compete effectively, particularly in new markets and businesses;
- our ability to anticipate trends in and suitably expand our current business lines;
- the extent to which we can develop our new business segments;
- raw material costs;
- the continued availability of applicable tax benefits;
- our dependence on key personnel;
- conflicts of interest with affiliated companies, the promoter group and other related parties;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- government approvals;
- changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy.

For further discussion of factors that could cause our actual results to differ, see the sections titled "Risk Factors" and "Management's Discussion of Financial Condition and Results of Operations" on pages IX and 193. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the GCBRLMs and BRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II- RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain, a complete understanding of our Company, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 60 and 193 as well as the other financial and statistical information contained in the Red Herring Prospectus. If any one or some combination of the following risks were to occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

Risks in Relation to our Business and Internal Risks

1. ***Increase in prices of, shortages of, or delays or disruptions in the supply of building materials could harm our results of operations and financial condition.***

We procure building materials for our properties, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. The prices and supply of such building materials depend on factors not under our control, including general economic conditions, competition, production levels, and import duties. Our ability to develop and construct properties profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. During periods of shortages in building materials, especially cement and steel, we may not be able to complete properties according to our construction schedules, at our estimated property development cost, or at all, which could harm our results of operations and financial condition. In addition, during periods where the prices of building materials significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to attain with regard to our properties. Prices of certain building materials, such as cement and steel, in particular are susceptible to rapid increases.

Additionally, our supply chain for these building supplies may be periodically interrupted by circumstances beyond our control, including work stoppages and labor disputes affecting our suppliers, their distributors, or the transporters of our supplies, including poor quality roads and other transportation related infrastructure problems, inclement weather, and road accidents.

2. ***We are substantially dependent upon three construction companies for the development of our properties.***

We utilize the services of B.E. Billimoria and Company Limited, Simplex Infrastructures (India) Limited and Ahluwalia Contracts India Limited for most of our properties. For the fiscal year 2007 and for the six months ended September 30, 2007, we had paid B.E Billimoria and Company Limited, Rs. 250.95 million and Rs. 110.00 million representing 10.77% and 9.74% of our total costs of construction for the respective periods. For the fiscal year 2007 and for the six months ended September 30, 2007, we had paid Simplex Infrastructures (India) Limited, Rs. 363.05 million and Rs. 227.94 million representing 15.58% and 20.20% of our total costs of construction for the respective periods. For the fiscal year 2007 and for the six months ended September 30, 2007, we had paid Ahluwalia Contracts India Limited, Rs. 411.47 million and Rs. 235.14 million representing 17.66% and 20.84% of our total costs of construction for the respective periods. We enter into agreements with these companies to construct our properties in accordance with our specifications and quality standards and under the time frames provided by us. If such sub-contractors were unable to complete our properties within the specifications, quality standards or time frames specified by us, or at all, our business, reputation and results of operations could be adversely affected. For example, for certain properties, we commit to our customers to complete them within specified time frames, failing which we are required to compensate them at specified rates. In addition, we provide warranties for periods up to 12 months for construction defects in certain of our properties and may be held liable for such defects. Even though our subcontractors provide us with back-to-back warranties, such warranties may not be sufficient to cover our losses, if at all, or our sub-contractors could claim defenses not available to us, which could adversely affect our financial condition and results of operations.

The amount of real estate development prevalent in India has been significant in the recent past. As a result, our preferred sub-contractors and other construction companies have had significant projects to complete and a strong backlog. If the services of these or other sub-contractors do not continue to be available on terms acceptable to us or at all, our business and results of operations could also be adversely affected. Additionally, our operations may be affected by circumstances beyond our control such as work stoppages, labour disputes, shortage of qualified skilled labour or lack of availability of adequate infrastructure.

3. Our inability to identify and acquire land in locations with growth potential affects our business.

Our ability to identify suitable parcels of land for development and subsequent sale forms an integral part of our business. Our strategy includes acquiring and developing land, therefore our ability to identify land in the right location is critical for a property development. Our decision to acquire land involves taking into account the size and location of the land, preferences of potential customers, economic potential of the region, the proximity of the land to civic amenities and urban infrastructure, the willingness of landowners to sell the land to us on terms which are favourable to us, the ability to enter into an agreement to buy land from multiple owners, the availability and cost of financing such acquisitions, encumbrances on targeted land, government directives on land use, and obtaining permits and approvals for land acquisition and development. Any failure to identify and acquire suitable parcels of land for development in a timely manner may reduce the number of properties that can be undertaken by us and thereby affect our business prospects, financial condition and results of operations.

4. We are dependent on the performance of, and the conditions affecting, the real estate market in Bangalore.

Historically, we focused our real estate development activities in and around the city of Bangalore, south India. To date, most of our completed properties and the majority of our properties under development are located in and around Bangalore. As a result, our business, financial condition and results of operations have been and will continue to be heavily dependent on the performance of, and prevailing conditions affecting, the real estate market in Bangalore.

The real estate market in Bangalore may perform differently from, and be subject to market and regulatory developments different from, real estate markets in other parts of India. We cannot assure you that the demand for our properties in Bangalore will grow, or will not decrease, in the future. Real estate properties take a substantial amount of time to develop and we could incur losses if we purchase land during periods when land prices are high, and we have to sell or lease our developed properties when land prices are relatively lower. The real estate market in Bangalore may be affected by various factors beyond our control, including prevailing local economic conditions, changes in supply and demand for properties comparable to those we develop, and changes in applicable governmental schemes. These and other factors may negatively contribute to changes in real estate prices, the demand for and valuation of our current and future properties under development, may restrict the availability of land in Bangalore, and may adversely affect our business, financial condition and results of operations. If property prices fall in Bangalore, our business, financial condition and results of operations could be materially and adversely affected.

5. We face uncertainty of title to our lands.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. Some of these lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances of which we may not be aware. Additionally, some of our properties are being executed through joint ventures in collaboration with third parties. In some of these properties, the title to the land may be owned by one or more of such third parties, and as such, in such instances, we cannot assure you that the persons with whom we enter into joint ventures or collaboration agreements have clear title to such lands.

While we conduct due diligence and assessment exercises prior to acquiring land or entering into joint development agreements with land owners and undertaking a property development, we may not be able to assess or identify all risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. As a result, most of these lands do not have guaranteed title and title has not been independently verified. The uncertainty of title to land makes the acquisition and development process more complicated, may impede the transfer of title, expose us to legal disputes and adversely affect our land valuations. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, with whom we enter into development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land. The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development. In addition, lands for which we or entities which have granted us development rights, have entered into agreements to acquire but have not yet acquired form a significant part of our growth strategy and the failure to obtain good title to these lands could adversely impact our property valuations and prospects.

With reference to the joint development agreements entered into by our Company, 2.40 acres of the land, are under litigation. The projects located in these lands are Brigade Holiday Inn, Brigade Palmsprings and Brigade Gated Community. Further, with reference to one lease agreement entered into by our Subsidiary, Brigade Hospitality Services Private Limited, 2.43 acres of lands are also currently under litigation. Therefore, 4.83 acres amounting to 0.01% of our Land Reserves are currently under litigation. For further details see “Our Business- Our Land Reserves” on page 64.

Currently, to the best of our knowledge, none of the lands registered in our name have any irregularity in title and except as disclosed above, no other lands forming part of our joint development agreements are under litigation. However, there can be no assurance that such irregularities may not arise in the future.

6. ***Our hospitality business is subject to a number of contingencies and may be affected by factors beyond our control.***

We have entered into various arrangements with our partners for our hospitality properties. These arrangements are currently in the form of agreements and letters of intent. Under these arrangements, we are required to develop the hospitality properties while our partners operate and manage the hotels, resorts and serviced residences, in return for a management fee, payable to them. The success of this business depends on our ability to identify and develop appropriate locations and to successfully operate these hotels, resorts or serviced residences. In addition, the role of our partners is critical for the uninterrupted operations of these hospitality properties. If our hospitality partners fail to meet their obligations, experience financial or other difficulties or suffer a loss of reputation, the projects may suffer and as a result our business and results of operations may be adversely affected. In addition, in the event that these arrangements with our partners are not successful, our reputation as a hospitality partner for future projects may be affected.

The hospitality business faces additional risks, including oversupply of rooms, failure to attract and retain clients, and adverse international, national and regional travel or security risks. Any of these developments may have a material adverse affect on our business, results of operations and financial conditions.

7. ***We have entered into joint development agreements with one of our Promoters, in relation to certain lands which form part of our Land Reserves.***

We have entered into certain agreements with one of our Promoters, Mr. M.R. Jaishankar in relation to certain lands owned by him and on which we intend to undertake certain development activities. We have entered into a memorandum of understanding and a joint development agreement with Mr. M.R. Jaishankar amounting to a total of 23.50 acres, amounting to 5.82% of our Land Reserves. See “Our Business-Our Land Reserves-Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which Company and/or its Subsidiaries and/or its group companies are parties” and “Our Business-Our Land Reserves- Land under which joint development agreements have been entered into” on page 68 and 72, respectively. Our Subsidiary, Brigade Hospitality Services Private Limited has and entered into a lease agreement with Mr. M.R. Jaishankar for the lease of 2.43 acres of land amounting to less than 0.60% of our Land Reserves. See “Our Business-Our Land Reserves- Lands over which the Company has the sole development rights” on page 66. We cannot assure you that the terms and conditions under these agreements were negotiated at arm’s-length or are in the best interests of our Company. In the event that Mr. M.R. Jaishankar decides to terminate such agreements, it may materially and adversely affect our business, results of operations and financial condition.

8. We have not entered into any definitive agreements to utilize the net proceeds of the Issue

We have not entered into any definitive agreements to utilize the net proceeds of the Issue. The deployment of funds as stated in the section titled "Objects of the Issue" on page 35 is entirely at the discretion of our Board. All the figures included under the section titled "Objects of the Issue" are based on our own estimates. Pending utilization of the proceeds of this Issue for the purposes described in this Red Herring Prospectus, we intend to invest the proceeds of the Issue in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks, for the necessary duration, or for reducing overdrafts. Such investments would be made in accordance with investment policies or investment limits approved by our Board of Directors from time to time.

9. The requirement of funds in relation to the objects of the Issue has not been appraised.

We intend to use the net proceeds of the Issue for the purposes described in the section titled "Objects of the Issue" on page 35. The objects of the Issue have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our management estimates for the projects may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project expenditure and may have an adverse impact on our business, financial condition and results of operations.

10. Our revenues from activities other than real estate development activities have contributed to less than 25% of our revenue in each of the last three fiscal years.

We have recently entered the hospitality business in June 2004 and therefore have had no revenue from this business prior to fiscal year 2005. Revenue from hospitality business contributed to 2.24% and 2.82% of our total revenue for the year ended March 31, 2007 and the six months ended September 30, 2007, respectively. We cannot assure you that the revenue generated from our hospitality business will constitute a significant percentage of our revenue in the future.

11. We may experience difficulties expanding our business in India.

We have acquired land and development rights in various cities and towns outside Bangalore and Mysore such as Hyderabad, Chennai, Mangalore and Kottayam (in Kerala) for future property developments. We have limited experience in conducting business outside Bangalore and Mysore, as we have not completed any real estate properties outside these cities.

The level of competition, regulatory practices, business practices and customs, and customer tastes, behavior and preferences in cities where we plan to expand our operations may differ from those in Bangalore and Mysore and our experience in these cities may not be applicable to new cities. In addition, as we enter new markets, we are likely to compete with local real estate developers who have an established local presence, are more familiar with local regulations, business practices and customs, and have stronger relationships with local contractors and relevant government authorities, all of which may collectively or individually give them a competitive advantage over us.

While expanding into various other regions, our business will be exposed to various additional challenges, including seeking governmental approvals from agencies with which we have no previous working relationship, identifying and collaborating with local business partners, contractors and suppliers with whom we may have no previous working relationship, identifying and obtaining development rights over suitable properties, successfully gauging market conditions in local real estate markets with which we have no previous familiarity, attracting potential customers in a market in which we do not have significant experience, local taxation in additional geographic areas in India and adapting our marketing materials and operations to different regions of India where other languages are spoken.

We can provide no assurance that we will be successful in expanding our business to include other markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have a material adverse effect on our revenues, earnings and financial condition and would result in us remaining dependent on the Bangalore real estate market for our business, constraining our long term growth and prospects.

12. Our inability to acquire large contiguous parcels of land may affect our future development activities.

Most of our properties, including the SEZs we intend to develop, are being built on large parcels of land. In the past, we have experienced difficulties in acquiring such land. In the future, we may not be able to acquire such large parcels of land at all or on terms that are acceptable to us. This may prohibit us from developing further large properties or may cause delays or force us to abandon or modify the development of land at a location, which in turn may result in a failure to realise our investment for acquiring such parcels of land. Accordingly, our inability to acquire large contiguous parcels of land may adversely affect our business prospects, financial condition and results of operations.

We may also be forced to pay premium amounts for acquiring certain large parcels of lands owing to its size and location. Paying premium amounts for land may limit our ability to fund other property developments and may adversely affect our business, financial condition and results of operations.

For the development of SEZs we are dependant upon the provision of land from state governments. If we are unable to complete the acquisition of land from the state government, due to a change of government, its focus or plans and policies, our SEZ development business could be adversely affected.

13. We have entered into agreements with various third parties for the acquisition of land which may expire or may be invalid which may lead to our inability to acquire these lands.

As part of our land acquisition process, we enter into purchase agreements or memoranda of understanding with third parties prior to the transfer of interest or conveyance of title of the land. We propose to acquire 133.10 acres or approximately 32.99% of our Land Reserves, pursuant to these agreements. For further details, see "Our Business - Our Land Reserves" on page 64. We enter into these agreements after paying certain advance payments to ensure that the sellers of the land satisfy certain conditions within the time frames stipulated under these agreements. There can be no assurance that these sellers will be able to satisfy their conditions within the time frames stipulated or at all. In addition, such sellers may at any time decide not sell us the land identified.

In the event that we are not able to acquire this land, we may not be able to recover all or part of the advance monies paid by us to these third parties, which amounts to approximately Rs. 675.37 million as of November 23, 2007. Further, in the event that these agreements are either invalid or have expired, we may lose the right to acquire these lands and also may not be able to recover the advances made in relation to the land. Also, any indecisiveness on our part to perform our obligations or any delay in performing our obligations under these agreements, may lead to us being unable to acquire these lands as the agreements may also expire. Any failure to complete the purchases of land, renew these agreements on terms acceptable to us or recover the advance monies from the relevant counterparties could adversely affect our business, financial condition and results of operations.

14. Certain lands developed by us are on a leasehold basis for a certain period.

We carry on development activities on land by entering into lease agreements with the owners of the land. These lease agreements are typically for a period of up to 30 years, after which we are required to return the lands to the owners. We may not be able to recover the rent paid to the land owners or the costs incurred for the construction of the structure on the land during the lease period. Further, typically these lease agreements have a clause where the lease may, but is not required to, be extended with the consent of the parties. In the event that the owners do not wish to renew the lease agreements, our business, financial condition and results of operations could be materially and adversely affected.

15. We may not be able to identify or correct any defects or irregularities in title to our land or the lands that we plan to develop independently or under joint development agreements or joint venture agreements.

There may be various legal defects and irregularities to the title on the lands that we own or on which we have development rights, which we may not be able to fully identify, resolve or assess. Prior to acquisition of, or entering into a joint development agreement with respect to any land, we conduct due diligence and assessment exercises on the land. Through an internal assessment process, we analyze information about the land that is available to us. However, there can be no assurance that such information is accurate, complete or current. Our rights in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects that we may not be aware of. For example, we may not be able to assess or identify all the relevant risks and liabilities associated with defects or irregularities of title. Any acquisition or joint development decision made by us in reliance on our assessment of such information, or the assessment of such information by a third party, is subject to risks and potential liabilities arising from the inaccuracy of such information. If such information later proves to be inaccurate, any defects or irregularities of title may result in our loss of title or development rights over land, and the cancellation of our development plans in respect of such land. Furthermore, any failure to obtain good title for a particular plot of land within a larger development may materially prejudice the success of the entire development, and may require us to write off substantial expenditures in respect of a property development. Any inability to identify defects or irregularities of title, and any ability to correct any such defects or irregularities of title, on lands that we plan to develop may have a material and adverse effect on our business, financial condition and results of operations. Any decision of ours to acquire land based on inaccurate, incomplete or dated information may result in risks and liabilities associated with acquiring and owning such parcels of land, being passed onto us. See "Our Business- Our Property Development Cycle" on page 87.

Legal disputes arising over land title can take several years and considerable expense to resolve if they become the subject of court proceedings, and their outcome can be uncertain. Under Indian law, a title document generally is not effective, nor may be admitted as evidence in court, unless it has been registered with the applicable land registry and applicable stamp duty has been paid in respect of such title document. The failure of prior landowners to comply with such requirements may result in our failing to have acquired valid title or development rights.

We face various practical difficulties in verifying the title of a prospective seller or lessor of property, or a joint development partner. Multiple property registries exist, and verification of title is difficult. Indian law recognizes the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law, also arises upon 12 years of occupation over valid ownership rights against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor. In addition, Indian law recognizes the concept of a Hindu undivided family, whereby all family members jointly own land and must consent to its transfer, including minor children, absent whose consent a land transfer may be challenged by such non-consenting family member. Our title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons. As each transfer in a chain of title may be subject to these and other various defects, our title and development rights over land may be subject to various defects of which we are not aware. We may face claims of third parties to ownership or use of the land after purchasing or obtaining development rights in respect of land, and where disputes cannot be resolved through accommodations with such claimants, we may lose our interest in the land.

16. ***We are required to make certain payments when we enter into joint development agreements, which may not be recoverable.***

We enter into joint development agreements with third parties in relation some of our properties. Under these agreements, we are required to provide the owners of the land with a deposit, which is expected to be returned upon the completion of the property development or credited against payments made to the owners of land. Under these joint development agreements, in the event of any delay in the completion of the property within the time frame specified, we are required to indemnify such parties with whom we have joint development agreements and pay certain penalties as specified in these agreements. If we are required to pay penalties pursuant to such agreements and we decline to do so, we may not be able to recover the deposits made by us to the owners of the land. In addition, if for any reason the joint development agreement is terminated or the property development is delayed or cancelled, we may not be able to recover such deposits. This could have an adverse effect on our business prospects, financial condition or results of operations. As of November 23, 2007 we have paid Rs. 111.25 million towards refundable deposits to the owners of the land. For further details please see "Our Business - Our Land Reserves" on page 64.

17. ***Some of the agreements with our customers require us to pay a penalty in case of delay of handover to our customers.***

We enter into agreements with our customers which require us to complete the property development by a certain date. Some of these agreements include penalty clauses where we are liable to pay penalties to the customers for any delay in the completion of the property development. We cannot assure you that we will always finish the construction or development of our properties in accordance with the timelines specified in such agreements, and as a result we may be liable for penalties under such agreements. We have in the past delayed the completion and handover of the properties, and therefore have been required to pay penalties. Continued delays in the completion of the construction of our properties will adversely affect our reputation. Further, such penalties payable by us have an adverse effect on our financial condition and results of operations.

18. We are subject to certain restrictions in relation to the land allotted to us by the Karnataka Industrial Areas Development Board.

We have been allotted land by the KIADB, pursuant to a lease agreement and an allotment letter dated November 24, 2006 and June 8, 2007, respectively, for an aggregate of 50 acres of land in the Mangalore and Mysore area for the development of IT SEZ. Pursuant to the terms of the lease agreement and the letter of allotment, subsequent to the completion of the initial period of the lease of 20 years, upon the satisfaction of the terms of the lease and the allotment and the payment of the cost of the land, we may purchase such land. As of November 23, 2007, we have paid a total of Rs. 140.90 million towards these lands and are required to pay an additional Rs. 2.82 million for these lands.

Under the terms of the lease and the letter of allotment, we are required to comply with a number of provisions, such as for the initial period of 20 years of the lease, we are not allowed to transfer 51% of the interest in this land. We are also required to provide 80% of the jobs created for a project to local people and 100% in relation to employees in certain categories. We are also required to ensure that the personnel officer employed by us is a native of Karnataka. In addition to the above, we are required to provide employment to at least one person from each family that has been displaced for the land. In the event that we are not able to satisfy any or all the conditions as specified in the lease agreement and the allotment letter, we may be in violation of the terms of the leased agreement or the allotment letter. As a result, the allotments of land made to us may be revoked by the KIADB. In the event that such leases or allotment are revoked, it could adversely affect our business.

In addition, the lease agreement and the allotment letter relating to the land alloted by KIADB contains certain revocation clauses. In the event that we are not able to pursue SEZ developments on such land, the lease and the allotment of land to us may be withdrawn. Moreover, the KIADB has the right to re-enter and take the possession of these lands in the event that such land is not used for purpose for which it has been leased or allotted.

19. We anticipate developing or participating in the development of SEZs, which involve various risks.

As part of our real estate development business, we intend to develop SEZs. We have been leased and allotted two parcels of land by the KIADB in the Mangalore and Mysore area. Our success in the development of SEZs depends on, among other things, our ability to obtain approvals and attract manufacturing or industrial units or IT units that conduct business within the SEZs, as well as on the continued availability of fiscal incentives under the SEZ regime. We do not have approvals for our proposed SEZ properties. We cannot assure you that we will be able to get these approvals or attract manufacturing or industrial or IT units in the future. Also, the possibility of withdrawal of the applicable benefits and concessions in the future may adversely affect the attractiveness of SEZs for the manufacturing, industrial or service units, which creates a risk for our current and planned investment in SEZ properties.

In addition, the SEZ Act has been recently enacted and the GoI and several state governments have extended fiscal and other incentives to SEZ promoters and customers located within SEZs. The SEZ policy framework is evolving and there could be changes in the SEZ regulations, including changes in norms for land acquisitions and associated compensation mechanisms, land use and development. Additionally, the selection procedure for grant of SEZ licenses is open to challenge. Changes and/or uncertainties in the GoI or state government policies or regulatory frameworks may slow down and adversely affect the demand for SEZs and thereby adversely affecting our SEZ development plans.

20. We expect competition from new SEZ developments and this may adversely affect our growth plans.

Owing to the relaxation of the regulatory framework and availability of fiscal and other benefits for setting up operations in SEZs, a large number of companies have expressed interest in developing SEZs. Many approvals have been granted in and around Hyderabad, Chennai, Pune, Bangalore and National Capital Region. This is likely to result in increased competition in SEZ property development. We may also face competition from SEZs being developed in neighbouring areas as well as from our potential customers who may set up their own SEZs. This increased competition could adversely affect our growth plans based on future SEZ property developments.

21. ***As the demand for land increases, it also results in an increase in the competition for, and prices of, land. Further, changes in any of regulations applicable to our business, are likely to have an affect on the price of land.***

As the demand for residential and commercial properties increases, it also results in an increase in competition to acquire land. The unavailability or shortage of suitable land for property development also leads to an escalation in land prices. Additionally, the availability of land, its use and development, is subject to regulations by various local authorities. For example, if a specific parcel of land has been delineated as agricultural land, no commercial or residential development is permitted without the prior approval of the local authorities. Such a change in status may impact the price of that parcel of land, as well as the land surrounding it. Any escalation in the price of land could prevent us from acquiring these parcels of land which could materially and adversely affect our business, prospects, financial condition and results of operations. For further details, see "Regulations and Policies" on page 91.

22. ***We have in the past leased as well as sold our properties. Such a combined strategy could affect our cash flows and results of operations.***

We pursue a mixed strategy of building and selling our real estate properties as well as leasing commercial properties. A decision to lease rather than sell any property would reduce cash flows in the short term and increase the number of periods over which cash would be recovered from such properties. Further, our strategy of leasing out certain properties, is also subject to the prevailing real estate scenario, the prevailing rates applicable for rentals, risks arising from the fall of rental rates, recoverability of rent, market price of land and such other factors which may have a bearing on us. Our decision to lease rather than sell any property could thus significantly affect our results of operations and the timing of our cash flows with respect to that property.

23. ***Other ventures promoted by our Promoters are engaged in a similar line of business.***

One of the entities forming part of our Promoter Group, Mysore Holdings Private Limited is engaged in a similar line of business as us. See 'Our Promoters' on page 123. We cannot assure you that our Promoters will not favour the interests of this or other Promoter Group companies over our interests. Commercial transactions in the future between us and related parties could result in conflicting interests. A conflict of interest may occur between our business and the business of our Promoter Group companies which could have an adverse affect on our operations.

24. ***The success of our real estate development business is dependent on our ability to anticipate and respond to consumer requirements, both in terms of the type and location of our properties.***

As customers continue to seek better housing and better amenities as part of their residential needs, we are required to continue to focus on the development of quality-centric residential accommodation with various amenities. The growth and success of our commercial business depends on the provision of high quality office space to attract and retain clients who are willing and able to pay rent or purchase prices at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients. Therefore our ability to anticipate and understand the demands of prospective customers is critical to the success of our real estate development business. The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India's middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands. Our inability to provide these customers with their preference or our failure to anticipate and respond to customer needs accordingly will affect our business and prospects. This could also lead to loss of potential customers to our competitors who may offer better facilities.

We believe that one of our key strengths is our ability to acquire land in new areas and to be able to develop properties in these areas in anticipation of consumer demand and deliver residential properties there at very competitive margins.

25. The statements contained in this Red Herring Prospectus with regard to our Forthcoming Projects, our Ongoing Projects and the area and make-up of our land are based on management estimates and may be subject to change. In addition, industry statistical and financial data contained herein may be incomplete or unreliable.

The square footage data presented herein with regards to Forthcoming Projects and Ongoing Projects, the Developable Area and Saleable Area and make-up of our land are based on management estimates. The square footage that we may develop in the future with regards to a particular property may differ from the amounts presented herein based on various factors such as market conditions, title defects and any inability to obtain required regulatory approvals. Moreover, title defects may prevent us from having valid rights enforceable against all third parties to lands over which we believe we hold interests or development rights, rendering our management's estimates of the area and make-up of our land incorrect and subject to uncertainty.

We have also not independently verified data from government and industry publications and other sources contained herein and therefore cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or our industry are subject to the statistical and other data upon which such discussions are based not being verified by us and may be incomplete or unreliable.

26. Our property developments are subject to various environmental regulations and other applicable legislation and instances of violations or non-compliance could adversely affect our properties.

We are required to conduct an environmental assessment of our properties before receiving regulatory approval for these properties. These environmental assessments may reveal material environmental problems, which could result in our not obtaining the required approvals. Further, we are also required to comply with various other regulations during the course of development of our properties. Additionally, if environmental problems are discovered during or after the development of a property, we may incur substantial liabilities relating to clean up and other remedial measures and the value of the relevant properties could be adversely affected. See “Regulations and Policies” on page 91.

27. We have not made applications or received approvals for many of our Forthcoming Projects.

We have 18 Forthcoming Projects which are in initial stages of development. We are in the process of making the applications to regulatory authorities in connection with the development of these properties. As these property developments are still in initial stages of development, the proposed use and development plans for these properties may be subject to further changes, as may be decided by us keeping in mind various factors including the economic conditions, the prevailing preferences of the consumers and regulations applicable to us. We cannot assure you that we shall receive any of the underlying approvals in a timely manner or at all. In the event that we do not receive these approvals, our business, prospects, financial condition and results of operations could be adversely affected. For further details, see “Government Approvals” on page 229.

28. Certain portion of the land to which we have access is classified as “Agriculture Land”, which does not permit commercial or residential development.

Approximately 100.69 acres amounting to 24.96% of our Land Reserves are classified as “Agriculture Land" which are held in the name of certain individuals on behalf of our Company. No commercial or residential development is permitted on such land without prior approval of local authorities, including the conversion of such land to the appropriate zone for development. We cannot assure you that we will be able to obtain the requisite permissions and conversions by the relevant authorities to convert the use of such land for commercial or residential development purposes in a timely manner or at all. If we do not receive permissions and conversions in a timely manner, we may not be able to develop these lands as intended, which could materially and adversely affect our business, prospects, financial condition and results of operations. Certain lands falling in the ‘green belt area’, i.e. lands falling within a restricted area as declared by the respective state government, is where no commercial or residential development is permissible. However, certain activites which are allowed to be carried out in the green belt areas include construction of places of worship, hospitals, libraries, sports clubs and cultural buildings. Any other form of activity to be carried out will require the prior consent of the relevant authority. We cannot assure you that in the event that we are able to acquire such lands directly or indirectly, we will be granted or will obtain permission to develop these lands at all, or in a timely manner or at all. If we do not receive permissions in a timely manner or in a manner acceptable to us, we may not be able to develop these lands that could adversely affect our business, prospects, financial condition and results of operations.

29. We have experienced rapid growth in the past few years and may not be able to sustain our growth, which may adversely affect our results.

We have experienced rapid growth in the past few years. For the year ended March 31, 2007, we generated total income of Rs. 4,170.20 million and profit after tax of Rs. 714.98 million, as compared to total income of Rs. 2,032.32 million and profit after tax of Rs. 423.06 million for the year ended March 31, 2006. As of November 23, 2007, we have two integrated enclaves, 12 residential properties and two hospitality projects under development. We may not be able to sustain our growth effectively or to maintain a similar rate of growth in the future due to a variety of reasons including a decline in the demand for quality real estate properties, increased prices or competition, non-availability of raw materials, lack of management availability or due to a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our financial condition and results of operations.

30. The availability of financing options to our potential customers is critical to our business.

A large number of our customers, especially buyers of residential properties finance their purchases by raising loans from various banks and other means. The availing of home loans for residential properties has become particularly attractive due to income tax benefits and high disposable income. The availability of home loans may however, be affected if such income tax benefits are withdrawn or the interest rates on such loans continue to increase or there is decrease in the availability of home loans. This may affect the ability of our customers to finance the purchase of their residential properties and may consequently affect the demand for our properties.

31. Our business is heavily dependent on the performance of the real estate market and the availability of real estate financing in India.

The real estate market is significantly affected by changes in economic conditions, government policies, interest rates, income levels, demographic trends and employment, among other factors. These factors can negatively affect the demand for and valuation of both our Forthcoming Projects and our Ongoing Projects. For example, lower interest rates may assist us in procuring borrowings at attractive terms for the purchase of land or development of our properties. However, India has experienced rising interest rates over the last three fiscal years, with the RBI repo rate rising from 6.0% as of March 31, 2005 to 6.50% as of March 31, 2006 and to 7.8% as of March 31, 2007. Rising interest rates could discourage our customers from borrowing to finance real estate purchases as well as companies, such as us, from incurring indebtedness to purchase land or develop residential or commercial or hotel properties. As such, our business could be adversely affected if the demand for, or supply of, real estate financing at attractive rates and other terms were to be adversely affected.

Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and finance companies could reduce the attractiveness of property or developer financing and the RBI or the GoI may take further measures designed to reduce or having the effect of reducing credit to the real estate sector. In the event of any change in fiscal, monetary or other policy of the GoI and a consequent withdrawal of income tax benefits, our business and results of operations may be adversely affected.

32. Our business and our growth prospect require us to invest additional capital, which may not be available on terms acceptable to us or at all.

Our business is capital intensive and requires significant expenditure for land acquisition and development. As of March 31, 2007 and September 30, 2007, we had outstanding borrowings (including secured and unsecured borrowings) of Rs. 2,402.03 million and Rs. 3,103.50 million respectively. For the fiscal year 2007 and for the six months ended September 30, 2007, we incurred interest and finance charges of Rs. 165.63 million and Rs. 172.53 respectively.

As we intend to pursue a strategy of continued investment in our development activities, we will incur additional expenditure in the current and next fiscal years. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. We may not be successful in obtaining these additional funds in a timely manner, or on favourable terms or at all.

Moreover, certain of our loan documents contain provisions that may limit our ability to incur future debt, make certain payments or take certain actions. In addition, the availability of borrowed funds for our business may be greatly reduced, and lenders may require us to invest increased amounts of funds in a property in connection with both new loans and the extension of facilities under existing loans. If we do not have access to additional capital, we may be required to delay, postpone or abandon some or all of our property developments or reduce capital expenditures and the size of our operations, any of which could adversely affect our results of operations. See "Financial Indebtedness" on page 212.

33. There could be unscheduled delays and cost overruns in relation to our Forthcoming Projects.

There could be unscheduled delays and cost overruns in relation to Forthcoming Projects. We cannot assure you that we will be able to complete our properties, including those that may be undertaken in future, within the stipulated budget and time schedule. As we would incur the cost of delays or overruns, this could adversely affect our results of operations and financial condition.

34. We recognise revenue based on the percentage of completion method of accounting on the basis of our management's estimates of revenues and development costs on a property by property basis. As a result, our revenues and development costs may fluctuate significantly from period to period.

We recognize the revenue generated from our residential and commercial properties on the percentage of completion method of accounting. Under this method, revenue recognized with respect to a property development, is equal to the lower of (a) the percentage of completion of the property and (b) actual amount received on booking or sale of the property as a percentage of total estimated property sales. The percentage of completion of a property is determined on the basis of portion of the actual cost of the property incurred thereon, including cost of land, as against the total estimated cost of the property under execution. We cannot assure you that the estimates used under the percentage of completion method will equal either the actual cost incurred or revenue received with respect to these properties. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenues and development costs and limit our ability to undertake new properties. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. Such fluctuations in our revenues and costs could also cause our share price to fluctuate significantly.

35. We depend on our Promoters, our senior management, directors and key personnel for a large part of our success.

Our Promoters, our directors and our key management personnel collectively have many years of experience in the real estate industry and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will continue to retain any or all of the key members of our management. The loss of the services of any key member of our management team could have an adverse effect on our business and the results of our operations.

Further, our ability to maintain our position in the real estate development sector depends on our ability to attract, train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could have an adverse effect on our business and results of operations.

36. We receive certain tax benefits under the provisions of the Income Tax Act, which if withdrawn, may adversely affect our financial condition and results of operations.

Our business enjoys various tax benefits under the Income Tax Act, and is also expected to benefit from SEZ related tax benefits. The provisions of section 80-IB of the Income Tax Act provided for 100% deduction of the profits derived from development and building of housing projects approved before March 31, 2007, by a local authority, provided that certain specified conditions are met including the requirement that the area of each dwelling unit is not more than 1,000 sq. ft. of built up area within the radius of 25 kilometres of the municipal limits of metropolitan cities of New Delhi and Mumbai and 1,500 sq. ft. of built up area in the rest of India. For all the projects, for which approvals have not been obtained prior to March 31, 2007, the benefits under section 80-IB of the Income Tax Act, are not available. As a result, we cannot derive any benefit under section 80-IB of the Income Tax Act for a number of our Ongoing Projects and Forthcoming Projects. In addition, we are also entitled, for a period of ten years, subject to meeting certain conditions specified under Section 80-IAB (1) of the Income Tax Act, a 100% deduction of profits derived from the development of SEZ properties notified on or after April 1, 2005. In the event that similar benefits are no longer available to us due to any change in law or a change in the nature of our property developments, the effective tax rates payable by us will increase and consequently our financial condition may be adversely affected. For details, see the section titled "Statement of Tax Benefits" on page 42.

37. We are subject to restrictive covenants in certain debt facilities provided to us.

There are certain restrictive covenants in the arrangements we have entered into with the banks for secured loans. We are prohibited from opening accounts with any other banks or credit institutions for any purpose until our liabilities to such lending banks terminate. Additional restrictive covenants require us, among other things, to maintain in favour of the bank a margin between the value of mortgaged property and the balance due to the bank, as the bank may stipulate from time to time, and to keep the mortgaged properties insured for full market value against certain risks. Further, the loan agreements provide that we cannot create any further charges or encumbrances over the mortgaged property and that it may not part with the hypothecated property or any part thereof without the prior written consent of the lending bank. Furthermore, our arrangements with certain lending banks permit these banks to withdraw or amend the terms and conditions of the loans at the bank's absolute discretion without any prior notice to us. In addition, these banks may impose overdue interest at the specified rates in the event of any default or vary the interest rates, without giving prior notice to us. These restrictive covenants also affect some of the rights of our Board, including recommending dividends.

Any additional financing that we require to fund our capital expenditures, if met by way of additional debt financing, may place restrictions on us which may, among other things, increase our vulnerability to general adverse economic and industry conditions; limit our ability to pursue our growth plans; require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes; and limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

38. Our Promoter, Mr. Jaishankar, and certain members of our Promoter Group have given personal guarantees in relation to certain debt facilities provided to us.

Our Promoter, Mr. Jaishankar, and certain members of our Promoter Group have given personal guarantees in relation to certain debt facilities provided to us aggregating Rs. 2,966.13 million as of September 30, 2007. In the event that our Promoter or our Promoter Group members withdraw or terminate their guarantees, the lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

39. We have limited protection over the "Brigade Enterprises" logo and name.

We have applied for registration of the name and mark "Brigade Enterprises" that appears on the cover page of this Red Herring Prospectus. Our applications may not be allowed or competitors may challenge the validity or scope of these applications or the trademarks if the applications are approved. If we fail to successfully obtain or enforce our trademarks, we may need to change our logos. Any such change could adversely affect our business and require us to incur additional costs.

40. If we are not able to manage our growth, our business and financial results could be adversely affected.

We are embarking on a growth strategy which involves a substantial expansion and diversification of our current business. In furtherance of this strategy, we have recently acquired or entered into agreements to acquire large areas of land. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Further, as we scale-up and diversify our operations, we may not be able to execute our property developments efficiently, which could result in delays, increased costs and affect the quality of our developments, and may adversely affect our reputation. Such expansion also increases the challenges involved in preserving a uniform culture, set of values and work environment across our properties, developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems; recruiting, training and retaining sufficient skilled management, technical and marketing personnel; maintaining high levels of client satisfaction; and adhering to health, safety, and environmental standards. Our failure to manage our growth could have an adverse effect on our business, financial condition and results of operations.

41. The government may exercise rights of compulsory purchase or eminent domain over our lands.

The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of compulsory purchase which, if used in respect of our land, could require us to mandatorily relinquish land with minimal compensation and no right of appeal. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our major current or proposed developments could adversely affect our business.

42. Our operations and the work force on the property sites are exposed to various hazards.

We conduct various site studies prior to the acquisition of any parcel of land and its construction and development. However, there are certain unanticipated or unforeseen risks that may arise due to adverse weather and geological conditions such as storms, outbreaks of disease, hurricanes, lightning, floods, landslides, rockslides and earthquakes and other reasons. Additionally, our operations are subject to hazards inherent in providing or hiring sub-contractors for architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire, or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. If any one of these hazards or other hazards were to impact our business, our results of operations may be adversely affected.

43. Our insurance coverage may not adequately protect us against all material hazards.

We are insured for a number of the risks associated with our business, such as fire, special perils concerning our construction operations and loss of certain assets. See “Our Business - Insurance” on page 89. In addition, we have obtained separate insurance coverage for certain employee related risks. While we believe that the insurance coverage which we maintain directly or through our contractors, would be reasonably adequate to cover the normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Moreover, currently, we do not have insurance for Forthcoming Projects, but may obtain insurance in the future based on our own assessment of risks associated with such properties. To the extent that we suffer loss or damage for which we or our sub-contractors did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

44. Labour unrest problems may significantly affect our business and if our employees unionize, we may be subject to , slowdowns and increased wage costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected.

45. Details in relation to the one brother of our Promoter, Mr. M.R. Jaishankar are not available.

The details in relation to a brother of one of our Promoters are unavailable. Our Promoter, Mr. M.R. Jaishankar and his brother Mr. Nagraj owing to lack of relations do not have any contact with each other. Therefore, we are unable to determine the interst he has in various entities. Mr. Nagaraj, has not been associated with Brigade Enterprises Limited in any manner in the past (except in relation to the shareholding he had held in Brigade Investments and Projects Limited, which entity was later merged into our Company and at the time of the merger Mr. Nagaraj did not hold any interest), nor does he hold any shares in our Company or our Subsidiaries or our Associate Companies.

46. We have entered into, and will continue to enter into, related party transactions.

We have entered into transactions with several related parties, including our Promoters, Directors and Promoter Group entities. For the year ended March 31, 2007 and the six months ended September 30, 2007, we purchased goods and contractual services totaling Rs. 23.63 million and Rs. 70.88 million respectively from related parties. During the same periods, we sold materials, finished goods and services totaling Rs. 11.94 million and Rs. 11.87 million, respectively to related parties. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, see "Related Party Transactions" on page 131.

47. Our contingent liabilities could adversely affect our financial condition and have not been provided for in the financial statements of the Company and could impact our financial condition

Our contingent liabilities which have not been provided for as disclosed in our audited consolidated financial statements, as per Indian GAAP as at March 31, 2007 and the six months period ended September 30, 2007 were as follows:

(Rs. In millions)

Particulars	**September 30, 2007**	**March 31, 2007**
Towards counter guarantee to bank for issuing bank guarantee	15.63	11.67
Claims against the company from Government departments not acknowledged as debts	13.07	29.59
Capital commitments not provided in the books	2,778.35	2,904.37
Total	**2,807.05**	**2,945.63**

48. Our Company, our Promoter Director, Mr. M.R. Jaishankar and certain entities forming part of our Promoter Group are party to certain legal proceedings.

We are involved in certain other legal proceedings and claims in relation to taxation matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. We can give no assurance that these legal proceedings will be decided in our favour. Further, we may also not be able to quantify all the claims in which we or any of our group companies are involved. Any adverse decision may have a significant effect on our business, prospects, financial condition and results of operations. The details of the outstanding litigations, are provided below:

Cases filed against the Company, Promoters, Promoter Group, Directors and Subsidiaries

Sl.No	**Name of entity/person**	**Civil case**	**Criminal case**	**Amount claimed (in rupees million)**
1.	**Company**			
	Brigade Enterprises Limited	14	Nil	1.28
2.	**Promoter Group**			
	Capronics Private Limited	Nil	Nil	Nil
3.	**Directors/Promoters**			
	Mr.M.R. Jaishankar	3	Nil	Nil

Cases filed by the Company, Promoters, Promoter Group, Directors and Subsidiaries

Sl.No	Name of entity/person	Civil case	Criminal case	Amount claimed (in rupees million)
1.	**Company**			
	Brigade Enterprises Limited	8	Nil	11.70
2.	**Promoter Group**			
	Capronics Private Limited	8	Nil	0.73
	PCB Inc	1	Nil	0.19
3.	**Promoters**			
	Mr. M.R. Jaishankar	2	Nil	0.53

We are also involved in two tax matters with a consolidated claim aggregating to Rs. 5.01 million.

For more information regarding all of the above litigations, see section titled "Outstanding Litigation and Defaults" on page 217.

49. Certain of our Subsidiaries and certain entities forming part of our Promoter Group have incurred losses in the past.

Certain of our Subsidiaries and Associates have incurred losses as on the 12 months ended March 31, 2007.

Name of the Company	Profit/Loss after Tax (Rs. in million)		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Brigade Hospitality Services Private Limited	(16.59)	0.00	1.19
Tetrarch Holdings Private Limited	(0.04)	(0.24)	0.43

The following entities forming part of our promoter group have incurred losses in the past:

Name of the Company	Profit/Loss after Tax (Rs. in million)		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Capronics Private Limited	2.50	(0.66)	(1.09)
Mercury Premises Leasing Private Limited	(0.95)	0.00	-

50. The financial statements of certain of the entities forming part of our Promoter Group are unaudited.

The financial statements for certain entities forming part of our Promoter Group are unaudited. The financial statements have not been audited as there is no statutory requirement under the relevant statutes under which these entities are organised to have audited financial statements. See "Our Promoters" on page 123.

51. We had negative cash flows for the six months ending September 30, 2007

For the period ending September 30, 2007, our net cash flows were a negative of Rs154.77 million. There can be no assurance that we will have sufficient liquidity to meet our requirements at a future point of time.

52. Our Promoters hold the shares in our Subsidiaries on our behalf.

Our Promoters hold all the shares on our behalf in two of our Subsidiaries, namely Brigade Estates and Projects Private Limited and Brigade Properties Private Limited. These shares are held by our Promoters as our nominees. Our Promoters also hold some shares in two of our other Subsidiaries namely Brigade Hospitality Services Private Limited and Tetrarch Holdings Private Limited on our behalf. The beneficial interest for all of these shares is with us. These shares are held by our Promoters as our nominees.

Risks Relating to India

53. A slowdown in economic growth in India could cause our business to suffer.

Our performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

54. Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. Currently and in the past, the central government has been a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting real estate, foreign investment and other matters affecting investment in our securities could change as well.

55. Restrictions on foreign direct investment in the real estate sector may hamper our ability to raise additional capital.

While the GoI has permitted FDI of up to 100% without prior regulatory approval in townships, housing, built-up infrastructure and construction and development projects, it has issued a notification titled Press Note No. 2, which subjects such investment to certain restrictions. Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects. For more information on these restrictions, see the section titled "Regulations and Policies" on page 91.

56. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

57. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

Risks relating to the Investment in Equity Shares

58. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian real estate sector and changing perceptions in the market about investments in the Indian real estate sector, adverse media reports on us or the Indian real estate sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations.

There has been no recent public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

59. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

60. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

61. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

Notes to Risk Factors

- Public Issue of 16,624,720 Equity Shares of Rs. 10 each for cash at a price of Rs [•] per Equity Share including a share premium of Rs. [•] per equity share, aggregating Rs. [•] million. The Issue comprises a Net Issue to the Public of 16,524,720 shares of Rs. 10 each (the "Net Issue") and a reservation of up to 100,000 Equity Shares of Rs. 10 each for Eligible Employees (the "Employee Reservation Portion"). There will also be a Green Shoe Option of up to 2,493,708 equity shares for cash at a price of Rs. [•] per equity share aggregating to Rs. [•] million (the "Green Shoe Option"). The Issue and the Green Shoe Option, if exercised in full, will aggregate to 19,118,428 equity shares amounting to Rs. [•]. The Issue will constitute 16.87% of the fully diluted post issue paid-up capital of the Company assuming that the Green Shoe Option is exercised in full and 15.00% assuming that the Green Shoe Option is not exercised. The Net Issue will constitute 16.78% of the fully diluted post issue paid-up capital of the Company assuming that the Green Shoe Option is exercised in full and 14.91% assuming that the Green Shoe Option is not exercised.

- In terms of Rule 19 (2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further up to 100,000 shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

- The net worth of the Company was Rs. 1,453.09 million as of March 31, 2007 and Rs. 1,903.89 million as of the six months ended September 30, 2007 as per our restated consolidated financial statements included in this Red Herring Prospectus.

- The NAV per Equity Share of Rs. 10 each was Rs. 53.99 as of March 31, 2007 and Rs. 26.52 as of the six months ended September 30, 2007, as per our restated consolidated financial statements included in this Red Herring Prospectus.

- The average cost of acquisition of our Equity Shares by our Promoters is Rs. 0.68 per Equity Share. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amount paid by them to acquire the Equity Shares issued by us.

- For details of our related party transactions, please refer to the section titled "Related Party Transactions" on page 131.

- Except as disclosed in the section titled 'Capital Structure; "Our Promoters" and "Our Management" on page 25, 123 and 109, respectively, none of our Promoters, our directors and our key managerial employees have any interest in the Company except to the extent of the remuneration and reimbursement of expense sand to the extent of the Euity Shares held by them or their relatives and associates or held by the companies, firms and trust in which they are interested as directors, member partner or trustee and to the extent of the benefit arising out of such transactions.

- Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.

- Any clarification or information relating to the Issue shall be made available by the GCBRLMs, BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the GCBRLMs, BRLM and the Syndicate Member for any complaints pertaining to the Issue.

- Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders, Retail Bidders and Bidders in the Employee Reservation Portion shall be on a proportionate basis. For more information, please refer to the section titled "Basis of Allotment" on page 269.

- Investors are advised to refer to the section titled "Basis for Issue Price" on page 40.

- Our Company was formed as 'Brigade Enterprises', a partnership firm, by our Promoters Mr. M. R Jaishankar and Ms. Githa Shankar, which was subsequently converted into a private limited company called Brigade Enterprises Private Limited on November 8, 1995 and a certificate of incorporation was issued by the Registrar of Companies, Karnataka in this regard. The status of our Company was changed to a public limited company by a special resolution of the members passed at the annual general meeting held on June 20, 2007. The fresh certificate of incorporation consequent to the change of name was granted to our Company on July 20, 2007, by the Registrar of Companies, Karnataka

SECTION III – INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Overview

We are a real estate development company based in Bangalore, primarily focused on the development of residential, commercial and hospitality properties in South India. Our residential properties include integrated lifestyle enclaves and apartment buildings targeted towards middle income and high income customers. Our integrated lifestyle enclaves are conceptualised as self-contained, gated communities, which generally include a combination of apartment complexes, commercial and retail space, recreational clubs, parks, schools, convention centres and car parking and which historically have ranged from 1.62 million sq. ft to 7.23 million sq. ft. of Developable Area. Our commercial properties include commercial office space, software and IT parks, schools, hospitals and retail malls with entertainment facilities, such as multiplexes. Our properties in the hospitality sector include serviced residences, hotels, resorts, spas, recreational clubs and convention centres in Bangalore and other parts of South India.

Since our inception in 1990, we have concentrated our business within the Bangalore region and other nearby areas such as Mysore. We have an in-house, fully integrated property development team consisting of 210 engineers and architects who oversee the development of properties from inception to completion. Our dedicated marketing and sales teams comprising of 46 individuals, regularly interacts with our customers to enable an educated, user-friendly purchasing or leasing experience.

We were originally formed as a partnership firm by Mr. M. R. Jaishankar, and his wife Ms. Githa Shankar, our Promoters, in 1990. We were converted into a private limited company in 1995, and recently converted into a public limited company. Our Promoters have over 20 years of experience in the real estate industry. For further details on our Promoters, see the section 'Our Promoters' on page 123.

Some of our completed landmark properties include Brigade Millennium, an integrated lifestyle enclave, consisting of Saleable Area and Developable Area of approximately 1.83 million sq. ft. We are currently developing 16 properties, including Brigade Gateway and Brigade Metropolis, which are integrated lifestyle enclaves and that comprise of a combined Saleable Area of approximately 10.83 million sq. ft. and a combined Developable Area of approximately 11.89 million sq. ft.

We are also involved in the hospitality business with 'Brigade Homestead', our serviced residences with, as of November 23, 2007, 89 operational Keys ("Keys" is an industry term referring to a room or a serviced residence) and our Woodrose Club with 26 operational Keys. We have approximately 223 Keys under development in serviced residences across two locations in Bangalore. We are also developing three hotels with approximately 700 Keys and three resorts with approximately 196 Keys in South India. We intend to operate these serviced residences, hotels and resorts ourselves and through arrangements with international hotel operators, such as Starwood, InterContinental, Banyan Tree and Accor.

Some of our developed commercial properties in the main business areas of Bangalore include 'Brigade Software Park', 'Brigade South Parade' and 'Brigade Techpark'. We developed these properties with an emphasis towards providing modern and high quality facilities for our domestic and multinational clients. Some of our prominent clients who occupy these premises include Cisco Systems India Private Limited, Digi Captions India Private Limited, Mahindra Engineering Design & Development Company Limited, Mindtree Consulting Limited, Spice Communications Limited, Tata Coffee Limited and TTK Prestige Limited.

As of November 23, 2007, we have completed a total of 67 properties, comprising of 41 residential properties, 21 commercial properties and five hospitality properties, aggregating to approximately 5.67 million sq. ft. of Saleable Area and approximately 6.74 million sq. ft. of Developable Area. As of November 23, 2007, we are developing two integrated lifestyle enclaves, 12 residential properties and two hospitality properties, aggregating to approximately 12.53 million sq. ft. of Saleable Area and approximately 13.84 million sq. ft. of Developable Area (our "Ongoing Properties"). As of November 23, 2007, our forthcoming properties (properties that are in planning stage, where approvals are in the process of being obtained but construction has not yet begun) include four integrated lifestyle enclaves, 16 residential properties, nine commercial properties and five hospitality properties, aggregating to approximately 23.14 million sq. ft. of Saleable Area and approximately 30.32 million sq. ft. of Developable Area (our "Forthcoming Properties").

Our Land Reserves may be broadly classified into lands for Ongoing Properties and lands for Forthcoming Properties. 'Developable Area' refers to the total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as 'super built-up' area and has historically ranged from 28% to 175% of the carpet area of the property**.** 'Saleable Area' refers to the part of the Developable Area relating to our economic interest in such property.

As of November 23, 2007, our Land Reserves were:

City	Land Area		Developable Area*		Saleable Area*	
	*In million sq. ft.**	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*
Bangalore	9.94	56.54	33.41	75.66	26.30	73.73
Mysore	3.28	18.66	6.96	15.76	6.07	17.02
Mangalore	1.31	7.45	3.04	6.88	2.78	7.79
Chennai	0.06	0.34	0.29	0.66	0.14	0.39
Hyderabad	0.06	0.34	0.16	0.36	0.08	0.22
Chickmagalur	2.14	12.17	0.20	0.45	0.20	0.56
Kottayam (in Kerala)	0.79	4.50	0.10	0.23	0.10	0.29
Total	**17.58**	**100.00**	**44.16**	**100.00**	**35.67**	**100.00**

** Area here refers to only to the share of our Company.*

For more information on our Land Reserves, see "Our Business-Our Land Reserves" on page 64. Our Land Reserves aggregate to approximately 44.16 million sq. ft. of Developable Area, of which approximately 11.21 million sq. ft. of Developable Area is owned by us directly and approximately 2.99 million sq. ft. of Developable Area is owned by us through our nominees. Our Land Reserves also include (a) land taken on lease by us for which we hold the sole development rights, which aggregates to approximately 4.83 million sq. ft. of Developable Area; (b) land in relation to which we have executed memoranda of understanding or agreements to acquire, which aggregates to approximately 16.38 million sq. ft of Developable Area; and (c) land for which we have joint development rights, which aggregates to approximately 8.75 million sq. ft. of Developable Area.

Our consolidated total income was Rs. 4,170.20 million for the fiscal year 2007 as compared to Rs. 2,032.32 million for the fiscal year 2006 and Rs. 1,605.03 million for the fiscal year 2005, representing year over year increases of 105.19%, 26.62% and 109.38%, respectively. Our consolidated profit after tax was Rs. 714.98 million for the fiscal year 2007 as compared to Rs. 423.06 million for the fiscal year 2006 and Rs. 198.77 million for the fiscal year 2005, representing year over year increases of 69.00%, 112.84% and 85.06%, respectively.

Our Competitive Strengths

We believe that the following are our principal strengths:

Operations in multiple real estate business domains

Since our inception in 1990, we have concentrated our business in the development of properties in multiple real estate business domains. We have developed residential, commercial and hospitality properties and we intend to capitalise on this experience by continuing to focus on these business domains. We have completed the development of 41 residential properties including two integrated lifestyle enclaves. We are currently developing 14 residential properties, including two integrated lifestyle enclaves, across Bangalore and Mysore. We have completed the development of 21 commercial properties, including offices and software parks, and are currently developing six commercial properties, including those within integrated enclaves, in Bangalore and Mysore. In the hospitality sector, we have completed the development of and are currently managing two serviced residence properties under the brand 'Brigade Homestead', two recreational clubs and one convention centre within our integrated lifestyle enclaves. We are currently developing five hospitality properties including those within integrated enclaves. These serviced residences, hotels and resorts will be developed by us, and some of these will be operated and managed under brand names such as Sheraton, Holiday Inn, Mercure Homestead Residences, Banyan Tree and Angsana Resort under agreements with Starwood, Inter Continental, Accor and Banyan Tree.

Innovative projects in the Bangalore region

We believe we have built several properties which have been among the first of their kind in the real estate industry in Bangalore, South India. For example our commercial venture, 'Brigade Software Park' has been one of the first real estate projects developed by a private developer to be classified as an infrastructure project by the Government of Karnataka. We were also one of the early developers of integrated lifestyle enclaves in Bangalore, which are conceptualized as self contained, gated communities, generally including a combination of apartment complexes, commercial and retail space, recreational clubs, parks, schools, convention centres and car parking. For example, we developed Brigade Millennium, an integrated lifestyle enclave comprised of over 700 apartments, a club, a park, a school and a convention centre, and Brigade Gardenia, another integrated lifestyle enclave comprised of over 1,000 apartments, retirement residences, a club, parks and gardens. We are continuing to focus on the construction of integrated lifestyle enclaves, with Brigade Gateway and Brigade Metropolis properties being our latest developments in this segment.

In the hospitality segment, we believe we are among the early developers of professionally-managed serviced residences in Bangalore. We have completed the development of and currently operate two serviced residences.

End to end competencies

We have developed in-house competencies for every stage in a property development life cycle, commencing from property development inception, which involves identification of parcels of land and the conceptualisation of the development, to execution, which involves planning, designing and overseeing the construction activities, and culminating in property delivery, which involves interfacing our marketing and sales team with customers. In the hospitality segment, in addition to providing all of these services, we also manage serviced residences. Our team comprises of 314 employees, which includes 210 employees in engineering, architecture and design.

In addition to our in-house competencies, we also leverage the expertise of external professionals with specialisations to match our wide range of operations, such as architects, interior designers, landscapers, engineers, building services consultants and communication consultants for the development and management of our properties. For example, we have appointed a New York based real estate consultancy firm, Hellmuth, Obata + Kassambaum, Inc. ("HOK"), to develop the master plan for one of our Ongoing Properties, Brigade Gateway.

An established brand name and reputation for quality

We believe we have an established brand name and reputation for quality in the real estate market in Bangalore and Mysore. We received the ISO 9001 certification in 2000 and were re-certified in 2003 and 2005 for our quality management system. In 1995, CRISIL awarded our Brigade Regency property, a 'PA2' rating in recognition of quality and for delivering properties on time to our customers with clear title to properties. In addition, in 2003, ICRA awarded Brigade Millennium 1 - Phase I 'Mayflower' and 'Cassia' blocks, a credit rating of 'RT2+' designating them as strong projects with low risks. We believe that over the past decade, we have created a brand name that stands for quality, trust and innovation.

A significant portfolio of global clientele

We enjoy long-term relationships with our clients, including multinational corporations with a worldwide presence. Several of these clients have established long-term relationships with us and have consistently been our repeat clients while undertaking their expansion activities. Some of our prominent clients who occupy these premises include Cisco Systems India Private Limited, Digi Captions India Private Limited, Mahindra Engineering Design & Development Company Limited, Mindtree Consulting Limited, Spice Communications Limited, Tata Coffee Limited and TTK Prestige Limited. We believe that our customers, who operate across various business domains, strengthen our brand name and provide us a competitive advantage in the real estate industry.

Experienced management team

Mr. M.R. Jaishankar, our Chairman and Managing Director and one of our Promoters', has over 20 years of experience in real estate development. Each of our directors is a senior experienced professional in his or her respective field. Our key managerial personnel in the areas of operations, design and development, finance, marketing, engineering, legal, human resource, and business development, are qualified professionals, who are specialists in their respective business functions, and most of them have over 20 years of experience. We believe that this experience gives us the ability to anticipate the trends and requirements of the real estate market, identify and acquire lands in locations where we believe there is demand, and design our properties in accordance with demanding customer trends. This ability is evidenced by the popularity of our completed and upcoming integrated lifestyle enclaves and our serviced residences.

Strategy

We intend to develop a range of properties in a number of cities in India to meet a diversified business model and to provide for increasing customer demands. The following are the key elements of our business strategy:

Leveraging our expertise in the development of integrated lifestyle enclaves

We have developed integrated lifestyle enclaves such as Brigade Millennium and Brigade Gardenia, which we believe to be a successful business model in the real estate market in South India. We believe that these integrated lifestyle enclaves have been successful as a result of the changing lifestyles and consumer trends in the real estate market. We also believe that integrated lifestyle enclaves will be the preferred style of residences in the future. We intend to capitalize on this experience to develop additional integrated lifestyle enclaves and gated communities in South India. Our ongoing integrated lifestyle enclaves projects, Brigade Gateway and Brigade Metropolis will, when completed, offer a diverse combination of facilities such as office space, residential apartments, recreational clubs, parks, hospitals, hotels, schools and retail malls. We intend to develop integrated lifestyle enclaves in cities where we have acquired or seek to acquire land such as Chennai, Chickmagalur, Hyderabad, Kochi and Mangalore.

Focus on hospitality and related ventures

We intend to continue to develop, manage and own properties in the hospitality sector including serviced residences, hotels and resorts. We have gained experience by developing and managing, as of November 23, 2007, 115 serviced residences under the Brigade Homestead brand as well as at the Woodrose Club. We believe this experience will help us in ensuring effective administration and operations of our future serviced residence properties, as well and hotels and resorts. We also intend to undertake construction of food courts and enter into the business of mall operation and management.

We have entered into agreements or letters of intent with Starwood, InterContinental, Accor and Banyan Tree for the supervision, operation and management of hotel properties that we are developing. We believe these ventures will strengthen our market reputation, give us a diversified offering base and will result in an increase in our total income. Subsequent to the completion of these ongoing hospitality properties, we intend to further expand into a number of other cities in South India.

Expansion into various cities in South India

We intend to expand our operations into other cities in South India which we believe have the potential for growth and demand for our properties. The economic growth in these cities will result in higher disposable incomes in the middle and higher income groups, which we believe is expected to result in an increase in demand for improved residential housing, as well as higher quality retail space. We recognise that continuing to build on our Land Reserves in these new cities is critical to our growth strategy. As a result, we have acquired, are in the process of acquiring or have identified, land in various cities such as Chennai, Chickmagalur, Hyderabad, Kochi and Mangalore, for our residential, commercial and hospitality properties. We believe that these cities have the potential to grow at a rapid pace and we intend to develop properties in such cities to take advantage of such potential. We actively seek to identify low cost land in fast growing cities and suburbs which attract increasing economic activity in manufacturing, IT, ITES, telecommunications, tourism and other sectors.

Maintain quality standards for residential and commercial development

We believe that we have developed a reputation for consistently developing high quality properties that are unique, reliable and convenient for our customers. We intend to continue to focus on innovation and provide quality property execution in order to maximize client satisfaction. We also intend to continue to use technologically advanced tools and processes without compromising on reliability or quality of our constructions. We also intend to continue to enhance our architectural, design, construction and development capabilities to enable us to provide innovative, modern and quality products and services to our customers.

We believe that the high quality of our construction has in the past satisfied our customers to such an extent that they have requested us to also carry out the furnishing of the interiors of their properties. We intend to selectively carry out the furnishing of interiors in addition to our construction and development activities, ensuring that such services conform to our existing quality standards.

Outsourcing selectively to increase scale of operations and reduce capital investments

We intend to increase the scale of our operations while ensuring that we carry on our operations in a cost-effective manner. Selective outsourcing enables us to undertake more developments while providing us with cost efficiencies. We intend to continue to outsource our construction activities in order to enable us to devote more time and effort to other aspects of our development activities and to better utilise our manpower. We believe selective outsourcing activities enables us to reduce our operation costs and capital expenditures.

Continued focus on properties in a diverse range of price segments

We intend to focus on the development of residential properties across a diverse range of price segments and, as a result, income groups. While our offerings currently cater to middle and upper income demographic groups, in the future, we intend to target lower income groups without compromising on quality. We believe this will enable us to expand our offering base and become a residential developer across a diverse range of price segments and income groups.

Industry Overview

For further details refer to "Industry" page 49.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated consolidated financial statements as of and for the years ended March 31, 2007, 2006 and 2005 and for six months ended Septmeber 30, 2007. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and are presented in the section titled "Financial Statements" beginning on page 134. The summary financial information presented below should be read in conjunction with our restated consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 193.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED AND CONSOLIDATED

PARTICULARS	September 30, 2007	March 31, 2007	March 31, 2006	March 31, 2005
A. Fixed Assets				
Gross Block	1096.55	1,049.29	487.52	427.21
Less : Depreciation	260.86	216.48	116.35	58.59
Net Block	835.69	832.81	371.17	368.62
Capital Work in Progress	607.65	479.32	433.60	232.97
Total	**1443.34**	**1,312.13**	**804.77**	**601.59**
B. Investments	**14.56**	**10.64**	**8.20**	**4.43**
C. Deferred Tax Asset	**16.61**	**16.76**	**4.33**	**10.76**
D. Current Assets, Loans & Advances				
Inventories*	5398.32	3,986.24	2,681.58	2,128.94
Sundry debtors	130.71	177.57	78.01	98.99
Cash and bank balances	69.87	224.65	211.69	129.21
Loans and advances*	1520.54	1,658.11	805.93	560.27
Total (D)	**7119.44**	**6,046.56**	**3,777.20**	**2,917.40**
TOTAL ASSETS (A + B + C + D) = E	**8593.95**	**7,386.09**	**4,594.49**	**3,534.18**
F. Liabilities and Provisions				
Secured loans	2966.71	2,402.03	1,007.31	1,071.60
Unsecured loans	121.78	-	17.93	21.10
Current liabilities	3229.86	3,174.71	2,696.42	1,961.28
Provisions	399.89	356.26	66.59	47.80
	6718.24	**5,932.99**	**3,788.24**	**3,101.78**
NETWORTH (E – F)	**1875.71**	**1,453.09**	**806.25**	**432.40**
Net worth represented by:				
Share capital	942.07	269.16	269.16	107.66
Reserves and Surplus	964.73	1,193.92	537.74	324.73
Total	**1906.80**	**1,463.08**	**806.91**	**432.40**
Less: Preliminary Expenses	15.48	0.05	0.02	-
Less: Deferred Revenue Expenses	15.61	9.94	0.63	-
(To the extent not written off)				
Net Worth	**1875.71**	**1,453.09**	**806.25**	**432.40**

* In the audited financial statements for the years ended 31 March 2006 and 2005, certain lands purchased by the Company for future development were classified under Fixed Assets. In the Restated balance sheet of the Group, these balances have been reclassified and shown separately under the head "Land held for development" as part of Inventories in the 'Restated Consolidated Balance Sheet'.
* There has been an increase in the contract and other receipts from Rs 2,038.74mn to Rs 4,112.14mn from FY2005-06 to FY2006-07 thereby implying a 102% increase and the increases in the advances recoverable are commensurate therewith

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED AND CONSOLIDATED

PARTICULARS	September 30, 2007	March 31, 2007	March 31, 2006	March 31, 2005
Income				
Contract & Other receipts	2287.29	4,112.14	2,038.74	1,641.16
Increase / (Decrease) in closing stock	20.18	58.06	(6.42)	(36.13)
Total	**2307.47**	**4,170.20**	**2,032.32**	**1,605.03**
Expenditure				
Project Expenses	1124.66	2,329.53	1,152.87	1,069.71
Personnel Expenses	149.72	182.56	96.99	52.43
Administrative and Selling Expenses	151.32	340.12	158.96	158.93
Interest & Financial Charges	172.53	165.63	96.57	60.68
Depreciation	48.41	100.35	58.39	41.59
Total	**1646.64**	**3,118.19**	**1,563.79**	**1,383.33**
Operating Profit Before Tax	660.83	1,052.01	468.53	221.69
Less : Provision for taxation - Current taxes	(220.00)	(347.39)	(41.07)	(34.07)
Provision for taxation - Deferred taxes	(0.15)	12.43	(6.43)	9.58
Fringe Benefit tax	(0.92)	(2.07)	(1.23)	-
Operating Profit after Tax but before Extra-ordinary items	**439.76**	**714.98**	**419.81**	**197.20**
Less: Dimunition in value of investments	(0.01)	(2.58)	0.02	0.02
Add: / (Less): Share in Profit /(loss) of associates	3.98	2.58	3.23	1.55
Restated consolidated Profit after tax	443.73	714.98	423.06	198.77
Balance brought forward from previous year	819.05	240.25	305.00	170.15
Profit available for Appropriation	1262.78	955.23	728.05	368.92
Appropriations				
Towards Proposed / Interim dividends	-	53.83	40.37	21.53
Towards Tax on proposed / Interim dividend	-	7.55	5.66	2.92
Profit Transferred to General Reserve	-	74.80	280.26	19.74
Profit utilised for issue of bonus shares	672.91		161.50	19.74
Balance Transferred to Profit & Loss account	589.87	819.05	240.25	305.00
	1262.78	955.23	728.05	368.92

STATEMENT OF CASH FLOW, AS RESTATED AND CONSOLIDATED

Particulars	September 30, 2007	March 31, 2007	March 31, 2006	March 31, 2005
Net Cash flow from (used in)Operating Activities	**(485.78)**	**(542.88)**	**525.47**	**(286.67)**
Net Cash flow from (used in) Investing Activities	**(176.59)**	**(595.33)**	**(245.82)**	**(345.37)**
Net Cash flow from (used in) financing activities	**507.59**	**1,151.17**	**(197.18)**	**707.93**

THE ISSUE

Equity Shares offered:	
Issue by the Company	16,624,720 Equity Shares of face value of Rs. 10 each
Of which	
A) Employee Reservation Portion	Up to 100,000 Equity Shares of face value of Rs. 10 each
Therefore, Net Issue to the Public	16,524,720 Equity Shares of face value of Rs. 10 each`
Of which	
A) Qualified Institutional Buyers (QIB) portion *Of which*	At least 9,914,832 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
Available for allocation to Mutual Funds only	495,742 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
Balance for all QIBs including Mutual Funds	9,419,090 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
B) Non-Institutional Portion	Not less than 1,652,472 Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
C) Retail Portion	Not less than 4,957,416 Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
D) Green Shoe Option Portion[1]	Up to 2,493,708 Equity Shares of face value of Rs. 10 each
Issue and the Green Shoe Option Portion	19,118,428 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding prior to the Issue	94,206,735 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue (assuming Green Shoe Option is fully exercised)	113,325,163 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue (assuming Green Shoe Option is not exercised)	110,831,455 Equity Shares of face value of Rs. 10 each
Use of Issue Proceeds	See the section titled "Objects of the Issue" on page 35.

1 The Green Shoe Option will be exercised at the discretion of the GCBRLMs and us only with respect to the Loaned Shares for which purpose the Green Shoe Lender has agreed to lend up to 2,493,708 Equity Shares. For further details, see the section "Green Shoe Option" on page 9.

GREEN SHOE OPTION

We propose to avail of an option for allocating Equity Shares in excess of the Equity Shares included in the Issue in consultation with the GCBRLMs, in order to operate a post listing price stabilising mechanism, in accordance with the SEBI Guidelines (the "Green Shoe Option"). Our shareholders at the extraordinary general meeting held on August 17, 2007 authorized the Green Shoe Option.

Enam Securities Private Limited has agreed to act as the Stabilising Agent for the purposes of effectuating the Green Shoe Option, as envisaged under Chapter VIII A of the SEBI Guidelines.

Ms. Githa Shankar one of our Promoters has agreed to lend the Loaned Shares held by Ms. Githa Shankar along with Mr. M.R. Jaishankar to the Stabilising Agent for the purposes of effectuating the Green Shoe Option.

The Stabilising Agent shall be responsible for, *inter alia,* price stabilisation post listing, if required, but there is no obligation to conduct stabilising measures. If commenced, stabilising will be conducted in accordance with applicable laws and regulations and may be discontinued at any time. In any event, the stabilizing activities shall not continue for a period exceeding 30 days from the date of the receipt of permission for trading of the Equity Shares from the Stock Exchanges. For the purposes of the Green Shoe Option, the Stabilising Agent shall borrow the Loaned Shares from the Green Shoe Lender. The Loaned Shares and/or Equity Shares purchased from the market for stabilising purposes will be in dematerialised form only.

The Equity Shares available for allocation under the Green Shoe Option will be available for allocation to QIBs, Non-Institutional Bidders and Retail Individual Bidders in the ratio of 60:10:30 assuming full demand in each category.

We have entered into the Stabilisation Agreement with the Green Shoe Lender and the Stabilising Agent for the exercise of the Green Shoe Option on the terms and conditions detailed therein.

The terms of the Stabilisation Agreement provide that:

1. **Stabilisation Period**

   Stabilisation Period shall mean the period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares under the Issue, and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent.

2. The primary objective of the Green Shoe Option is stabilisation of the market price of Equity Shares after listing. Towards this end, after listing of Equity Shares, in case the market price of the Equity Shares falls below the Issue Price, then the Stabilising Agent, at its discretion, may purchase Equity Shares from the market with the objective of stabilisation of the market price of the Equity Shares.

3. **Decision regarding Exercise of Green Shoe Option**

   (i) On the Pricing Date, the GCBRLMs, in consultation with us, the Green Shoe Lender and the Stabilising Agent, shall take a decision relating to the exercise of the Green Shoe Option.

   (ii) In the event, it is decided that the Green Shoe Option shall be exercised, the Company in consultation with the Stabilising Agent, shall make over-allotment of Equity Shares as per the procedure detailed below.

4. **Procedure for Over Allotment and Stabilisation**

   (i) The allotment of the Over Allotment Shares shall be done pro rata with respect to the proportion of Allotment in the Issue to various categories.

   (ii) The monies received from the Bidders for Equity Shares in the Issue against the over allotment shall be kept in the GSO Bank Account distinct and separate from the Issue Account and shall be used only for the purpose of buying shares from the market during the Stabilisation Period for the stabilization of the post listing price of the Equity Shares.

(iii) Upon such allotment, the Stabilising Agent shall transfer the Over Allotment Shares from the GSO Demat Account to the respective depository accounts of the successful Bidders.

(iv) For the purpose of purchasing the Equity Shares, the Stabilising Agent shall use the funds lying to the credit of GSO Bank Account.

(v) The Stabilising Agent shall determine the timing of buying the Equity Shares, the quantity to be bought and the price at which the Equity Shares are to be bought from the market for the purposes of stabilisation of the post listing price of the Equity Shares.

(vi) The Equity Shares purchased from the market by the Stabilising Agent, if any, shall be credited to the GSO Demat Account and shall be returned to the Green Shoe Lender within two working days from the expiry of the Stabilisation Period.

(vii) In the event the Equity Shares lying to the credit of the GSO Demat Account at the end of the Stabilisation Period but before the transfer to the Green Shoe Lender is less than the Over Allotment Shares, upon being notified by the Stabilisation Agent and the equivalent amount being remitted to the Company from the GSO Bank Account, the Company shall within four business days of the receipt of the notice from the Stabilisation Agent (and in any case within five business days of the end of the Stabilisation Period), allot new Equity Shares in demateralised form in an amount equal to such shortfall to the credit of the GSO Demat Account. The newly issued Equity Shares shall be returned by the Stabilising Agent to the Green Shoe Lender in the final settlement of Equity Shares borrowed, within two working days of them being credited into the GSO Demat Account, time being of essence in this behalf.

(viii) Upon the return of Equity Shares to the Green Shoe Lender pursuant to and in accordance with sub-clauses (vi) and (vii) above, the Stabilising Agent shall close the GSO Demat Account.

(ix) The Equity Shares returned to the Green Shoe Lender shall be subject to remaining lock-in-period, if any, as provided in the SEBI Guidelines.

5. **GSO Bank Account**

The Stabilising Agent shall remit from the GSO Bank Account to the Company, an amount, in Rupees, equal to the number of Equity Shares allotted by us to the GSO Demat Account at the Issue Price. The amount left in this account, if any, after this remittance and deduction of expenses and net of taxes, if any, shall be transferred to the investor protection fund of the Stock Exchanges in equal parts. Upon transfer of monies as above, the GSO Bank Account shall be closed by the Stabilising Agent

6. **Reporting**

During the Stabilisation Period, the Stabilising Agent shall submit a report to the BSE and the NSE on a daily basis. The Stabilising Agent shall also submit a final report to SEBI in the format prescribed in Schedule XXIX of the SEBI Guidelines. This report shall be signed by the Stabilising Agent and us and be accompanied by the depository statement for the GSO Demat Account for the Stabilisation Period indicating the flow of shares into and from the GSO Demat Account. If applicable, the Stabilising Agent shall, along with the report give an undertaking countersigned, if required by the respective depositories of the GSO Demat Account and the Lender regarding confirmation of lock-in on the Equity Shares returned to the Green Shoe Lender in lieu of the Over-Allotment Shares.

7. **Rights and Obligations of the Stabilising Agent**

(i) Open a special bank account which shall be the GSO Bank Account under the name of

"Special Account for GSO proceeds of Brigade Enterprises Limited" and deposit the monies received for the Over Allotment Shares, in the GSO Bank Account.

(ii) Open a special account for securities which shall be the GSO Demat Account under the name of "Special Account for GSO proceeds of Brigade Enterprises Limited" and credit the Equity Shares bought by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account.

(iii) Stabilise the market price as per the SEBI Guidelines, only in the event of the market price falling below the Issue Price, including *inter alia* the determination of the price at which such Equity Shares are to be bought and the timing of such purchase.

(iv) On or prior to the Pricing Date, to request the Green Shoe Lender to lend the Loaned Shares which shall be lent prior to allotment;

(v) Transfer funds from the GSO Bank Account to us within a period of three working days of close of the Stabilisation Period.

(vi) The Stabilising Agent, at its discretion, would decide the quantity of Equity Shares to be purchased, the purchase price and the timing of purchase. The Stabilising Agent, at its discretion, may spread orders over a period of time or may not purchase any Equity Shares under certain circumstances where it believes purchase of the Equity Shares may not result in stabilisation of market price.

(vii) Further, the Stabilising Agent does not give any assurance that would be able to maintain the market price at or above the Issue Price through stabilisation activities.

(viii) On expiry of the Stabilisation Period, to return the Equity Shares to the Green Shoe Lender either through market purchases as part of stabilising process or through issue of fresh Equity Shares by us.

(ix) To submit daily reports to the Stock Exchanges during the Stabilisation Period and to submit a final report to SEBI.

(x) To maintain a register of its activities and retain the register for three years.

(xi) To transfer net gains on account of market purchases in the GSO Bank Account net of all expenses and net of taxes, if any, equally, to the investor protection funds of the Stock Exchanges.

8. **Rights and Obligations of the Company**

(i) On expiry of the Stabilisation Period, if the Stabilising Agent buys the Equity Shares from the market, to issue the Equity Shares to the GSO Demat Account to the extent of Over Allotment Shares, which have not been bought from the market.

(ii) If no Equity Shares are bought from the market, then to issue Equity Shares to GSO Demat Account to the entire extent of Over Allotment Shares.

9. **Rights and obligations of the Green Shoe Lender**

(i) The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in the Loaned Shares shall pass to the Stabilising Agent/GSO Demat Account free from all liens, charges and encumbrances.

(ii) Upon receipt of instructions from the Stabilising Agent on or prior to the Pricing Date, to transfer the Loaned Shares to the GSO Demat Account.

(iii) The Green Shoe Lender will not recall or create any lien or encumbrance on the Loaned Shares until the completion of the settlement under the stabilisation.

10. **Fees and Expenses**

(i) We will pay to Green Shoe Lender a fee of Re. 1.
(ii) We will pay the Stabilising Agent a fee of Re. 1 plus service tax.

GENERAL INFORMATION

Our Company was originally a partnership firm called Brigade Enterprises under a partnership deed dated May 29, 1990 and its status was subsequently changed to a private limited company called 'Brigade Enterprises Private Limited' with effect from November 8, 1995. The status of our Company was changed to a public limited company by a special resolution of the members passed at the annual general meeting held on June 20, 2007. The fresh certificate of incorporation consequent to the change of name was granted to our Company on July 20, 2007, by the Registrar of Companies, Karnataka

Registered Office

Brigade Enterprises Limited
'Pent House', Brigade Towers
135, Brigade Road
Bangalore 560 025, India
CIN: U85110KA1995PLC019126
Tel: (91 80) 4137 9200
Fax: (91 80) 2221 0784
Email: investors@brigadegroup.com
Website: www.brigadegroup.com

Address of Registrar of Companies

The Registrar of Companies, Karnataka at Bangalore
'E' wing, 2nd floor
Kendriya Sadana
Koramangala,
Bangalore 560034
Karnataka , India
Website: www.mca.gov.in

Board of Directors of the Issuer

Name, Designation, Occupation	Age	Address
Mr. M.R. Jaishankar Chairman and Managing Director Business	53	'Shantiniketan', 15/3-1, Palace Road Bangalore 560 052 Karnataka
Ms. Githa Shankar Executive Director Business	53	'Shantiniketan', 15/3-1, Palace Road Bangalore 560 052 Karnataka
Mr. M. R. Gurumurthy Non Executive Director Business	66	'Sundaralakshmi', Spencer Road Chickmagalur 577 101 Karnataka
Mr. M. R. Shivram Non Executive Director Business	59	No. 3009/2-3, 18^{th} Cross, II Main, II Stage Banashankari, Bangalore 560 070 Karnataka
Mr. P.M. Thampi Independent Director Business	72	2B, Martha's Place, 58, Lavelle Road 5^{th} Cross, Bangalore 560 001 Karnataka
Mr. P.V.Maiya Independent Director Professional	68	Flat No. 106, Sowmya Springs Opposite. M.N. Krishna Rao Park Diwan Madhav Rao Road, Basavanagudi Bangalore 560 004 Karnataka

Name, Designation, Occupation	Age	Address
Dr. T.N. Subba Rao Independent Director Professional	78	Construma Consultancy Private Limited IInd Floor, Pinky Plaza, 5th Road, Khar (West), Mumbai 400 052 Maharashtra
Mr. K. Kasturirangan Independent Director Scientist	66	'Daffodils', No. 202, 6th Main, 19th Cross, Malleshwaram, Bangalore 560 055 Karnataka

For further details of our Directors, see the section titled "Our Management" on page 109.

Company Secretary and Compliance Officer

Mr. A. Anil Kumar
'Pent House', Brigade Towers
135, Brigade Road
Bangalore 560 025
India
Tel: (91 80) 4137 9200
Fax: (91 80) 2221 0784
Email: investors@brigadegroup.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Global Co-Ordinators and Book Running Lead Managers	
J.P. Morgan India Private Limited Mafatlal Centre, 9th Floor, Nariman Point Mumbai 400 021 India Tel: (91 22) 2285 5666 Fax: (91 22) 6639 3091 Email: brigade_ipo@jpmorgan.com Website: www.jpmipl.com Contact Person: Mr. Varun Behl	***Enam Securities Private Limited*** 801, Dalamal Towers Nariman Point Mumbai 400 021 India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: brigade.wg@enam.com Website: www.enam.com Contact Person: Ms. Dipali Dalal

Book Running Lead Manager

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Website: www.icicisecurities.com
Contact Person: Mr. Rajiv Poddar

Domestic legal advisors to the Company	
Amarchand & Mangaldas & Suresh A. Shroff & Co. 201, Midford House Midford Garden (Off M. G. Road) Bangalore 560 001 Tel: (91 80) 2558 4870 Fax: (91 80) 2558 4266	 Fifth Floor, Peninsula Chambers Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel Mumbai 400 013 Tel: (91 22) 2496 4455 Fax: (91 22) 2496 3666

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Expert Opinions

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Expert Opinions

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Website: www.vagroup.com
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Tel: (91 80) 2558 9441
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Website: www.zachcons.com
Contact Person: Mr. Itty Zachariah

Registrar to the Issue

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Karvy House, 46 Avenue 4
Street No. 1, Banjara Hills
Hyderabad 500 034, India
Tel: (91 40) 2342 0818
Fax: (91 40) 2342 0814
Email: brigadeipo@karvy.com
Website: www.kcpl.com
Contact Person: Mr. M. Murali Krishna

Bankers to the Issue and Escrow Collection Banks

ABN AMRO BANK
Brady House, 14 Veer Nariman Road
Hornimon Circle, Fort
Mumbai 400 001
Tel: (91 22) 6658 5817
Fax: (91 80) 2287 3042
Email: Akhouri.malay@in.abnamro.com
Website: www.abnamro.co.in
Contact Person: Mr. Malay Akhouri

HDFC Bank Limited
26 A, Narayan Properties, Off Saki Vihar Road
Chandivali, Saki Naka, Andheri (East)
Mumbai 400 072
Tel: (91 22) 2856 9009
Fax: (91 22) 2856 9256
Email: uday.dixit@hdfcbank.com
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Contact Person: Mr. Uday Dixit

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Website: www.standardchartered.co.in
Contact Persons: Mr. Rajesh Malwade, Mr. Joseph George and Mr. Ramesh Joshi

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Fax: (91 22) 6669 9255
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Fax: (91 22) 2856 9256
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Website: www.indianbank.in
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State Bank of India
Industrial Finance Branch
No. 61, Residency Plaza,
Residency Road
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Tel: (91 80) 2594 3501
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Email: sbi.09077@sbi.co.in
Website: www.statebankofindia.com
Contact Person: Mr. Ajay Deole/Ms. Uma Krishnamoorthy

State Bank of Mysore
Bangalore Branch – C&I Division
#645/664, PB: No. 9997, Avenue Road
Bangalore 560 002
Tel: (91 80) 2226 4046
Fax: (91 80) 2226 9150
Email: bangalore@sbm.co.in
Website: www.mysorebank.com
Contact Person: Mr. Ramchandra Bhat T

State Bank of Patiala
Badami House, N R Square
Bangalore 560 002
Tel: (91 80) 2227 6076
Fax: (91 80) 2227 6622
Email: b5179@sbp.co.in
Website: www.sbp.co.in
Contact Person: Mr. N. S. Chahar

Punjab National Bank
Branch Office Cantonment
Bangalore 560 001
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Email: punb0040@yahoo.co.in
Website: www.pnbindia.com
Contact Person: Mr. Avinish Nepalia

Auditors

M/s. Narayanan, Patil and Ramesh, Chartered Accountants
103, 1st floor
Brigade Links, 54/1
1st Main, Seshadripuram
Bangalore 560 020
Karnataka, India
Tel: (91 80) 2344 1114
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Monitoring Agency

Karnataka State Financial Corporation
KSFC Bhawan, No. 1/1,
Near Cantonment Railway Station
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India
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Email: Fsd@ksfc.net
Website: www.ksfc.kar.nic.in
Contact Person: Mr. Syed Nayeem Ahmed

IPO Grading Agency

ICRA Limited
2^{nd} Floor, Vayudhoot Chambers,
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Bangalore 560 001
India
Tel: (91 80) 2559 7401-4049
Fax: (91 80) 2559 4065
Email: jayantac@icraindia.com
Website: www.icra.in
Contact Person: Jayanta Chatterjee

Inter se List of Responsibilities between the Book Running Lead Managers and BRLM

The responsibilities and co-ordination for various activities in this Issue are as under:

S. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	JPM, Enam	JPM
2.	Due diligence of the Company's operations / management / business plans/legal etc. Drafting and design of Offer Document and of statutory advertisement including memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI, including finalization of Prospectus and filing the same with the Registrar of Companies.	JPM, Enam, I-Sec	JPM
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films etc	JPM, Enam,	Enam
4.	Appointment of registrar and bankers to the issue.	JPM, Enam	Enam
5.	Appointment of printers, advertisement agency	JPM, Enam	JPM
6.	Non institutional and retail marketing of the Offer, which will cover inter alia, ▪ Formulating marketing strategies, preparation of publicity budget ▪ Finalize media and Public relations strategy ▪ Finalizing centers for holding conferences for brokers, etc. ▪ Finalize collection centers ▪ Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	JPM, Enam, I-Sec	Enam
7.	International Institutional marketing of the Issue, which will cover, among other things, • Finalizing the list and division of investors for one to one meetings; and • Finalizing road show schedule and investor meeting schedules.	JPM, Enam,	JPM
8.	Domestic Institutional marketing of the Issue, which will cover, among other things, • Finalizing the list and division of investors for one to one meetings; and • Finalizing road show schedule and investor meeting schedules.	JPM, Enam, I-Sec	Enam
9.	Preparation and Finalization of road show presentation; preparation of FAQs for the road show team	JPM, Enam, I-Sec	JPM
10.	Pricing and Managing the book	JPM, Enam, I-Sec	JPM

S. No.	Activities	Responsibility	Co-ordinator
11.	Post bidding activities including management of Escrow Accounts, co-ordination with registrar and banks, refund to bidders, etc.	JPM, Enam, I-Sec	Enam
12.	The post Offer activities of the Offer will involve essential follow up steps, which must include finalization of listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrars to the Offer, Bankers to the Offer and the bank handling refund business. Managers shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the issuer company.	JPM, Enam,I-Sec	Enam
13.	Stabilization as per the Green Shoe Option	JPM, Enam	Enam

Even if many of these activities will be handled by other intermediaries, the designated GCBRLMs and BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by ICRA Limited as IPO GRADE 3, indicating average fundamentals pursuant to clauses 2.5A, 5.6B and 6.17.3A of the SEBI Guidelines.

The IPO grade assigned by ICRA reflects BEL's established position in the Bangalore real estate market, its healthy booking in its on-going projects and its strong return indicators as reflected by return on capital employed (ROCE) of 36% and return on net worth (RONW) of 49% in FY2007. The grading also favorably factors in the company's experienced promoters and strong management information systems and its track record of timely execution of projects with adequate quality standards. The grading is however constrained by BEL's concentration mainly in Bangalore market, exposing it to single market risk and the comparatively low land bank, which in turn may require BEL to replenish its land bank at a higher cost going forward, which could impact margins and profitability. Moreover, the grading takes into consideration cyclical nature of the real estate industry and increasing funding requirements of the company to meet its commercial construction commitments.

Going forward, though BEL's development plans are significant as compared to what it has executed in the past, the company has taken adequate steps to reduce execution risk through measures like tying-up with reputed contractors and scaling up its manpower resources. Moreover, with healthy bookings in its ongoing projects and quick turnaround arising out of speedy construction, BEL's profitability and return indicators are expected to remain healthy in the medium term.

Trustees

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

Project Appraisal

There is no project being appraised.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;
2. The GCBRLMs and the BRLM;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the GCBRLMs and BRLM; and
4. Registrar to the Issue.

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further, up to 100,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

Pursuant to recent amendments to SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Please refer to the section titled "Terms of the Issue" on page 245.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the GCBRLMs and BRLM to manage the Issue and procure subscriptions to the Issue.

While the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the Book Running Lead Managers and Book Running Lead Manager will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" on page 252);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure that you have mentioned your PAN in the Bid cum Application Form (see the section titled "Issue Procedure -'PAN' or 'GIR' Number" on page 266); and

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the GCBRLMs and BRLM, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date without assigning any reason therefor.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE	**December 10, 2007**
BID/ISSUE CLOSES ON	**December 13, 2007**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m, (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the GCBRLMs and BRLM to the Stock Exchange within half an hour of such closure.

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of the Price Band, subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the GCBRLMs, BRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to the filing of the Prospectus with the RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the GCBRLMs and BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members does not fulfil its underwriting obligations. The Underwriting Agreement is dated [•].

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Million)
J.P. Morgan India Private Limited Mafatlal Centre, 9th Floor Nariman Point Mumbai 400 021 India Tel: (91 22) 2285 5666 Fax: (91 22) 6639 3091	[•]	[•]
Enam Securities Private Limited 801, Dalamal Towers Nariman Point Mumbai 400 021 India Tel: (91 22) 5638 1800 Fax: (91 22) 2284 6824	[•]	[•]
ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 India Tel: (91 22) 2288 2460/70 Fax: (91 22) 2282 6580	[•]	[•]

The above mentioned is indicative underwriting and this would be finalized after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [•], has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the GCBRLMs, BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to equity shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this Red Herring Prospectus, is set forth below:

(In Rs. except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A.	**Authorized Share Capital**		
	150,000,000 Equity Shares of face value of Rs. 10 each	1,500,000,000	-
B.	**Issued, Subscribed And Paid-Up Equity Capital before the Issue**		
	94,206,735 Equity Shares of Rs. 10 each fully paid-up before the Issue	942,067,350	-
C.	**Present Issue in terms of this Red Herring Prospectus**		
	16,624,720 Equity Shares of Rs. 10 each.	166,247,200	[●]
	Of which		
	Employee Reservation Portion		
	Up to 100,000 Equity Shares of Rs. 10 each	1,000,000	[●]
	Net Issue to the Public		
	16,524,720 Equity Shares of Rs. 10 each	165,247,200	[●]
D.	**Green Shoe Option**		
	Up to 2,493,708 Equity Shares of Rs. 10 each	24,937,080	[●]
E.	**Equity Capital after the Issue**		
	110,831,455 Equity Shares of face value of Rs. 10 each (excluding the Green Shoe Option)	1,108,314,550	[●]
	113,325,163 Equity Shares of face value of Rs. 10 each (including the Green Shoe Option)	1,133,251,630	[●]
F.	**Securities Premium Account**		
	Before the Issue	Nil	
	After the Issue	[●]	

The Issue and the Green Shoe Option have been authorized by the Board of Directors in their meeting on July 20, 2007, and by the shareholders of our Company at an EGM held on August 17, 2007. The RBI by its letters dated October 30, 2007 and November 22, 2007 has clarified that 'FIIs may subscribe in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. It has also provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide press note 2 (2005 series).

The office of the RBI at Bangalore has vide its letter dated November 23, 2007 stated that FIIs may invest in a particular issue of an Indian Company, either under Schedule 1 (Foreign Direct Investment Scheme) or Schedule 2 (Portfolio Investment Scheme) of Notification No. FEMA 20/2000-RB dated May 3, 2000. The letter has also clarified that both routes cannot be availed simultaneously.

Therefore in light of the above letters, FIIs are permitted to invest in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000.

Changes in the Authorised Share Capital of the Company since Incorporation:

a) The initial authorized capital of Rs. 50,000,000 comprising 5,000,000 Equity Shares of Rs. 10 each was increased to Rs. 200,000,000 comprising 20,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on March 29, 2004.

b) The authorized share capital of Rs. 200,000,000 comprising 20,000,000 Equity Shares of Rs. 10 was further increased to Rs. 300,000,000 comprising 30,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on March 10, 2006.

c) The authorized share capital of Rs. 300,000,000 comprising 30,000,000 Equity Shares of Rs. 10 each was further increased to Rs. 1,500,000,000 comprising 150,000,000 Equity Shares of Rs. 10 pursuant to a resolution of the shareholders at an AGM held on June 20, 2007.

Notes to Capital Structure

1. Share Capital History of our Company

(a) Equity Share Capital History of our Company

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons/Mode of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up share capital (Rs.)	Cumulative Share Premium (Rs.)
November 4, 1995	20,000	10	10	Cash	Subscribers to the Memorandum	20,000	200,000	Nil
January 11, 1996	730,000	10	10	Cash	Further allotment	750,000	7,500,000	Nil
December 28, 1996	500,000	10	Nil	Bonus	Bonus issue in the ratio 2:3	1,250,000	12,500,000	Nil
December 28, 1996	750,000	10	10	Cash	Further allotment	2,000,000	20,000,000	Nil
February 27, 1998	200	10	10	Cash	Further allotment	2,000,200	20,002,000	Nil
March 27, 1998	507,350	10	10	Cash	Further allotment	2,507,550	25,075,500	Nil
April 27, 1998	492,650	10	10	Cash	Further allotment	3,000,200	30,002,000	Nil
September 28, 2002	1,691,028	10	Non Cash	Non cash	Allotment of Equity Shares to shareholders of Brigade Developers Private Limited and Brigade Investments and Projects Private Limited pursuant to the Merger	3,588,828*	35,888,280	Nil
April 17, 2004	7,177,656	10	Nil	Bonus	Bonus issue in the ratio 2:1	10,766,484	107,664,840	Nil
March 24, 2006	16,149,726**	10	Nil	Bonus	Bonus issue in the ratio 3:2	26,916,210	269,162,100	Nil
June 20, 2007	67,290,525	10	Nil	Bonus	Bonus issue in the ratio 5:2	94,206,735	942,067,350	Nil

* *Post cancellation of 1,102,400 Equity Shares held by Brigade Developers Private Limited pursant to sanction of the merger scheme.*

** *The bonus shares have been issued from out of the balance available in profit and loss account and not from General Reserve.* *See 'Unconsolidated Financial Information - Summary Statement of Profit And Loss, as Restated' on page 134.*

2. Promoter Contribution and Lock-in

All Equity Shares which are being locked in are eligible for computation of Promoters' Contribution and are being locked in under clauses 4.6 and 4.11.1 of the SEBI Guidelines.

(a) Details of Promoters Contribution locked in for three years:

Name of Promoters	Date of Allotment / acquisition and when made fully paid-up	Nature of consideration	Number of Equity Shares locked in* (assuming GSO not exercised)	Number of Equity Shares locked in* (assuming GSO exercised in full)	Face Value (Rs.) (per share)	Issue Price / Purchase Price (Rs.) (per share)	% of post-Issue paid-up capital (assuming GSO not exercised)	% of post-Issue paid-up capital (assuming GSO exercised in full)
Mr. M.R. Jaishankar (shares held jointly) and Ms. Githa Shankar	June 20, 2007	Bonus	16,326,105	16,326,105	10	Nil	14.73	14.41
	March 24, 2006	Bonus	3,918,265	3,918,265	10	Nil	3.54	3.46
	April 17, 2004	Bonus	1,921,921	1,964,048	10	Nil	1.73	1.73
	Transferred on January 19, 2004	Transfer	-	100	10	10	-	0.00
	Transferred on June 19, 2003	Transfer	-	20**	10	10	-	0.00
	Transferred on December 17, 2002	Transfer	-	456,505	10	10	-	0.40
			22,166,291	**22,665,033**			**20.00**	**20.00**

**Commencing from the date of the Allotment of the Equity shares in the Issue.*
*** Out of 20 shares 10 shares were transferred on December 2, 2004*

The contribution by the Promoters, as indicated hereinabove, has been brought to the extent of not less than the specified minimum lot as stipulated in accordance with the SEBI Guidelines.

Indicated below is the capital built-up of the Promoters' shareholding in the Company:

S No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid up	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment of Consideration	Percentage of post Issue paid up capital	Lock-in Period (Years)
1	**Ms. Githa Shankar**							
		Since Incorporation	8,500	10	10	Subscriber to Memorandum		One
		December 28, 1996	5,667	10	Nil	Bonus		One
		March 27, 1998	42,100	10	10	Further allotment		One
		September 28, 2002	140,400	10	Non Cash	Allotment pursuant to merger		One
		Transferred on September 28, 2002	146,628	10	10	Cash		One
		Transfer made on December 17, 2002	(343,295)	10	10	Cash		-
		Transferred on April 17, 2004	5,400	10	10	Cash		One
		March 24, 2006	8,100	10	Nil	Bonus		One

S No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid up	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment of Consideration	Percentage of post Issue paid up capital	Lock-in Period (Years)
		June 20, 2007	33,750	10	Nil	Bonus		One
		TOTAL	**47,250**					
2	**M.R. Jaishankar (shares jointly with) and Githa Shankar**	January 11, 1996	71,500	10	10	Cash		One
		December 28, 1996	47,667	10	Nil	Bonus		One
		December 28, 1996	70,000	10	10	Further allotment		One
		Transferred on December 17, 2002	792,737*	10	10	Cash		One
		Transferred on June 19, 2003	20**	10	10	Cash		One
		Transferred on January 19, 2004	100***	10	10	Cash		One
		April 17, 2004	1,964,048$	10	Nil	Bonus		Three
		Transfer made on December 2, 2004	(10)	10	10	Cash		-
		Transfer made on March 24, 2006	(333,885)	10	10	Cash		-
		March 24, 2006	3,918,265	10	Nil	Bonus		Three
		June 20, 2007	16,326,105	10	Nil	Bonus		Three
		TOTAL	**22,856,547**					
3	**Githa Shankar (shares jointly held) and M.R. Jaishankar**	January 11, 1996	1,500	10	10	Cash		One
		December 28, 1996	1,000	10	Nil	Bonus		One
		September 28, 2002	2,250	10	Non Cash	Allotment pursuant to merger		One
		December 17, 2002	343,295	10	10	Cash		One
		April 17, 2004	696,090	10	Nil	Bonus		One
		Transferred on March 24, 2006	21,765	10	10	Cash		One
		March 24, 2006	1,598,850	10	Nil	Bonus		One
		June 20, 2007	6,661,875	10	Nil	Bonus		One
		TOTAL	**9,326,625**					

** Of the above, 456,505 Equity shares shall be locked in for three years in the event Green Shoe Option is exercised and the 336,232 Equity Shares shall be locked in for one year.*

*** Of which, 10 Equity shares were transferred on December 2, 2004 and the remaining 10 Equity shares shall be locked in for a period of three years in the event Green Shoe Option is exercised.*

**** These Equity shares shall be locked in for a period of theree years in the event Green Shoe Option is exercised.*
[$] Of the above, 1,921,921 Equity Shares shall be locked in three years in the event Green Shoe Option is not exercised and 42,127 shall be locked in for one year.

(b) Details of share capital locked in for one year:

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-Issue Equity Share capital and the Equity Shares issued by our Company pursuant to the exercise of the Green Shoe Option, will be locked in for the period of one year from the date of Allotment of Equity Shares in this Issue. If the Green Shoe Option is not exercised 72,040,444 Equity Shares will be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue. If the Green Shoe Option is exercised in full, 71,541,702 Equity Shares will be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue.

In the event the Green Shoe Option is exercised, the Equity Shares held by the Green Shoe Lender, which are lent to the Stabilising Agent shall be exempt from the one year lock-in, for the period between the date when the Equity Shares are lent to the Stabilising Agent to the date when they are returned to the Green Shoe Lender in accordance with Clauses 8A.13 or 8A.15 of the SEBI Guidelines, as the case may be. If the Equity Shares are returned to the Green Shoe Lender in accordance with Clauses 8A.13 or 8A.15 of the SEBI Guidelines, such Equity Shares shall be subject to a lock in of one year as provided in accordance with Clause 8A.16 of SEBI Guidelines.

As per Clause 4.15.1 of the SEBI Guidelines, the locked in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is when the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In accordance with Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In accordance with Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable, subject to compliance with the SEBI Guidelines including the provisions for lock-in, as amended from time to time.

3. The list of the top ten shareholders of our Company and the number of Equity Shares held by them is as follows:

(a) Our top ten shareholders and the number of Equity Shares of Rs.10 each held by them as of the date of filing this Red Herring Prospectus with SEBI and ten days prior to filing with SEBI, is as follows:

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1.	Mr. M.R. Jaishankar and Ms. Githa Shankar	22,856,547	24.26
2.	Ms. Githa Shankar and Mr. M. R Jaishankar	9,326,625	9.90
3.	Ms. Pavithra Shankar and Ms. Githa Shankar	9,326,625	9.90
4.	Ms. Nirupa Shankar and Ms. Githa Shankar	9,326,625	9.90
5.	Mr. B.S. Adinarayana Gupta	3,968,107	4.21
6.	Mr. M.K Manjula and Mr. M. R. Krishna Kumar	3,547,687	3.77
7.	Mr. M. G Suraj and Ms. Namitha Suraj	3,150,000	3.34
8.	Mr. M.R. Jaishankar (HUF)	2,764,125	2.93

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
9.	Mr. M.G. Suraj and Mr. M. R. Gurumurthy	2,619,750	2.78
10.	Mr. M.S Ravindra and M. S. Kasturibai	2,205,000	2.34
	TOTAL	**69,091,091**	**73.34**

(b) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of this Red Herring Prospectus with SEBI is as follows:

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1.	Mr. M.R. Jaishankar and Ms. Githa Shankar	2,946,062	27.36
2.	Ms. Githa Shankar and Mr. M. R Jaishankar	1,044,135	9.70
3.	Ms. Pavithra Shankar and Ms. Githa Shankar	961,170	8.93
4.	Ms. Nirupa Shankar and Ms. Githa Shankar	858,510	7.97
5.	Mr. B.S. Adinarayana Gupta	453,498	4.21
6.	Mr. M.K Manjula and Mr. M. R. Krishna Kumar	405,450	3.77
7.	Mr. M. R. Gurumurthy and Ms. Sujatha Devi	346,002	3.21
8.	Mr. M.R. Jaishankar (H.U.F)	315,900	2.93
9.	Mr. M.G. Suraj and Mr. M. R. Gurumurthy	299,400	2.78
10.	Mr. M. R. Gurumurthy	255,795	2.38
	TOTAL	**7,885,922**	**73.25**

4. Shareholding pattern of our Company before and after the Issue is as follows:

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue.

(a) *Equity Shareholding Pattern of our Company*

	Pre Issue		Post Issue			
Shareholder Category	**No. of Equity Shares**	**Percentage Holding (%)**	**Number of Equity Shares (assuming GSO exercised in full)**	**Percentage holding (%)**	**Number of Equity Shares (assuming GSO not exercised)**	**Percentage holding (%)**
Promoters						
Mr. M.R. Jaishankar (Equity Shares held jointly with Ms. Githa Shankar)	22,856,547	24.26	22,856,547	20.17	22,856,547	20.62
Ms. Githa Shankar (Equity Shares held jointly with Mr. M. R Jaishankar)	9,326,625	9.9	9,326,625	8.23	9,326,625	8.42
Ms. Githa Shankar	47,250	0.05	47,250	0.04	47,250	0.04
Mr. M.R. Jaishankar(1)	2712	0	2712	0.00	2712	0.00
Sub Total (A)	**32,233,134**	**34.22**	**32,233,134**	28.44	**32,233,134**	29.08
Promoter Group						
M.R. Jaishankar (HUF)	2,764,125	2.93	2,764,125	2.44	2,764,125	2.49
Ms. Pavitra Shankar(2)	9,326,625	9.9	9,326,625	8.23	9,326,625	8.42
Ms. Nirupa Shankar(3)	9,326,625	9.9	9,326,625	8.23	9,326,625	8.42
Mr. M. R. Krishna Kumar(4)	4,051,687	4.3	4,051,687	3.58	4,051,687	3.66
Mr. M. R. Shivram(5)	3,734,063	3.96	3,734,063	3.29	3,734,063	3.37
Mr. M. R. Gurumurthy(6)	2,115,722	2.25	2,115,722	1.87	2,115,722	1.91
Ms. A. R. Rukmani(7)	239,533	0.25	239,533	0.21	239,533	0.22
Ms. G. R Arundhati	559,993	0.59	559,993	0.49	559,993	0.51

Sub Total (B)	**32,118,373**	**34.09**	**32,118,373**	28.34	**32,118,373**	28.98
Public (C)	**-**	**-**	**19,118,428**	16.87	**16,624,720**	15.00
Others (D)	**29,855,228**	**31.69**	**29,855,228**	26.34	**29,855,228**	26.94
Total share capital (A+B+C + D)	**94,206,735**	**100**	**113,325,163**	100.00	**110,831,455**	100.00

(1) *Mr. Jaishankar holds (a) 2,625 Equity Shares with M.V. Susheela, and (b) 87 Equity Shares with T. A. Suchitra, Y. A. Jaivardhan, Y. G. Ramkumar, Y. N. Gangadhar Setty, Y. R. Ashwin and Y. R. Rajeshwar*
(2) *Jointly held with Ms. Githa Shankar*
(3) *Jointly held with Ms. Githa Shankar*
(4) *Of which (a) 1,927,618 are held in his own name and (b) 2,124,069 Equity Shares held jointly with Ms. M.K. Manjula*
(5) *Of which (a) 1,741,243 are held in his own name and (b) 1,992,820 Equity Shares held jointly with Ms. Latha Shivram*
(6) *Of which (a) 1,684,053 are held in his own name and (b) 431,669 Equity Shares held jointly held with Ms. Sujatha Devi*
(7) *Jointly held with Mr. A.A. Ramesh Kumar*

5. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, other than as follows:

	Pre Issue		**Post Issue**			
Shareholder Category	**No. of Equity Shares**	**Percentage Holding (%)**	**Number of Equity Shares (assuming GSO exercised in full)**	**Percentage holding (%)**	**Number of Equity Shares (assuming GSO not exercised)**	**Percentage holding (%)**
Directors						
Mr. M.R. Jaishankar(shares held jointly with Ms. Githa Shankar)	22,856,547	24.26	22,856,547	20.17	22,856,547	20.62
Ms. Githa Shankar (shares held jointly with Mr. M. R Jaishankar)	9,326,625	9.90	9,326,625	8.23	9,326,625	8.42
Ms. Githa Shankar	47,250	0.05	47,250	0.04	47,250	0.04
Mr. M.R. Jaishankar(1)	2,712	0.00	2,712	0.00	2,712	0.00
Mr. M. R. Shivram(5)	3,734,063	3.96	3,734,063	3.29	8,111,252	7.32
Mr. M. R. Gurumurthy(6)	2,115,722	2.25	2,115,722	1.87	6,930,020	6.25
Total share capital	**38,082,919**	40.42	**38,082,919**	33.60	**47,274,406**	42.65

(1) *Mr. Jaishankar holds (a) 2,625 Equity Shares with M.V. Susheela, and (b) 87 Equity Shares with T. A. Suchitra, Y. A. Jaivardhan, Y. G. Ramkumar, Y. N. Gangadhar Setty, Y. R. Ashwin and Y. R. Rajeshwar*
(2) *Of which (a) 1,741,243 are held in his own name and (b) 1,992,820 Equity Shares held jointly with Ms. Latha Shivram*
(3) *Of which (a) 1,684,053 are held in his own name and (b) 431,669 Equity Shares held jointly held with Ms. Sujatha Devi*

6. Our Company, our Directors, the GCBRLMs and BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of our Company from any person.

7. Our Promoters have not been issued Equity Shares for consideration other than cash other than set out in "Capital Structure- Notes to Capital Structure- Share Capital History of the Company".

8. Our Promoters, Directors and our Promoter Group have not purchased or sold any Equity Shares within the last six months preceding the date of filing of this Red Herring Prospectus with SEBI.

9. At least 60% of the Net Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the

Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of the Company, the GCBRLMs and BRLM. The Issue includes the Employee Reservation Portion of up to 100,000 Equity Shares which are available for allocation to Eligible Employees.

10. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion, on a competitive basis. The Bid/ Application by Eligible Employees can also be made in the "Net Issue" and such Bids shall not be treated as multiple Bids.

11. Under-subscription, if any, in the Employee Reservation Portion shall be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. Under-subscription, if any, in any category, would be met with spill over from other categories at our sole discretion in consultation with the GCBRLMs and BRLM.

12. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.

13. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

14. We have not raised any bridge loan against the proceeds of the Issue.

15. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of finalizing the Basis of Allotment.

16. Our Promoters and members of our Promoter Group will not participate in this Issue.

17. Except as disclosed in this Red Herring Prospectus, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus to SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.

18. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

19. The Equity Shares held by the Promoters are not subject to any pledge. Our Promoter Mr. M.R. Jaishankar has given personal guarantee in relation to certain loans taken by our Company. For more details see "Financial Indebtedness" on page 212.

20. We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

22. The RBI by its letters dated October 30, 2007 and November 22, 2007 has clarified that 'FIIs may subscribe in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. However, it provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide press note 2 (2005 series).

The office of the RBI at Bangalore has vide its letter dated November 23, 2007 stated that FIIs may invest in a particular issue of an Indian Company, either under Schedule 1 (Foreign Direct Investment Scheme) or Schedule 2 (Portfolio Investment Scheme) of Notification No. FEMA 20/2000-RB dated May 3, 2000. The letter has also clarified that both routes cannot be availed simultaneously.

Therefore in light of the above letters, FIIs are permitted to invest in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000.

23. We have one employee stock option plan ("Brigade Employee Stock Option Plan 2007") in force. The scheme is in compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. 300,000 options are proposed to be granted under the ESOP 2007 and as on date no options have been granted to any employee. Therefore there is no impact on the EPS. As per the grant schedule prescribed under the scheme, the said options will only begin to vest 12 months from the grant date. As a result, there are currently no holders of shares arising from the options granted under the scheme. The ESOP 2007 shall be implemented after completion of the listing of the Equity Shares of our Company and will be administered by our Compensation Committee, which shall determine the options granted from time to time.

24. As per Chapter VIII-A of the SEBI Guidelines, we may avail of the Green Shoe Option for stabilising the post-listing price of the Equity Shares. We have appointed Enam Securities Private Limited as the Stabilising Agent. The Green Shoe Option consists of an option to over-allot up to 2,493,708 Equity Shares at the Issue Price, aggregating Rs. [●] million, representing up to 15.00% of the Issue, exercisable during the stabilisation period

Maximum number of Equity Shares	2,493,708 Equity Shares
The maximum increase in our Equity Share capital if we are required to utilise the full over-allotment in the Issue	2,493,708 Equity Shares
Green Shoe Option Portion	Up to 15.0% of the Issue
Maximum number of Equity Shares that may be borrowed	2,493,708 Equity Shares
Pre-Issue holding of the Green Shoe Lender	9,326,625 Equity Shares representing 9.90% of the pre-Issue paid up share capital of our Company
Stabilisation Period	The period commencing from the date of trading permission given by the BSE and the NSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilising Agent.
Rights and obligations of the Stabilising Agent	• Open a special bank account under the name "Special Account for GSO proceeds of Brigade Enterprises Limited" or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account. • Open a special account for securities under the name "Special Account for GSO shares of Brigade Enterprises Limited" or GSO Demat Account and credit the Equity Shares purchased by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account. • As per SEBI Guidelines, stabilise the market price of the Equity Shares only in the event the market price falls below the Issue Price, including determining the price and timing of

	purchases of the Equity Shares. • To submit daily reports to the Stock Exchanges during the Stabilisation Period and a final report to SEBI. • On expiry of the Stabilisation Period, to return Equity Shares lying to the credit of the GSO Demat Account to the Green Shoe Lender • On expiry of the Stabilisation Period, to request us to issue fresh Equity Shares (equal to the difference between the Equity Shares lying to the credit of the GSO Demat Account and the Over Allotment Shares) and to transfer funds from the GSO Bank Account to us for such fresh issue of Equity Shares, within a period of three working days of the close of the Stabilisation Period. • To maintain a register of its activities and retain such register for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund.
Our rights and obligations	• On expiry of the Stabilisation Period, issue Equity Shares to the extent of the Over Allotment Shares that have not been purchased from the market by the Stabilising Agent. • If no Equity Shares are purchased, then to issue the Equity Shares to the entire extent of the Over Allotment Shares.
Rights and obligations of the Green Shoe Lender	• The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all the rights, title and interest in the Loaned Shares shall pass to the Stabilising Agent/GSO Demat Account free from all liens, charges and encumbrances. • Upon instructions from the Stabilising Agent, on or prior to the Pricing Date, transfer the Loaned Shares to the GSO Demat account.

25. As of the date of filing of this Red Herring Prospectus, the total number of holders of Equity Shares is 37.

26. Our Company or the Promoters shall not make any payments direct or indirect, discounts, commission allowances or otherwise under this Issue.

OBJECTS OF THE ISSUE

The objects of the Issue are raising funds for (a) acquisition of land; (b) construction and development costs in relation to our Ongoing Projects and Forthcoming Projects; (c) general corporate purposes; and to achieve the benefits of listing.

The activities proposed to be undertaken by the Company out of the Net Proceeds raised in this Issue fall within the main objects listed in our Memorandum of Association.

We intend to utilize the proceeds of the Issue, after deducting underwriting and management fees, selling commissions and other expenses associated with the Issue ("**Net Proceeds**"), which is estimated at Rs. [●] for financing the growth of our business.

The details of the utilization of Net Proceeds of this Issue will be as per the table set forth below:

(In Rs. Million)

S. No.	Expenditure Items	Total cost	Amount paid as on November 23, 2007*	Balance Payable as on November 23, 2007	Estimated amount to be financed from Net Proceeds of the Issue	Balance Amount required to be funded (Rs. in million)	Estimated Net Proceeds utilization as on March 31,		
							2008	2009	2010
1	Acquisition of land	1,356.12	876.43	479.69	479.69	-	479.69	-	-
2	Construction and development of Ongoing Projects**	11,295.47	1,260.87	10,034.60	5,120.37	4,914.23	3,732.87	1050.00	337.50
3	General Corporate purpose	[●]	-	-	[●]	-	[●]	[●]	[●]
	Total	[●]	2,137.30	10,514.29	[●]	4,914.23	[●]	[●]	[●]

* *As per certificate from M/s. Narayanan, Patil and Ramesh, Chartered Accountants dated November 23, 2007.*

** *The Net Proceeds raised in this Issue are to be used for the purpose of construction and development of commercial properties. These commercial properties are not sold but are leased out by us and which can happen only upon completion. In light of the same, to fund the construction costs we will be utilizing the Net Proceeds of the Issue.*

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and debt.

In addition, the fund requirements are based on the current internal management estimates of our Company. We operate in highly competitive, dynamic market conditions, and may have to revise our estimates from time to time on account of new projects that we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our existing projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition in relation to current plans, at the discretion of the management of the Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from our cash flow from operations and debt.

Details of the Objects

Expenditure on land acquisition

We are engaged in the business of real estate development, including residential, commercial and hospitality projects, and intend to diversify the portfolio of projects undertaken by us. We intend to utilize a part of the Net Proceeds of the Issue to finance land acquisition expenditure.

We propose to acquire lands in Bangalore and Kottayam (in Kerala) aggregating 41.85 acres, for which we are required to pay an amount of Rs. 479.63 million, which is proposed to be paid in Fiscal 2008. These lands are at various stages of acquisition and are as set forth below:

S. No.	Location	Land Area in acres	Total cost of Land (Rs. in million)	Amount Paid as on November 23, 2007* (Rs. in million)	Amount Paid as percentage of Total Cost of Land (%)	Amount Payable as on November 23, 2007 (Rs. in million)	Status of acquisition
1.	Kanakapura Road, Bangalore	19.62$	985.72	784.91	79.63	200.81	Executed an registered Agreement to Sell[1]
2.	Kottayam District, Kerala	16.43	144.73	40.23	27.80	104.50	Executed an registered Agreement to Sell [2]
3.	Yeshwanpur, Bangalore	5.80	225.67	51.29	22.73	174.38	Letter dated December 22, 2005 issued by the Bank accepting our bid.
	TOTAL	**41.85**	**1,356.12**	**876.43**	**64.63**	**479.69**	

$ 19.62 acres is the remaining land to be registered out of the total land of 63.50 acres under the Agreement to Sell dated December 12, 2006 . 11.11 acres of these lands are yet to be acquired by the land owner and we shall acquire these lands upon the completion of its acquisition.
** As per Certificate from M/s. Narayanan, Patil and Ramesh, Chartered Accountants dated November 23, 2007.*

1. *Dated December 12, 2006 entered into with Mr. Hanumappa, Ms. Bhagya Nagaraj and Mr. H. Nagaraja. Certain portions of the lands to be acquired under the agreement to sell are classified as agricultural lands, which shall be registered in the names of certain individuals, who shall hold the land on behalf of our Company. Of the registered portion of the lands, certain lands are registered in the name of our Company and certain lands are registered in the name of certain indivuduals on behalf of our Company. For details, see 'Our Business-Our Land Reserves'on page 64.*
2. *Dated July 18, 2007 with Thomson Plantations India Private Limited, Mr. M.T. Thomas, Mr. M.T. Mathew and Mr. Sam Thomas*

None of the above lands are proposed to be purchased from our Promoters. No specific approvals are required for the acquisition of the above lands and in relation to other lands to be held on behalf of our Company, we shall apply for the conversion.

In respect of many of our land acquisitions, we are required to pay an advance at the time of executing an agreement to purchase, with the remaining purchase price due upon completion of the acquisition. The estimated costs described in this section include such advances and deposits.

Construction and development costs in relation to our Ongoing Projects

We are in the process of, amongst others, constructing and developing an office property with a multi-level car parking, a mall and a resort.

North Star office complex and multi-level car park located at Brigade Gateway

We are in the initial stages of construction and development of the North Star office complex and the multi-level car park situated at Brigade Gateway at Bangalore aggregating approximately 1.93 million sq. ft of Saleable Area. The land on which we are currently developing the North Star office complex and the multilevel car park is registered in the name of the Company. We have appointed various consultants, who include Venkatramanan Associates as the architects, B.E Billimoria and Co. for civil construction and Synergy Property Development Services Private Limited for project management services. As on date, we have completed the entire 12th floor slab of the civil construction, and expect to complete the project in fiscal year 2009.

Orion Mall located at Brigade Gateway

We are in the initial stages of construction and development of the Orion Mall situated at Brigade Gateway aggregating approximately 1.08 million sq. ft. of Saleable Area. The land on which we are currently developing the Orion Mall is registered in the name of the Company. We have appointed HOK to prepare the master plan, Venkatramanan Associates as the Architects and Ahluwalia Constructions for civil construction. As on date, we have completed the foundation and the two basement levels, and construction of the first floor slab is currently in progress. We expect to complete the project in fiscal 2009.

Sherton Hotel, Bangalore

We are in the initial stages of construction and development of the Sheraton Hotel, Bangalore situated at Brigade Gateway aggregating approximately 0.52 million sq. ft. of Saleable Area. The hotel shall be developed on the lands registered in the name of our Company. We have entered into an agreement with Starwood Asia Pacific Hotels and Resorts Pte. Limited, who are the owners of the 'Sheraton' brand on October 4, 2006 for the management of the hotel. The agreement is for a period of 15 years with the option to extend the term of the agreement for two consecutive five year periods. The hotel is designed to have between 230 to 250 Keys, with 20 floors, and a meeting space of approximately 6,400 sq. ft. We have appointed HOK to prepare the master plan, Zachariah Consultants as the Architects and Simplex Infrastructures (India) Limited for civil construction. As on date, we have completed the foundation. We expect to complete the project in fiscal 2009.

Sheraton Hotel, Mysore

We are yet to commence construction and development of the Sheraton Hotel, Mysore aggregating approximately 0.25 million sq. ft of Saleable Area. The land on which we intend to develop the Sheraton Hotel is registered in the name of the Company. We have entered into an agreement with Starwood on August 17, 2007 for the management of a proposed Sheraton hotel in Mysore. Under the terms of the agreement, the hotel will have approximately 220 Keys and Starwood would operate the property for a period of 15 years with the option to renew the term for two consecutive additional terms of five years each. The project is expected to be completed by fiscal 2010.

Banyan Tree Resort

We are in the initial stages of construction and development of the Banyan Tree Resort aggregating approximately 0.20 million sq. ft of Saleable Area. We have entered into a lease agreement with the Government of Karnataka and Mr. M.R. Krishna Kumar in relation to the lands on which Banyan tree Resort will be constructed. The architectural designs are complete and we are in the process of budgeting and service co-ordination. The interior design and pre-construction work is currently underway. We also propose to apply for the necessary statutory approvals in the course of the project. The project is expected to be completed by fiscal 2011.

We intend to utilize a part of the Net Proceeds of the Issue to finance our construction and development expenditure in the following manner:

(Rs. In million)

Expenditure items	Total construction cost	Amount paid as on November 23, 2007*	Balance payable as on November 23, 2007	Estimated amount to be financed from Net Proceeds of the Issue	Balance amount required to be funded (Rs. In million)	Balance debt facilities available as on November 23, 2007	Estimated deployment of existing debt facilities as on March 31,			Estimated Net Proceeds utilization as on March 31,		
							2008	2009	2010	2008	2009	2010
North Star office complex and multi level car park located at Brigade	4,414.24	669.21	3,745.03	1,657.87	2,087.16	1,230.00	480.00	750.00	-	1,657.87	-	-

Expenditure items	Total construction cost	Amount paid as on November 23, 2007*	Balance payable as on November 23, 2007	Estimated amount to be financed from Net Proceeds of the Issue	Balance amount required to be funded (Rs. In million)	Balance debt facilities available as on November 23, 2007	Estimated deployment of existing debt facilities as on March 31,			Estimated Net Proceeds utilization as on March 31,		
Gateway												
Orion Mall located at Brigade Gateway	2,498.73	437.63	2,061.10	525.00	1,536.10	1,199.98	700.88	499.10	-	525.00	-	-
Sheraton Hotel located at Bangalore	2,145.00	154.03	1,990.97	700.00	1,290.97	1,000.03	600.03	400.00	-	700.00	-	-
Sheraton Hotel located at Mysore	1,237.50	-	1,237.50	1,237.50	-	-	-	-	-	450.00	550.00	237.50
Banyan Tree Resort located at Chickmagalur	1,000.00	-	1,000.00	1,000.00	-	-	-	-	-	400.00	500.00	100.00
Total	**11,,295.47**	**1,260.87**	**10,034.60**	**5,120.37**	**4,914.23**	**3,430.01**	**1,780.91**	**1,649.10**	**-**	**3,732.87**	**1050.00**	**337.50**

* *As per certificate from M/s. Narayanan, Patil and Ramesh, Chartered Accountants dated November 23, 2007.*

Means of Finance

The following is a summary of our means of financing for land acquisition and construction activities:

	Amounts (in Rs. million)
Total Cost	12,651.59
Amounts paid as on November 23, 2007*	2,137.30
Amounts Payable as on November 23, 2007	10,514.29
Net Proceeds of the Issue	5,600.06
Financing from Debt Facilities#	3,430.01

* *As per certificate from M/s. Narayanan, Patil and Ramesh, Chartered Accountants dated November 23, 2007.*

\# *We have also entered into a Term Loan Facility Agreement dated March 9, 2007 with Corporation Bank and Indian Bank for an amount of Rs. 1,750 million in relation to the construction and development North Star Office complex and multi level car park. As on November 23, 2007 a sum of Rs. 520.00 million has been drawn down on this sanctioned amount.*

We have also entered into a Loan Agreement dated April 12, 2007 with State Bank of India for an amount of Rs. 1,500 million (of which Rs. 818.20 million has been sanctioned towards the construction and development of Orion Mall and Rs.681.80 was sanctioned towards Sheraton hotel, Bangalore), Agreement of loan dated June 21, 2007 from State Bank of Patiala for an amount of Rs. 625 million (of which Rs. 340.90 million has been sanctioned towards the construction and development of Orion Mall and Rs. 284.10 was sanctioned towards Sheraton hotel, Bangalore) and Agreement of loan dated June 21, 2007 from State Bank of Mysore for an amount of Rs. 625 million (of which Rs. 340.90 million has been sanctioned towards the construction and development of Orion Mall Rs. 284.10 was sanctioned towards Sheraton hotel, Bangalore).

As on November 23, 2007 a total sum of Rs. 300.02 million (Rs.155.47 million has been drawn down from State Bank of India, Rs. 72.28 million each has been drawn down from State Bank of Mysore and State Bank of Patiala, respectively) has been drawn down by our Company towards the construction and development of the Orion Mall and Rs. 249.98 million (Rs. 129.54 million has been drawn down from State Bank of India, Rs. 60.22 million each has been drawn down from State Bank of Mysore and State Bank of Patiala, respectively) has been drawn down towards the construction and development of the Sheraton Hotel, Bangalore.

The internal accruals available with the Company as on November 23, 2007 is Rs. 1,175.25 million

The balance fund requirements will be met out of internal accruals and / or debt funds. Further, in case of shortfall in the Net Proceeds of the Issue, the same may also be met out of internal accruals and / or debt funds. Our management expects that such alternate arrangements would be available to fund any such shortfall.

We confirm that firm arrangements through verifiable means towards 75% of the stated means of finance, excluding Net Proceeds of the Issue, have been made.

General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes towards acquisition of land, construction of projects, strategic initiatives and acquisitions, brand building exercises and the strengthening of our marketing capabilities.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Issue Related Expenses

The expenses of this Issue include, amongst others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows:

(Rs. in million)

Activity	Expenses*
Lead management fee and underwriting commission	[•]
Advertising and Marketing expenses	[•]
Printing and stationery	[•]
Others (Monitoring agency fees, Registrars fee, legal fee, IPO Grading Agency fees, etc.)	[•]
TOTAL	**[•]**

* *Will be incorporated after finalization of the Issue Price*

Working Capital Requirement

The Net Proceeds of this Issue will not be used to meet our working capital requirements as we expect sufficient internal accruals to meet our existing working capital requirements. However to meet the future working capital requirements, if need be, we may avail additional bank finance.

Interim use of funds

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue.

Monitoring Utilization of Funds

Our Company has appointed Karnataka State Financial Corporation, as the Monitoring Agency. Our Board and Audit Committee will monitor the utilization of the Net Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements for fiscal 2008, fiscal 2009 and fiscal 2010, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter group companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the GCBRLMs and BRLM on the basis of demand from Investors for the Equity Shares through the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 35.1 times the face value at the lower end of the Price Band and 39.0 times the face value at the higher end of the Price Band.

Qualitative Factors

Since our inception in 1990, we have concentrated our business in the development of properties in multiple real estate business domains. We have developed residential, commercial and hospitality properties and intend to capitalise on this experience by continuing to focus on these business domains.

We believe we have built several properties which have been the first of their kind in the real estate industry in Bangalore. South India.

We believe we have established our brand name and reputation in the real estate market in Bangalore and Mysore, south India

For further details of the qualitative factors, which form the basis for computing the price, see "Our Business" on page 60 and Risk Factors on page IX.

Quantitative Factors

Information presented in this section is derived from the Company's consolidated summary statement of assets and liabilities and unconsolidated summary statement of profits and losses, as restated and consolidated cash flows, as restated, under Indian GAAP as at and for the year ended March 31, 2007 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Earnings per Share (EPS)

Year Ended	EPS based on Restated Financial Statements (Rs.)	Weight
March 31, 2005	7.38	1
March 31, 2006	15.72	2
March 31, 2007	26.56	3
September 30, 2007	6.23	4
Weighted Average	14.34	

Note:
1. Earnings per share calculations are in accordance with Accounting Standard – 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.
2. The face value of each Equity Share is Rs. 10/-.

2. Price Earning Ratio (P/E) in relation to the Issue Price of Rs. [●] per share of Rs. 10 each

a. P/E ratio in relation to the Floor Price : 13.21 times
b. P/E ratio in relation to the Cap Price : 14.68 times
c. P/E based on EPS for the year ended March 31, 2007 : [●] times
d. P/E based on Weighted average EPS : [●] times
e. Industry P/E*
   i. Highest : 46.2
   ii. Lowest : 15.6
   iii. Industry Composite : 30.6

* P/E based on trailing twelve months earnings per share for the entire Construction Industry
Source: Capital Market, Volume XXII/19, November 19 – December 02, 2007 (Industry- Construction)

3. ***Return on Net worth (RoNW)***

Year ended	RoNW (%)	Weight
March 31, 2005	45.97	1
March 31, 2006	52.47	2
March 31, 2007	49.20	3
September 30, 2007 (annualised)	47.00	4
Weighted Average	48.65	

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as restated as at the end of the year.

Net worth represents Equity Share Capital and Reserves & Surplus less Miscellaneous Expenditure not written off or adjusted

4. ***Minimum Return on Total Net worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2007 is*** [●]

5. ***Net Assets Value (NAV)***

NAV as at September 30, 2007 : Rs 26.52 per Equity Share
NAV as at March 31, 2007 : Rs. 53.99 per Equity Share
NAV after the Issue : Rs. [●] per Equity Share*
Issue Price : Rs. [●] per Equity Share

NAV per share = Net worth, as Restated at the end of the year or period / Weighted average number of equity shares outstanding during the year

6. ***Comparison with other listed companies***

	EPS (Rs.) (TTM)#	P/E* as on November 12, , 2007	NAV for fiscal 2007 (Rs.)	FV (Rs)
Brigade Enterprises Limited	26.56	[●]	53.99	10.0
Unitech	7.9	46.2	14.3	2.0
Parsvnath	20.1	15.6	79.2	10.0
Sobha Developers Limited	28.1	29.9	111.9	10.0

 # TTM: Trailing twelve months ended September 30, 2007 for the peers, for Brigade Enterprises TTM implies March 31, 2007

**P/E for peer group companies is based on trailing twelve month's earnings ending September 30, 2007.*

Source: Capital Market, Volume XXII/19, November 19 – December 02, 2007 (Industry-Construction)

The Issue price of Rs. [●] per Equity Share has been determined by us, in consultation with GCBRLMs and BRLM on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios. For further details and to have a more informed view, see the section titled "Risk Factors" beginning on page IX and the financials of the Company including important profitability and return ratios, as set out in the auditor's report stated on page 134.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Brigade Enterprises Ltd.
Penthouse, Brigade Towers
135, Brigade Road,
Bangalore – 560 025, India.

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the probable tax benefits that may be available to Brigade Enterprises Limited (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and other allied direct and indirect tax laws presently prevailing and in force in India.

Several of these benefits are subject to the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is subject to fulfilment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

We do not express any opinion or provide any assurance as to whether:

- The Company or its Shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.
- The revenue authorities / courts will concur with the views expressed herein.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. While all reasonable care has been taken in the preparation of this opinion we accept no responsibility for any errors and omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Narayanan, Patil & Ramesh
Chartered Accountants

L. R. Narayanan
Partner
Membership No. 25588
Date: August 20, 2007.

BENEFITS AVAILABLE UNDER INCOME TAX ACT, 1961 ("The IT Act")

Benefits available to the Company

a. In accordance with and subject to the conditions specified under Section 80-IB (10) of the IT Act, the Company is eligible for one hundred percent deduction of the profits derived from development and building of Housing Projects approved before 31 March, 2007, by a local authority.

b. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received by the Company from domestic companies is exempt from income tax.

c. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder company on transfer of equity shares held in another Company as investment would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax. However, as amended by Finance Act, 2006 from Assessment Year 2007-08, long term capital gain needs to be taken into account in computing the book profit and income tax payable under section 115 JB.

d. Under section 24(a) of the IT Act, the Company is eligible for deduction of thirty percent of the annual value of the property (i.e., actual rent received or receivable on the property or any part of the property which is let out).

e. Under section 24(b) of the IT Act, where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal instalments beginning with the year of acquisition or construction.

f. Under section 48 of the IT Act which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of Long Term Capital Gains arising out of transfer of Long Term Capital Assets i.e., shares held in Indian Company for a period exceeding 12 months or other capital assets held for a period exceeding 36 months, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

g. Under Section 115JAA (2A) of the IT Act, tax credit shall be allowed in respect of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after 1st April, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years immediately succeeding the year in which the MAT credit initially arose.

Benefits available to resident shareholders, approved infrastructure capital companies, infrastructure capital funds and co -operative banks

a. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

c. Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets), redeemable after three years and issued on or after the 1st day of April 2007 by the:

- National Highways Authority of India, constituted under section 3 of The National Highway Authority of India Act, 1988; or

- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

In cases where the investment is made on or after 1st day of April 2007 in such bonds, investment amount by an assessee is restricted to Rupees Fifty Lakhs in any financial year.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

e. Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

f. In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head “Profit and gains of business or profession” arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

g. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

However in the case of an Individual or a Hindu Undivided Family, Being resident, where the total income as reduced by such short term capital gains is below the maximum amount which is not chargeable to Income Tax then, such short term capital gain shall be reduced by the amount by which total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of ten percent. Where the gross total income of an assessee includes any short term capital gain referred herein above then the deduction under chapter VI – A shall be allowed from the gross total income as reduced by such capital gains.

h. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, in respect of income arising from transfer of long term capital asset being listed security.

Provided that in the case of an Individual or a Hindu Undivided Family where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the rate of 20%.

Benefits available to mutual funds

As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

Benefits available to foreign institutional investors ('FIIs')

a. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

c. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets), redeemable after three years and issued on or after the 1st day of April 2007 by the:

- National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

In cases where the investment is made on or after 1st day of April 2007 in such bonds, investment amount by an assessee is restricted to Rupees Fifty Lakhs in any financial year.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

d. In terms of section 88E of the IT Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

e. As per section 90(2) of the IT Act, in the event of a Double Taxation Avoidance Agreement between Central Government and the Government of the Country of residence of the FII, the provisions of the IT Act shall apply to the extent they are more beneficial to the FII.

f. Under section 115AD (1) (ii) of the IT Act short term capital gains on transfer of securities shall be chargeable @ 30% and 10% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

g. Under section 115AD(1)(iii) of the IT Act income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

Benefits available to venture capital companies / funds

Under section 10(23FB) of the IT Act, any income of Venture Capital companies/ Funds (registered with the Securities and Exchange Board of India) set up to raise funds for investment in venture capital undertaking as specified in sub clause (c) would be exempt from income tax, subject to conditions specified therein. As per section 115-U of the IT Act, any income derived by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

Benefits available to non-residents/ non-resident Indian shareholders (other than mutual funds, FIIs and foreign venture capital investors)

a. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

c. Under the first proviso to section 48 of the IT Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the IT Act-discussed hereunder), protection is provided from fluctuations in the value of the Rupee in terms of foreign currency in which the original investment was made. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares. Under second proviso to section 48, Cost indexation benefits will not be available in such a case.

d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets), redeemable after three years and issued on or after the 1st day of April 2007 by the:

- National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

In cases where the investment is made on or after 1st day of April 2007 in such bonds, investment amount by an assessee is restricted to Rupees Fifty Lakhs in any financial year.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

e. Under section 54F of the IT Act and subject to the conditions specified therein, long- term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

f. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity shares in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

g. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, in respect of income arising from transfer of long term capital asset being listed security.

Non-Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

a. In terms of Section 88E of the IT Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

b. As per section 90(2) of the IT Act, in the event of a Double Taxation Avoidance Agreement between Central Government and the Government of the Country of residence of the FII, the provisions of the IT Act shall apply to the extent they are more beneficial to the FII.

c. Under section 115E of the IT Act, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). In terms of Section 115D (2), the benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

d. Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

e. Under provisions of section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT

Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

Notes:

The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

The above statement of possible direct tax benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION IV: ABOUT THE COMPANY

INDUSTRY

The information in this section is derived from various government publications and industry sources. Neither we nor any other person connected with the Offering have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

The Indian Economy

In recent years, India has experienced rapid economic growth. India's GDP grew at 7.5%, 8.1%, 8.4% and 9.2% in the fiscal years 2004, 2005, 2006 and 2007, respectively. An important factor in the growth of the Indian economy is the strong growth of the IT and ITES sectors. These sectors benefit from the growing international trend toward off-shoring and the resultant demand for skilled, low cost, English speaking workers. Indian competitiveness in this area is aided by substantial investment in telecommunications, infrastructure and the phased liberalization of the communications sector.

The Real Estate Sector in India

Historically, the real estate sector in India was unorganized and characterized by various factors that impeded organized dealing, such as the absence of a centralised title registry providing title guarantee, a lack of uniformity in local laws and their application, non-availability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values. In recent years however, the real estate sector in India has exhibited a trend towards greater organization and transparency by various regulatory reforms. These reforms include:

- the support of the Government of India for the repeal of the Urban Land Ceiling Act, with nine state governments having already repealed the Urban Land Ceiling Act;
- modifications in the Rent Control Act to provide greater protection to homeowners wishing to rent out their properties;
- rationalization of property taxes in a numbers of states; and
- the proposed computerization of land records.

The trend towards greater organization and transparency has contributed to the development of reliable indicators of value and organized investment in the real estate sector by domestic and international financial institutions and has also resulted in the greater availability of financing for real estate developments. Regulatory changes permitting foreign investment are expected to further increase investment in the Indian real estate sector. The nature of demand is also changing, with heightened consumer expectations that are influenced by higher disposable incomes, increased globalization and the introduction of new real estate products and services.

These trends have been reinforced by the substantial recent growth in the Indian economy, which has stimulated demand for land and developed real estate across our business lines. Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for hotel accommodation and improved infrastructure. In addition, tax and other benefits applicable to special economic zones are expected to result in a new source of demand.

Residential Real Estate Development

The growth in the residential real estate market in India has been largely driven by rising disposable incomes, a rapidly growing middle class, low interest rates, fiscal incentives on both interest and principal payments for housing loans and heightened customer expectations as well as increased urbanization and nuclearisation.

In connection with a review of opportunities in the Indian real estate sector, Jones Lang LaSalle's publication "The New Investment Mantra – Understanding Risks and Returns in the Indian Real Estate Sector" (July 2006), highlights that:

- India's housing shortage has increased from 19.4 million units in 2004 to 22.4 million units in 2005-2006 and is expected to rise further; and
- The retail market for mortgages grew by 30% in the second quarter of 2004 and is expected to further grow at a CAGR of 17% from US$16 billion in the fiscal year 2006 to US$30 billion in the fiscal year 2009.

Further, Cushman & Wakefield have noted that there is scope for 400 township projects over the next five years spread across 30 to 35 cities, each having a population of more than 0.5 million and that the total project value dedicated to low and middle income housing in the next seven years is estimated at US$40 billion. *(Source: "Opportunities for Private Equity Investment in Indian Real Estate" (3rd Quarter, 2006) published by and belonging to Cushman & Wakefield)*

According to CRIS INFAC's "Housing Annual Review" (December 2005), the residential sector is expected to continue to demonstrate robust growth over the next five years, assisted by increased availability of housing finance and favorable tax incentives. According to CRIS INFAC's "Construction Annual Review" (May 2007), housing investments (permanent non-slum houses) are expected to grow at an implicit trend annual growth rate (TAGR) of 12% over the next five years. Housing investments are expected to increase from Rs. 9.8 trillion from 2001-02 to 2005-06 to Rs. 17.3 trillion from 2006-07 to 2010-11, driven by urban housing investments, which are expected to grow at a CAGR of 13.7%.

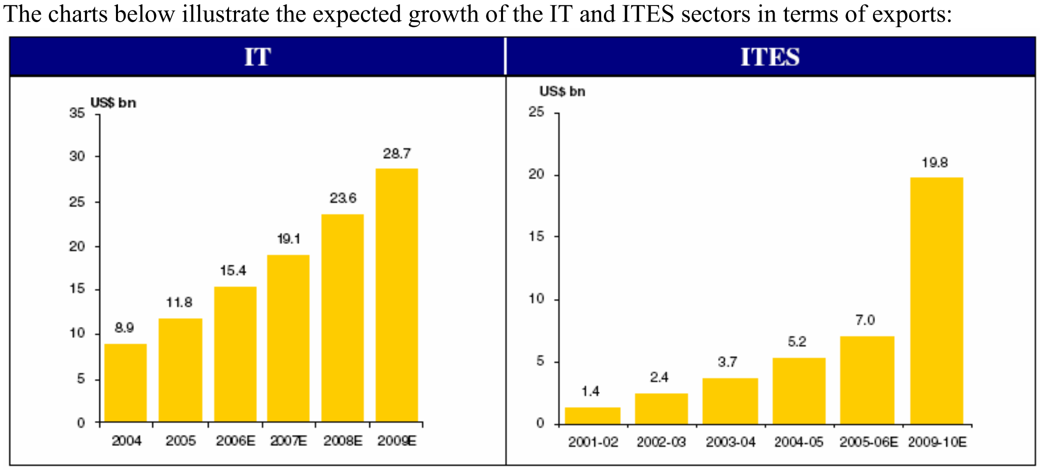
Trend towards high-rise residences in urban areas

A large proportion of the demand for residential developments, especially in urban centers such as Mumbai, Bangalore, Delhi (Gurgaon and Noida) and Pune, is likely to be for high-rise residential buildings. Since this is a fairly new segment, the growth of the high-rise segment is expected to be faster than the growth of more traditional urban housing segments. The reasons for the anticipated demand are the lack of space in cities such as Mumbai and proximity to offices and IT parks in places such as Gurgaon, Bangalore and Pune. The high-rise culture is gradually seeping into other cities such as Kolkata, Hyderabad and Chennai due to increasing affordability, nearness to IT or BPO parks and the township concept being embraced within close proximity to such IT and BPO parks.

Commercial Real Estate Development

The recent growth of the commercial real estate sector in India has been fuelled, in large part, by the increased revenues of companies in the services business, particularly in the IT and ITES sectors. Industry sources expect the IT and ITES sectors to continue to grow and generate additional employment.

The charts below illustrate the expected growth of the IT and ITES sectors in terms of exports:

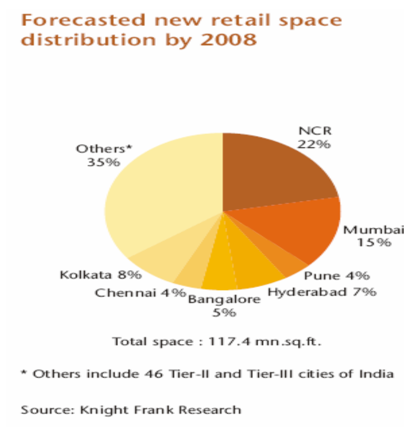


Source: CRIS INFAC "Software Annual Review" (January 2005) and CRIS INFAC "IT Enabled Services Annual Review" (February 2006)

Within the IT and ITES sectors, the volume of operations outsourced to India by multinational companies is expected to increase demand for commercial space. Many of these companies have set up world class business centers to house their growing work force. According to Jones Lang La Salle, the total demand for commercial office real estate in 2005 in the top seven centers of Bangalore, Chennai, Delhi-NCR, Mumbai, Pune, Hyderabad and Kolkata was over 22 million square feet and is expected to be over 25 million square feet in 2006. *(Source: The New Investment Mantra – Understanding Risks and Returns in the Indian Real Estate Market (July 2006))*

According to Cushman & Wakefield, capital flows into commercial property in 2005 increased by more than 40% over the previous year, leading to record high levels of new office development. In spite of this, higher demand has helped to stabilize vacancy rates. The IT, ITES and related sectors are estimated to account for more than 70% of net demand. Capital flows into corporate real estate over the next three years are estimated at more than US$5 billion. *(Source: Opportunities for Private Equity Investment in Indian Real Estate (3rd Quarter, 2006) published by and belonging to Cushman & Wakefield)*

Retail Real Estate Development



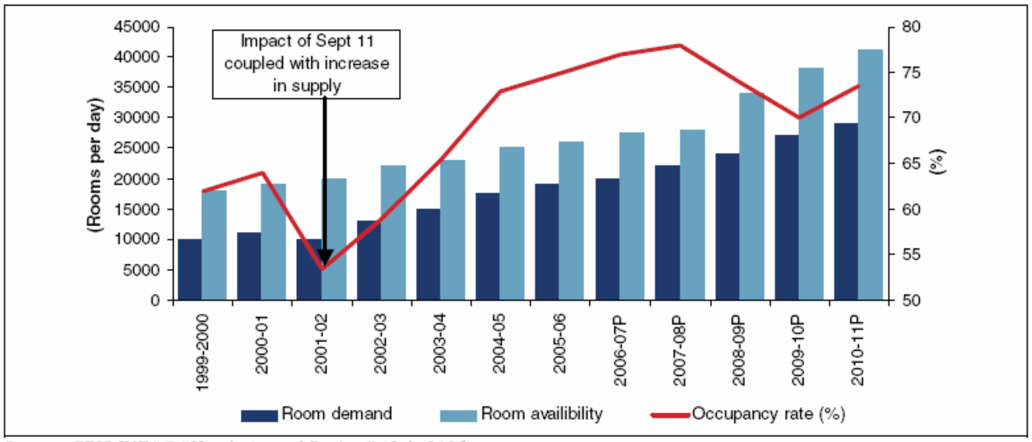
According to Knight Frank India Retail Market Review for 3rd Quarter 2006, over the last few years, retail has become one of the fastest growing sectors in the Indian economy. Retail in India is currently estimated to be a US$230 billion industry, of which organized retailing makes up 3% or roughly US$7 billion.

The retail boom has percolated to the Tier-II and Tier-III cities of India, as well. Knight Frank research indicates that, of the total 361 mall projects currently underway in India, 227 are in the top 7 cities while the remaining 134 are distributed over various Tier-II and Tier-III cities. These statistics reveal the far-reaching effects of positive macro trends in changing the consumer preferences and shifting mindsets towards organized retailing experience. Besides new malls, close to 35 hypermarkets, 325 large department stores and over 10,000 new outlets are also under development. Growth in rural population and increase in agricultural incomes also offers considerable scope for innovative retail formats. India's vast middle class and its virtually untapped retail industry are key attractions for global retail giants wanting to enter newer markets.

Hospitality

Recent growth in the hospitality sector in India has primarily been caused by the growing economy, increased business travel and tourism. According to CRIS INFAC (*Source: Hotels Annual Review (July 2006)*) room demand is expected to grow at a CAGR of 10% over the next five years. This is expected to be accompanied by increases in average room rates of 20% and 10% in the fiscal years 2007 and 2008, respectively. Growth in occupancy rates is likely to be assisted by factors such as a 10% CAGR in the number of incoming travelers to India over the next five years.

The following chart shows changes in room demand and availability as well as occupation rates since the fiscal year 2000 and projections through to the fiscal year 2010:



Source: CRIS INFAC "Hotels Annual Review" (July 2006).

According to the "Hotels Annual Review (July 2006)" published by CRIS INFAC, it is estimated that investments in the hotel industry will be approximately Rs. 90 billion over the next five years.

Business travelers are the highest contributors to room demand in Bangalore, particularly from sectors such as IT, ITES, BPO, biotech and defense. Over 90.0% of the rooms in Bangalore hotels are occupied by foreign corporates. Hindustan Aeronautics Limited, the National Aerospace laboratories and the Indian Space Research Organization headquartered in Bangalore, are expected to be the other major demand drivers over the medium to long term. In addition, with more than 240 biotech firms having their base in Bangalore, it is also a biotechnology hot spot.

According to CRISIL Research, once the new international airport at Devanahalli becomes operational by April 2008, Bangalore will witness additional foreign traffic, which is expected to further boost its room demand.

Special Economic Zones

SEZs are specifically delineated duty free enclaves deemed to be foreign territories for the purposes of Indian custom controls, duties and tariffs. There are three main types of SEZs: integrated SEZs, which may consist of a number of industries; services SEZs, which may operate across a range of defined services; and sector specific SEZs, which focus on one particular industry line. SEZs, by virtue of their size, are expected to be a significant new source of real estate demand. There were 19 SEZs prior to the enactment of the SEZ Act and as of July 31, 2007 there are 135 SEZs that have been notified under the SEZ Act.

Cinemas

The key economic advantages of multiplex cinemas over single-screen cinemas include better occupancy ratios and the ability for cinema operators to choose to show movies in a larger or a smaller theatre based on expected audience size. Multiplex cinema operators are therefore able to maintain higher capacity utilization compared to single-screen cinemas and can also provide a greater number of film showings. As each movie has a different screening duration, a multiplex cinema operator has the flexibility to decide on the screening schedule so as to maximize the number of shows in the multiplexes, thus generating a higher number of patrons. Furthermore, a multiplexes allow for better exploitation of the revenue potential of the movie.

The key growth drivers responsible for the expected increase in the number of multiplex cinemas include an increase in disposable income across an expanding Indian middle class, favorable demographic changes, strong growth in organized retail and the availability of entertainment tax benefits for multiplex cinema developers.

Hospitals

The key growth drivers responsible for the expected increase in the number of hospitals include an increased health consciousness and awareness of medical remedies; the growth of private medical insurance. A number of private insurance companies have entered the Indian market and are establishing arrangements with hospitals to provide treatment to their subscribers without upfront cash payments. Competition among insurers is likely to lead to increased marketing efforts which in turn could lead to an increase in the number of Indians with voluntary health insurance which in turn is likely to lead to higher affordability of healthcare services. In addition, employers are increasingly subsidizing their employees' health costs through direct arrangements with medical providers. The potential increase in the penetration rate of medical insurance and employer plans could result in higher demand for premium healthcare services in India, although the insurance companies and employers will, at the same time, negotiate for lower rates to be charged by healthcare providers.

The City of Bangalore

Bangalore is the state capital of Karnataka with a population of 6.2 million, and is India's fifth largest metropolitan city. There are two national highways that connect Bangalore to other metro cities such as Chennai, Hyderabad, Mangalore and Mumbai. The major industries in the city are services, IT and ITES. Bangalore is also an academic center with a number of management and science schools and universities in the city.

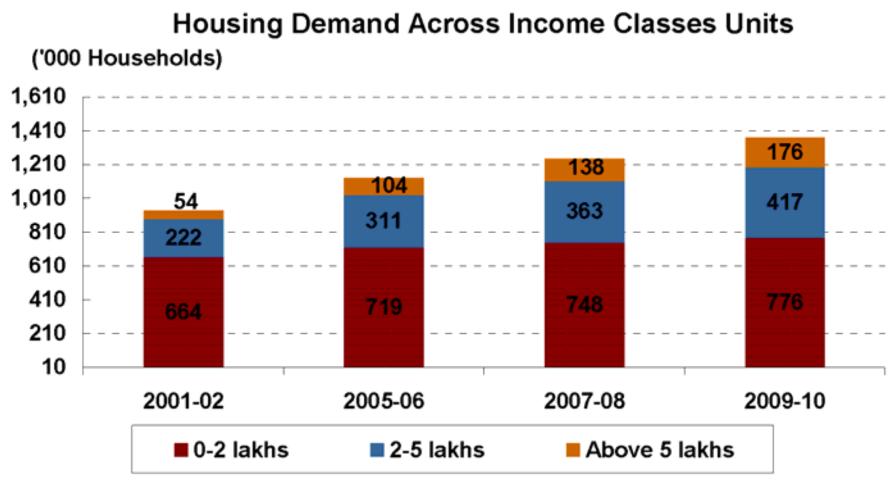
Bangalore is a significant business destination in South India as there is population growth and an increase in local and international investment in the city. Bangalore has experienced rapid growth and international recognition in the software development industry within a short period of time, with a net domestic product growth rate of 9.3% in 2004-05 according to CRISIL City View – A Real Estate Perspective. Bangalore produces 38% of IT and software that India exports according to CRISIL City View – A Real Estate Perspective. It is headquarters to a large number of global Indian companies such as Infosys, Wipro and Biocon. Multinational companies like IBM, Hewlett-Packard, Texas Instruments, Oracle, Fujitsu, Novell and Digital Equipment have offices or development centers in Bangalore. It also houses General Electric's second largest research and development center in the world.

The biotechnology sector in Karnataka is expected to receive significant investments over the next couple of years. Software parks are being developed in the city to accommodate the rapid growth in the IT industry too. This has triggered high demand for residential housing with high-end residential developments being constructed in and around these parks. Increased investment in the biotechnology sector is also expected to accelerate the need for retail and hospitality developments in Bangalore.

Residential Sector in Bangalore

Driven by growth in the IT/ITES, garments, electronics/hardware and biotechnology sectors, Bangalore is experiencing tremendous demand for residential units. With many leading Indian and multinational IT/ITES companies in Bangalore, estimates project a rapid increase of employees in this sector from 89,000 employees in 2005-06 to 277,000 by 2009-10. Similar growth is expected from the ready-made garments industry, where already 15,000 garment units are concentrated in and around Bangalore. Bangalore's share of garment employees is expected to rise from 0.3 million in 2004-05 to 0.5 million by 2009-10. Growth is also being fueled by the electronics/hardware industry, which generates approximately 70,000 jobs, and by the biotechnology sector. At present, Bangalore accounts for 47% of all of India's biotechnology companies, and is home to the headquarters of Biocon, the nation's leading biotechnology company *(Source: CRISIL City View – A Real Estate Perspective)*.

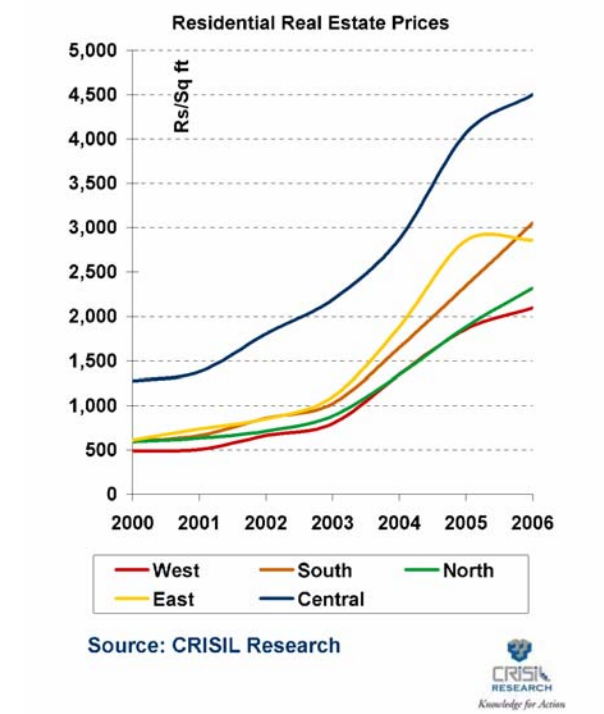
Spurred by growth in these industries, demand for new housing across all income categories is expected to increase by 115,209 units from 2006 to 2008, with the largest proportions of demand coming from the middle and low income classes. The trend over the past four years has been a move away from independent houses in favor of residential apartments, although villas are prominent in areas such as Whitefield, Sarjapur Road and Devanahalli. While the high income group will create demand for new houses, growth for rental residences will also continue due to student and migrant population demand. As a result of rising real estate prices, demand from the middle income class will likely remain unmet, and a supply gap for low income class housing also exists *(Source: CRISIL City View – A Real Estate Perspective)*.



Source: CRISIL Research

In order to meet the rising demand for housing, approximately 34.64 million square feet of residential construction is expected during 2007-08. Most of the supply will come from the outskirts of Bangalore due to the lack of available land to develop large townships within the city. High growth rates in Bangalore's outskirts are also spurred by the new international airport and the Bangalore Mysore Infrastructure Corridor Project. Sarjapur Road in the south-east, Whitefield in the east and Hosur Road in the south are all experiencing an increase in the supply of residential units due to their convenient access to IT/ITES offices and improved infrastructure*(Source: CRISIL City View – A Real Estate Perspective)*.

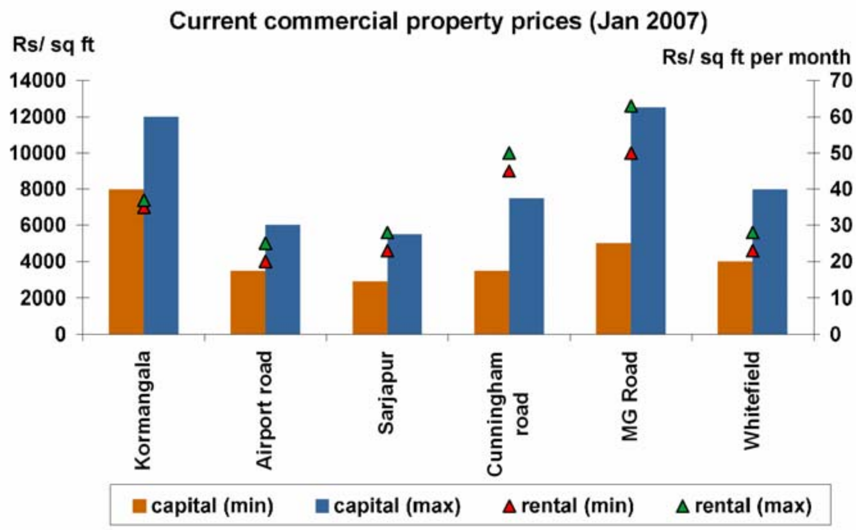
Over the last six years, residential property prices have been on the rise. The strongest gains have been seen in central Bangalore, such as near MG Road. Strong increases in property prices since 2003 can also be seen in Kanakapura in the West, Bannerghatta and Kormangala in the south, Yelahanka and Devanahalli in the north, and Sarjapur, Whitefield and Hosur Road in the east. Residential prices as of January 2007 ranged from a minimum of approximately Rs.1,250 per square foot in Bannerghatta, to a maximum of approximately Rs.3,750 per square foot in Whitefield *(Source: CRISIL City View – A Real Estate Perspective)*.



Commercial Sector in Bangalore

Estimates place Bangalore as the largest contributor of office space in India for the next two years, with 21% of the total projected supply, ahead of both Delhi and Kolkata. The majority of the demand for office space in Bangalore comes from the IT/ITES sector, with additional demand coming from the manufacturing, research and development, finance and retail sectors. Approximately 20.7 million square feet of IT parks alone have been proposed for the next two years *(Source: CRISIL City View – A Real Estate Perspective)*.

As of January 2007, commercial property prices have ranged from a minimum of approximately Rs.3,000 per square foot in Sarjapur, to a maximum of approximately Rs.12,000 per square foot at MG Road. Rental costs have similarly ranged from a minimum of approximately Rs.16 per square foot per month at Sarjapur, to a maximum of approximately Rs.60 per square foot per month at MG Road *(Source: CRISIL City View – A Real Estate Perspective)*.

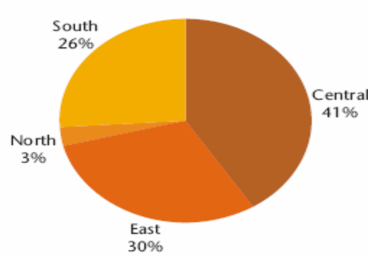


Source: CRISIL Research

Retail Sector in Bangalore

Bangalore has traditionally been a leader in supermarkets which was initiated by the then RPG Group's FoodWorld outlets. Also, the concept of large format, stand-alone retail stores like Big Bazaar, Globus, Westside and Shoppers Stop was made popular in the city. Recently, Bangalore has seen a shift towards the establishment of large hypermarkets and urban malls. Encouraged by the success of existing malls, many developers are going ahead with their plans of creating new mall space in the city. Bangalore is witnessing huge demand for space from a large range of retailers. To cash in from the existing catchment, retail activity is now spreading to new residential and office locations. In addition to the established highstreet of Brigade Road and Commercial Street, new locations like Lavelle Road and 100-ft Road, Indiranagar, are also emerging as important retail locations. The current stock of organized retail space is Bangalore is a little over 2 million square feet. With approximately 20 malls in various stages of planning, it is estimated that the total retail stock in Bangalore will be approximately 8 million square feet by end of 2008.

Distribution of current retail space in Bangalore

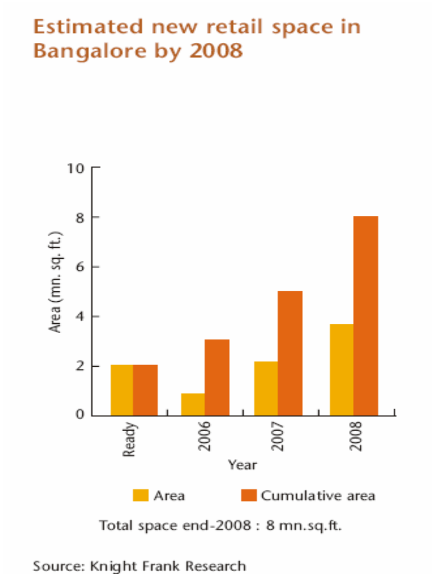


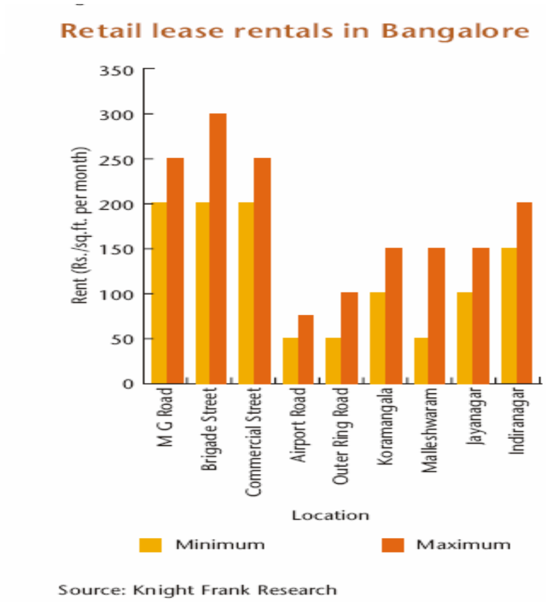
Total space : 2.18 mn.sq.ft.

Source: Knight Frank Research

The central retail locations of Bangalore, i.e., M.G. Road, Lavelle Road, Brigade Road, Commercial Street, Richmond Road and Residency Road continue to witness high demand from major brands and retailers. This coupled with the lack of new retail space has pushed up the retail rentals by 20-30% over the last one year. The central locations have about seven organized retail formats that total close to 1 million square feet or 41% of the total retail space in Bangalore currently.

The movement of corporates to the suburban and peripheral locations has led to an increase in residential development in locations like Whitefield, Koramangala and Sarjapur Road. Consequently, retail investment has become attractive in these locations. New retail developments are also coming up in Jayanagar, Bannerghatta Road and Hosur Road in south Bangalore. These locations offer the advantage of being close to major offices and are amidst existing and upcoming residential areas. Close to 4 million square feet of organized mall space is planned for the above mentioned locations. This totals to about 63.0% of the total new retail space supply planned for the Bangalore market by 2008.





Approximately 0.5 million square feet of new retail space was expected to enter the market in 2006, while 2.03 million square feet and 3.72 million square feet is in the pipeline for 2007 and 2008, respectively. Most of the new mall developments are coming up in suburbs of Jayanagar, Bannerghatta, Outer Ring Road and Sarjapur Road. This new development towards the suburbs not withstanding, prime retail pockets in the city will continue to witness retail activity.

Challenges Facing the Indian Real Estate Sector

Lack of national reach of existing real estate development companies

There are currently very few real estate development companies in India who can claim to have operations throughout the country. Most real estate developers in India are regionally based and active in areas where the conditions are most familiar to them. This is due to factors as:

- the differing tastes of customers in different regions,
- difficulties with respect to large scale land acquisition in unfamiliar locations,
- inadequate infrastructure to market projects in new locations,
- the large number of approvals which must be obtained from different authorities at various stages of construction under local laws, and
- the long gestation period of projects.

Majority of the market in the unorganized segment

The Indian real estate sector is highly fragmented with many small builders and contractors, who account for a majority of the housing units constructed. As a result, there is a less transparency in dealings or sharing of data between players.

Demand dependent on many factors

Real estate developers face challenges in generating adequate demand for many projects. The factors that influence a customer's choice in property are not restricted to quality alone, but also depend on a number of external factors, including proximity to urban areas, and facilities and infrastructure such as schools, roads and water supply, each of which is often beyond the developer's control. Demand for housing units is also influenced by policy decisions relating to housing incentives.

Increasing raw material prices

Construction activities are often funded by the client, who makes cash advances at different stages of construction. In other words, the final amount of revenue from a project is pre-determined and the realization of this revenue is scattered across the period of construction. A significant challenge that real estate developers face is dealing with increasing costs for raw materials. The real estate sector is dependent on a number of components such as cement, steel, bricks, wood, sand, gravel and paints. As the revenues from sale of units are predetermined, adverse changes in the price of any raw material directly affect developers' results.

Interest rates

One of the main drivers of the growth in demand for housing is the availability of finance at low rates of interest. Interest rates, however, have shown signs of increasing recently and most leading financial institutions have raised the rates which they charge on housing loans. This trend of rising interest rates may dampen the growth of demand for residential units.

Tax incentives

The existing tax incentives available for housing loans are one of the major factors influencing demand. These tax incentives, however, based on recommendations of various committees and panels, are likely to be withdrawn. The Kelkar Panel has recommended phasing out the income tax deduction available on the interest on housing loans for owner-occupied houses for the assessment years 2004-05 to 2006-07.

Recent Reforms in the Indian Real Estate Sector

Foreign direct investment in real estate

In 2005, the government modified the foreign direct investment (FDI) rules applicable to the real estate sector by permitting 100% FDI with respect to certain real estate projects such as townships, housing, built-up infrastructure and construction development projects, subject to a number of guidelines. The new FDI rules mainly relate to the minimum area required to be developed by such a project, minimum amounts to be invested and time limits within which such a project must be completed.

Housing regulations

The Indian Government enacted the Urban Land (Ceiling and Regulation) Act ("ULCRA") in 1976 to prevent speculation and profiteering in land and to ensure equitable distribution of land in urban areas in order to serve the common good. Pursuant to ULCRA, urban cities were classified into A, B and C categories. The act imposed a ceiling on the amount of vacant land that any individual can possess in a particular urban area, based on the classification of the city in question. In 'A' class cities, such as Delhi and Mumbai, this amounts to no more than 500 square meters. The excess land identified was acquired by the government after compensating the owners thereof and used to provide housing to various sections of the public. However, it is widely acknowledged that ULCRA has failed to have achieve its objective and has resulted in inflated prices and exacerbated housing shortages. The Government therefore suggested the repeal of ULCRA by way of the Urban Land (Ceiling and Regulation) Repeal Act 1999 ("Repeal Act"), which has so far been adopted by the state governments of Haryana, Punjab, Uttar Pradesh, Gujarat, Karnataka, Madhya Pradesh, Rajasthan and Orissa, but has not been repealed in a number of states, including Maharashtra.

OUR BUSINESS

Overview

We are a real estate development company based in Bangalore, primarily focused on the development of residential, commercial and hospitality properties in South India. Our residential properties include integrated lifestyle enclaves and apartment buildings targeted towards middle income and high income customers. Our integrated lifestyle enclaves are conceptualised as self-contained, gated communities, which generally include a combination of apartment complexes, commercial and retail space, recreational clubs, parks, schools, convention centres and car parking and which historically have ranged from 1.62 million sq. ft to 7.23 million sq. ft. of Developable Area. Our commercial properties include commercial office space, software and IT parks, schools, hospitals and retail malls with entertainment facilities, such as multiplexes. Our properties in the hospitality sector include serviced residences, hotels, resorts, spas, recreational clubs and convention centres in Bangalore and other parts of South India.

Since our inception in 1990, we have concentrated our business within the Bangalore region and other nearby areas such as Mysore. We have an in-house, fully integrated property development team consisting of 210 engineers and architects who oversee the development of properties from inception to completion. Our dedicated marketing and sales teams comprising of 46 individuals, regularly interacts with our customers to enable an educated, user-friendly purchasing or leasing experience.

We were originally formed as a partnership firm by Mr. M. R. Jaishankar, and his wife Ms. Githa Shankar, our Promoters, in 1990. We were converted into a private limited company in 1995, and recently converted into a public limited company. Our Promoters have over 20 years of experience in the real estate industry. For further details on our Promoters, see the section 'Our Promoters' on page 123.

Some of our completed landmark properties include Brigade Millennium, an integrated lifestyle enclave, consisting of Saleable Area and Developable Area of approximately 1.83 million sq. ft. We are currently developing 16 properties, including Brigade Gateway and Brigade Metropolis, which are integrated lifestyle enclaves and that comprise of a combined Saleable Area of approximately 10.83 million sq. ft. and a combined Developable Area of approximately 11.89 million sq. ft.

We are also involved in the hospitality business with 'Brigade Homestead', our serviced residences with, as of November 23, 2007, 89 operational Keys ("Keys" is an industry term referring to a room or a serviced residence) and our Woodrose Club with 26 operational Keys. We have approximately 223 Keys under development in serviced residences across two locations in Bangalore. We are also developing three hotels with approximately 700 Keys and three resorts with approximately 196 Keys in South India. We intend to operate these serviced residences, hotels and resorts ourselves and through arrangements with international hotel operators, such as Starwood, InterContinental, Banyan Tree and Accor.

Some of our developed commercial properties in the main business areas of Bangalore include 'Brigade Software Park', 'Brigade South Parade' and 'Brigade Techpark'. We developed these properties with an emphasis towards providing modern and high quality facilities for our domestic and multinational clients. Some of our prominent clients who occupy these premises include Cisco Systems India Private Limited, Digi Captions India Private Limited, Mahindra Engineering Design & Development Company Limited, Mindtree Consulting Limited, Spice Communications Limited, Tata Coffee Limited and TTK Prestige Limited.

As of November 23, 2007, we have completed a total of 67 properties, comprising of 41 residential properties, 21 commercial properties and five hospitality properties, aggregating to approximately 5.67 million sq. ft. of Saleable Area and approximately 6.74 million sq. ft. of Developable Area. As of November 23, 2007, we are developing two integrated lifestyle enclaves, 12 residential properties and two hospitality properties, aggregating to approximately 12.53 million sq. ft. of Saleable Area and approximately 13.84 million sq. ft. of Developable Area (our "Ongoing Properties"). As of November 23, 2007, our forthcoming properties (properties that are in planning stage, where approvals are in the process of being obtained but construction has not yet begun) include four integrated lifestyle enclaves, 16 residential properties, nine commercial properties and five hospitality properties, aggregating to approximately 23.14 million sq. ft. of Saleable Area and approximately 30.32 million sq. ft. of Developable Area (our "Forthcoming Properties").

Our Land Reserves may be broadly classified into lands for Ongoing Properties and lands for Forthcoming Properties. 'Developable Area' refers to the total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as 'super built-up' area and has historically ranged from 28% to 175% of the carpet area of the property**.** 'Saleable Area' refers to the part of the Developable Area relating to our economic interest in such property.

As of November 23, 2007, our Land Reserves were:

	Land Area		Developable Area*		Saleable Area*	
City	*In million sq. ft.**	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*
Bangalore	9.94	56.54	33.41	75.66	26.30	73.73
Mysore	3.28	18.66	6.96	15.76	6.07	17.02
Mangalore	1.31	7.45	3.04	6.88	2.78	7.79
Chennai	0.06	0.34	0.29	0.66	0.14	0.39
Hyderabad	0.06	0.34	0.16	0.36	0.08	0.22
Chickmagalur	2.14	12.17	0.20	0.45	0.20	0.56
Kottayam (in Kerala)	0.79	4.50	0.10	0.23	0.10	0.29
Total	**17.58**	**100.00**	**44.16**	**100.00**	**35.67**	**100.00**

** Area here refers to only to the share of our Company.*

For more information on our Land Reserves, see "Our Business- Our Land Reserves" on page 64. Our Land Reserves aggregate to approximately 44.16 million sq. ft. of Developable Area, of which approximately 11.21 million sq. ft. of Developable Area is owned by us directly and approximately 2.99 million sq. ft. of Developable Area is owned by us through our nominees. Our Land Reserves also include (a) land taken on lease by us for which we hold the sole development rights, which aggregates to approximately 4.83 million sq. ft. of Developable Area; (b) land in relation to which we have executed memoranda of understanding or agreements to acquire, which aggregates to approximately 16.38 million sq. ft of Developable Area; and (c) land for which we have joint development rights, which aggregates to approximately 8.75 million sq. ft. of Developable Area.

Our consolidated total income was Rs. 4,170.20 million for the fiscal year 2007 as compared to Rs. 2,032.32 million for the fiscal year 2006 and Rs. 1,605.03 million for the fiscal year 2005, representing year over year increases of 105.19%, 26.62% and 109.38%, respectively. Our consolidated profit after tax was Rs. 714.98 million for the fiscal year 2007 as compared to Rs. 423.06 million for the fiscal year 2006 and Rs. 198.77 million for the fiscal year 2005, representing year over year increases of 69.00%, 112.84% and 85.06%, respectively.

Our Competitive Strengths

We believe that the following are our principal strengths:

Operations in multiple real estate business domains

Since our inception in 1990, we have concentrated our business in the development of properties in multiple real estate business domains. We have developed residential, commercial and hospitality properties and we intend to capitalise on this experience by continuing to focus on these business domains. We have completed the development of 41 residential properties including two integrated lifestyle enclaves. We are currently developing 14 residential properties, including two integrated lifestyle enclaves, across Bangalore and Mysore. We have completed the development of 21 commercial properties, including offices and software parks, and are currently developing six commercial properties, including those within integrated enclaves, in Bangalore and Mysore. In the hospitality sector, we have completed the development of and are currently managing two serviced residence properties under the brand 'Brigade Homestead', two recreational clubs and one convention centre within our integrated lifestyle enclaves. We are currently developing five hospitality properties including those within integrated enclaves. These serviced residences, hotels and resorts will be developed by us, and some of these will be operated and managed under brand names such as Sheraton, Holiday Inn, Mercure Homestead Residences, Banyan Tree and Angsana Resort under agreements with Starwood, Inter Continental, Accor and Banyan Tree.

Innovative projects in the Bangalore region

We believe we have built several properties which have been among the first of their kind in the real estate industry in Bangalore, South India. For example our commercial venture, 'Brigade Software Park' has been one of the first real estate projects developed by a private developer to be classified as an infrastructure project by the Government of Karnataka. We were also one of the early developers of integrated lifestyle enclaves in Bangalore, which are conceptualized as self contained, gated communities, generally including a combination of apartment complexes, commercial and retail space, recreational clubs, parks, schools, convention centres and car parking. For example, we developed Brigade Millennium, an integrated lifestyle enclave comprised of over 700 apartments, a club, a park, a school and a convention centre, and Brigade Gardenia, another integrated lifestyle enclave comprised of over 1,000 apartments, retirement residences, a club, parks and gardens. We are continuing to focus on the construction of integrated lifestyle enclaves, with Brigade Gateway and Brigade Metropolis properties being our latest developments in this segment.

In the hospitality segment, we believe we are among the early developers of professionally-managed serviced residences in Bangalore. We have completed the development of and currently operate two serviced residences.

End to end competencies

We have developed in-house competencies for every stage in a property development life cycle, commencing from property development inception, which involves identification of parcels of land and the conceptualisation of the development, to execution, which involves planning, designing and overseeing the construction activities, and culminating in property delivery, which involves interfacing our marketing and sales team with customers. In the hospitality segment, in addition to providing all of these services, we also manage serviced residences. Our team comprises of 314 employees, which includes 210 employees in engineering, architecture and design.

In addition to our in-house competencies, we also leverage the expertise of external professionals with specialisations to match our wide range of operations, such as architects, interior designers, landscapers, engineers, building services consultants and communication consultants for the development and management of our properties. For example, we have appointed a New York based real estate consultancy firm, Hellmuth, Obata + Kassambaum, Inc. ("HOK"), to develop the master plan for one of our Ongoing Properties, Brigade Gateway.

An established brand name and reputation for quality

We believe we have an established brand name and reputation for quality in the real estate market in Bangalore and Mysore. We received the ISO 9001 certification in 2000 and were re-certified in 2003 and 2005 for our quality management system. In 1995, CRISIL awarded our Brigade Regency property, a 'PA2' rating in recognition of quality and for delivering properties on time to our customers with clear title to properties. In addition, in 2003, ICRA awarded Brigade Millennium 1 - Phase I 'Mayflower' and 'Cassia' blocks, a credit rating of 'RT2+' designating them as strong projects with low risks. We believe that over the past decade, we have created a brand name that stands for quality, trust and innovation.

A significant portfolio of global clientele

We enjoy long-term relationships with our clients, including multinational corporations with a worldwide presence. Several of these clients have established long-term relationships with us and have consistently been our repeat clients while undertaking their expansion activities. Some of our prominent clients who occupy these premises include Cisco Systems India Private Limited, Digi Captions India Private Limited, Mahindra Engineering Design & Development Company Limited, Mindtree Consulting Limited, Spice Communications Limited, Tata Coffee Limited and TTK Prestige Limited. We believe that our customers, who operate across various business domains, strengthen our brand name and provide us a competitive advantage in the real estate industry.

Experienced management team

Mr. M.R. Jaishankar, our Chairman and Managing Director and one of our Promoters', has over 20 years of experience in real estate development. Each of our directors is a senior experienced professional in his or her respective field. Our key managerial personnel in the areas of operations, design and development, finance, marketing, engineering, legal, human resource, and business development, are qualified professionals, who are specialists in their respective business functions, and most of them have over 20 years of experience. We believe that this experience gives us the ability to anticipate the trends and requirements of the real estate market, identify and acquire lands in locations where we believe there is demand, and design our properties in accordance with demanding customer trends. This ability is evidenced by the popularity of our completed and upcoming integrated lifestyle enclaves and our serviced residences.

Strategy

We intend to develop a range of properties in a number of cities in India to meet a diversified business model and to provide for increasing customer demands. The following are the key elements of our business strategy:

Leveraging our expertise in the development of integrated lifestyle enclaves

We have developed integrated lifestyle enclaves such as Brigade Millennium and Brigade Gardenia, which we believe to be a successful business model in the real estate market in South India. We believe that these integrated lifestyle enclaves have been successful as a result of the changing lifestyles and consumer trends in the real estate market. We also believe that integrated lifestyle enclaves will be the preferred style of residences in the future. We intend to capitalize on this experience to develop additional integrated lifestyle enclaves and gated communities in South India. Our ongoing integrated lifestyle enclaves projects, Brigade Gateway and Brigade Metropolis will, when completed, offer a diverse combination of facilities such as office space, residential apartments, recreational clubs, parks, hospitals, hotels, schools and retail malls. We intend to develop integrated lifestyle enclaves in cities where we have acquired or seek to acquire land such as Chennai, Chickmagalur, Hyderabad, Kochi and Mangalore.

Focus on hospitality and related ventures

We intend to continue to develop, manage and own properties in the hospitality sector including serviced residences, hotels and resorts. We have gained experience by developing and managing, as of November 23, 2007, 115 serviced residences under the Brigade Homestead brand as well as at the Woodrose Club. We believe this experience will help us in ensuring effective administration and operations of our future serviced residence properties, as well and hotels and resorts. We also intend to undertake construction of food courts and enter into the business of mall operation and management.

We have entered into agreements or letters of intent with Starwood, InterContinental, Accor and Banyan Tree for the supervision, operation and management of hotel properties that we are developing. We believe these ventures will strengthen our market reputation, give us a diversified offering base and will result in an increase in our total income. Subsequent to the completion of these ongoing hospitality properties, we intend to further expand into a number of other cities in South India.

Expansion into various cities in South India

We intend to expand our operations into other cities in South India which we believe have the potential for growth and demand for our properties. The economic growth in these cities will result in higher disposable incomes in the middle and higher income groups, which we believe is expected to result in an increase in demand for improved residential housing, as well as higher quality retail space. We recognise that continuing to build on our Land Reserves in these new cities is critical to our growth strategy. As a result, we have acquired, are in the process of acquiring or have identified, land in various cities such as Chennai, Chickmagalur, Hyderabad, Kochi and Mangalore, for our residential, commercial and hospitality properties. We believe that these cities have the potential to grow at a rapid pace and we intend to develop properties in such cities to take advantage of such potential. We actively seek to identify low cost land in fast growing cities and suburbs which attract increasing economic activity in manufacturing, IT, ITES, telecommunications, tourism and other sectors.

Maintain quality standards for residential and commercial development

We believe that we have developed a reputation for consistently developing high quality properties that are unique, reliable and convenient for our customers. We intend to continue to focus on innovation and provide quality property execution in order to maximize client satisfaction. We also intend to continue to use technologically advanced tools and processes without compromising on reliability or quality of our constructions. We also intend to continue to enhance our architectural, design, construction and development capabilities to enable us to provide innovative, modern and quality products and services to our customers.

We believe that the high quality of our construction has in the past satisfied our customers to such an extent that they have requested us to also carry out the furnishing of the interiors of their properties. We intend to selectively carry out the furnishing of interiors in addition to our construction and development activities, ensuring that such services conform to our existing quality standards.

Outsourcing selectively to increase scale of operations and reduce capital investments

We intend to increase the scale of our operations while ensuring that we carry on our operations in a cost-effective manner. Selective outsourcing enables us to undertake more developments while providing us with cost efficiencies. We intend to continue to outsource our construction activities in order to enable us to devote more time and effort to other aspects of our development activities and to better utilise our manpower. We believe selective outsourcing activities enables us to reduce our operation costs and capital expenditures.

Continued focus on properties in a diverse range of price segments

We intend to focus on the development of residential properties across a diverse range of price segments and, as a result, income groups. While our offerings currently cater to middle and upper income demographic groups, in the future, we intend to target lower income groups without compromising on quality. We believe this will enable us to expand our offering base and become a residential developer across a diverse range of price segments and income groups.

Our Land Reserves

Our Land Reserves are lands to which our Company has title, or lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company has executed a joint development agreement or an MOU to enter into a joint development agreement or an agreement to sell.

As of November 23, 2007, our Land Reserves aggregate approximately 403.45 acres for which we have made certain advance payments aggregating approximately Rs. 4,963.58 million and are further required to make an additional payment of approximately Rs. 2,317.75 million.

Our Land Reserves are located in and around Bangalore, Mysore, Hyderabad, Chennai, Kottayam (in Kerala), Mangalore and Chickmagalur. The following is a summary of our Land Reserves as of November 23, 2007:

S.No	Land Reserves (Category wise)	Acreage (in acres)	% of total acreage	Estimated developable area (Sq.ft. million)	% of developable area
(i)	Land Owned by the Company				
	1. By itself	80.60	19.98	11.16	25.27
	2. Through its Subsidiaries	0.75	0.19	0.05	0.11
	3. Through entities other than (1) and (2) above	30.78	7.63	2.99	6.77
(ii)	Land over which the Company has sole development rights				
	1. Directly by the Company	100.48	24.91	4.58	10.37
	2. Through its Subsidiaries	2.43	0.60	0.25	0.57
	3. Through entities other than (1) and (2) above See page 66.	-			
(iii)	Memorandum of Understanding/ Agreements to acquire/ letters of acceptance and/ or its group companies are parties, of which:				

S.No	Land Reserves (Category wise)	Acreage (in acres)	% of total acreage	Estimated developable area (Sq.ft. million)	% of developable area
	1. Land subject to government allocation	-			
	2. Land subject to private acquisition See page 68.	133.10	32.99	16.38	37.09
(A)	***Sub-total (i)+(ii)+(iii):***	***348.14***	***86.29***	***35.41***	***80.18***
	Joint developments with partners				
(iv)	Land for which joint development agreements have been entered into by:				
	1. By the Company directly	55.31	13.71	8.75	19.82
	2. Through the Subsidiaries	-			
	3. Through entities other than (1) and (2) above See page 72.	-			
(v)	Proportionate interest in lands owned indirectly by the Company through joint ventures	-			
(B)	***Sub-total (iv)+(v):***	***55.31***	***13.71***	***8.75***	***19.82***
(C)	***Total (i)+(ii)+(iii)+(iv)+(v):***	***403.45***	***100.00***	***44.16***	***100.00***

(i) Land owned by the Company

(i).1 By Itself:

Approximately 80.60 acres, located in and around Bangalore and Mysore, constituting 19.98% of the total Land Reserves, are registered in our name through various sale deeds and we hold the valid title to these lands. Of the said lands we plan to develop approximately 11.16 million Sq.ft. As of November 23, 2007, we have paid a sum of Rs. 3,044.40 million towards the purchase of these lands. See Risk Factor titled "We face uncertainty of title to our lands" on page X.

S.No	City	Amount paid as of November 23, 2007 (In Rupees million)	Area (In acres)
1.	Bangalore	2,960.52	76.27
2	Mysore	83.88	4.33
	TOTAL	**3,044.40**	**80.60**

(i).2 Through its Subsidiaries:

We own 0.75 acres in the name of our subsidiary Brigade Hospitality Services Private Limited amounting to a total of 0.19% of our Land Reserves.

(i).3 Through entities other than (i).1 and (i).2 above:

Our Company also owns a total of 30.78 acres of land, which are held in the name of Ms. Latha Shivram, who is a relative of our Promoter and which are being held on behalf of our Company. Of these lands 21.13 acres are located in Bangalore and 9.65 acres are located in Mysore. As of November 23, 2007, we have paid a sum of Rs. 375.74 million towards the purchase of these lands. These lands constitute a total of 7.63% of our Land Reserves. We have entered into agreement to sell with Ms. Latha Shivram in relation to the above 30.78 acres of land wherein the same shall be sold to the Company upon the lands being converted. Currently, all the lands are classified as agricultural lands. A sum of Rs. 0.28 million is payable to Ms. Latha Shivram under these agreements to sell. See Risk Factor titled "Certain portion of the land to which we have access is calssified as Agricultural Land which does not permit commercial or residential development" on page XVII.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., ‘Lands owned by the Company’ are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of November 23, 2007 (In Rupees)
1.	No. 26/1, situated at Industrial suburb, Subramanya nagar , Ward no 9A, Rajajinagar, Bangalore	March 28, 2005	Our Company, Best Trading and Agencies Limited (Seller) and Kirloskar Electric Company Limited and Kaytee Switch Gear Limited (both being confirming parties)	1,525.59	1,525.59
2.	Site No. 1 and part of site No. 9 and marginal lands adjacent to site no.1 and part of site no.9 situated at Banashankari II Stage, II Phase, Industrial Layout, Bangalore	August 30, 2006	Our Company and Indo-American Hybrid Seeds (India) Private Limited	387.92	387.92

The aggregate agreement value of the non-material agreements in this category is Rs. 1,508.40 million.

(ii) Lands over which the Company has the sole development rights

(ii).1 Directly by the Company:

We directly hold the sole development rights to approximately 100.48 acres of land located in and around Mysore, Mangalore, Bangalore and Chickmagalur, constituting 24.90% of the total Land Reserves. Of the said lands we plan to develop approximately 4.58 million Sq. ft.

As of November 23, 2007, we have paid a sum of Rs. 155.49 million towards the development rights to these lands.

The following lands form part of this category. An explanation to each of the categories is provided below the table:

S.No	Development Rights arising pursuant to	Location	Amount paid as of November 23, 2007 (In Rupees million)	Amount payable (In Rupees)	Area (In acres)
a.	Lands allotted by the KIADB	Mysore	92.39	1.30	25.00
b.	Lands allotted by the KIADB	Mangalore	48.51	1.52	25.00
c.	Lease Agreement	Jakkasandra, Bangalore	14.32[1]	334.05	1.48
d.	Lease Agreement with Government	Chickmagalur	0.12	0.92	34.00
e.	Lease Agreement with M.R. Krishna Kumar	Chickmagalur	0.15	8.24	15.00
	TOTAL		**155.49**	**346.03**	**100.48**

[1] *Refundable deposit is Rs. 2,248,890*

Land allotted by KIADB

Our Company has been allotted 25.00 acres each at Mangalore pursuant to a lease agreement dated November 24, 2006 and at Mysore pursuant to an allotment letter dated June 8, 2007. These lands have been allotted by the KIADB for the purpose of an IT/ITES SEZ project.

In relation to the lands located at Mangalore, our Company has entered into a agreement dated November 24, 2006 which provides that the land has been allotted on a lease cum sale basis for the period of 20 years wherein at the end of the 20 year period the lease shall be converted into a sale. The conversion of the lease into a sale shall be subject to the utilization of the minimum 50% of the land allotted.

In relation to the lands located at Mysore, the allotment letter provides that the land has been allotted on a lease cum sale basis for the period of 20 years wherein at the end of the 20 year period the lease shall be converted into a sale. The final price of the land shall be determined by the KIADB and the tentative price in relation to these lands is Rs. 36.85 lakhs per acre. Our Company is required to pay a sum of Rs. 71.31 million being the tentative cost of the land by November 21, 2007. This cost has not been paid by our Company. Our Company is required to pay a lease rent of Rs. 100 per acre per annum in addition to maintenance charges of Rs. 2,500 per acre per annum. Until the completion of the lease period, 51% of the interest in these lands shall be held in the name of our Company.

See Risk Factor titled "We are subject to certain restrictions in relation to lands allotted to us by the Karnataka Industrial Areas Development Board" on page XV.

Lease agreement for lands located at Jakkasandra, Bangalore

Our Company has entered into two lease agreements dated December 15, 2003 with Mr. Chikkakrishnappa and others and Mr. K.C. Ravindra and another respectively, in relation to the lands located at Jakkasandra, Bangalore. Pursuant to the terms of these agreements, the leasehold rights for a period of 35 years have been vested in our Company with effect from June 1, 2004.

Pursuant to the terms of the lease agreements, during the first two years, a monthly rental amount of Rs. 3 per sq ft is required to be paid. Subsequently, Rs. 6 per sq ft is required to be paid for the next three years. After the completion of five years, the rent is subject to an enhancement of 15% on the last paid rent once in every three years after expiry of initial five years.

See Risk Factor titled "Certain lands developed by us are on a leasehold basis for a certain period" on page XIII.

Lease agreement for land located at Chickmagalur

We have entered into a lease agreement dated May 5, 2004 with the Government of Karnataka for 34 acres of land located at Arasinaguppe village, Chickmagalur. The lease is for a period of 30 years from May 5, 2004.

We have also entered into a lease agreement dated December 10, 2006 with Mr. M.R Krishna Kumar and Ms. M.K. Smitha for 15 acres of land located at Arasinaguppe village, Chickmagalur. The lease is for a period of 27 years and four months from January 1, 2007.

See Risk Factor titled "Certain lands developed by us are on a leasehold basis for a certain period" on page XIII.

(ii).2 Through its Subsidiaries:

Our Subsidiary, Brigade Hospitality Services Private Limited has entered into a lease agreement dated July 1, 2007 with Mr. M.R. Jaishankar for the lease of 2.43 acres of land located at Udayagiri village, Devanahalli Taluk. The lease is valid for 33 years. Our Subsidiary has not made any payments in relation to these lands and the amount payable as of November 23, 2007 is Rs. 232.62 million. Of the total sum payable to Mr. M.R. Jaishankar, a sum of Rs. 50.00 million is payable as a refundable deposit. These lands constitute 0.60% of our Land Reserves. The lands registered in the name of Mr. M.R. Jaishankar are the subject matter of two ongoing litigation wherein a miscellaneous petition has been filed by the relatives of the previous land owner who sold the land to Mr. M.R. Jaishankar. A civil suit has also been filed in relation to the above lands where the relatives of the person who sold the lands to Mr. Jaishankar have sought for partition of the said joint family property and for declaration that the sale deed executed by the other members of the family in favour of Mr. M.R. Jaishankar is not binding on them. For details 'See Outstanding Litigation and Defaults-Suits filed against Mr. M.R. Jaishankar' on page 223.

(ii).3 Through entities other than (ii).1 and (ii).2 above:

We do not hold any development rights through any entity other than (ii).1 and (ii).2 above.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., 'Lands over which the Company has the sole development rights' are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of November 23, 2007 (In Rupees million)	Deposit Paid as of November 23, 2007 (as a % of Agreement Value)
1.	Plot no 63, 3rd Phase industrial Area, Koorgalli, Mysore allotted by KIADB	June 8, 2007	KIADB and our Company	93.69	92.39	Nil
2.	147/H, Jakkasandra village, Bangalore South	December 15, 2003	K.C Ravindra and other and our Company	348.38	14.32	3.64
3.	Udayagiri village, Devanahalli Taluk	July 1, 2007	Mr .M.R. Jaishankar and Brigade Hospitality Services Private Limited	232.62	Nil	Nil

The aggregate agreement value of the non-material agreements in this category is Rs. 59.45 and the deposit paid as a percentage of the aggregate amount value is 6.81%.

(iii) Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which Company and/or its Subsidiaries and/or its group companies are parties, of which:

(iii).1 Land subject to government allocation:

None of our lands are subject to government allocation.

(iii).2 Land subject to private acquisition:

We have entered into certain contractual arrangements for acquisition of lands with:

a. land owners;
b. partnership firms; and
c. with certain other entities.

Approximately 133.10 acres, located in and around Bangalore, Mysore, Chennai and Kottayam constituting 32.99% of the total Land Reserves, are held under this category. Of the said lands we plan to develop approximately 16.38 million Sq.ft. As of November 23, 2007, we have paid a sum of Rs. 675.37 million towards the purchase of these lands.

The following lands form part of this category. An explanation to each of the categories is provided below the table:

S.No	Category	Location	Amount paid as of November 23, 2007 (In Rupees million)	Amount payable (In Rupees million)	Area (In acres)
1.	Lands in relation to which we have entered into contractual arrangements with land owners	Bangalore, Mysore, Mangalore and Chennai	190.74	296.31	60.18
2.	Lands in relation to which we have entered into contractual arrangements with partnership firms	Bangalore	301.50	959.00	47.22
3.	Lands in relation to which we	Kottayam,	183.13	358.21	25.70

S.No	Category	Location	Amount paid as of November 23, 2007 (In Rupees million)	Amount payable (In Rupees million)	Area (In acres)
	have entered into contractual arrangements with other entities	Chennai and Bangalore			
		TOTAL	**675.37**	**1,613.52**	**133.10**

As of November 23, 2007, we are further required to pay a sum of Rs. 1,613.52 million towards the purchase of these lands. See Risk Factor titled "We have entered into agreements with various third parties for the acquisition of land which may expire or may be invalid which may lead to our inability to acquire these lands" on page XIII.

a. *Land in relation to which we have entered into contractual arrangements with land owners*

With respect to certain lands we have entered into memoranda of understanding or memorandum of understandings to enter into a joint development agreement with certain land owners. Under these agreements, we have commenced the process of conveying title/interest to our name but have not completed the legal processes.

Land located at Bangalore

We have entered into a agreement to sell dated December 12, 2006 with Mr. Hanumappa, Mrs. Bhagya Nagaraj and Mr. H. Nagaraj for the acquisition of the lands located at Kanakapura Road, Bangalore South. We have entered into this agreement to sell to acquire a total of 63.50 acres which are located on Kanakapura Road, Bangalore. We have been registering these lands in the name of our Company and also in the name of Ms. Latha Shivaram and as of date, we have registered a total of 43.88 acres. Out of the remaining 19.62 acres of lands under this MoU, a total of 11.10 acres are yet to be registered in the names of Mr. Hanumappa, Mrs. Bhagya Nagaraj and Mr. H. Nagaraj. Therefore, we have only considered 8.52 acres for the purposes of our Land Reserves and all lands are classified as agricultural lands.

We entered into an memorandum of understanding dated September 7, 2007 to enter into a joint development agreement with Mr. Balram Chopra and others for the development of the lands located at Kamblipura village, Kengeri Bangalore. Our Company shall be entitled to 70% of the total area of the land, which is 18.30 acres. Therefore, we are entitled to 12.81 acres of land.

We entered into a memorandum of understanding dated October 8, 2007 to enter into a joint development agreement with Ms. Vidhushree Kejriwal, Ms. Indira Bhuraria and Ms. Rukmini for the development of the lands located at Nallurahalli village, K.R. Puram Hobli, Bangalore East Taluk, Bangalore. Our Company shall be entitled to 60% of the total area of the land, which is 4.2 acres. Therefore, we are entitled to 2.52 acres of land which are classified as agricultural lands.

Land located at Mysore

We entered into an memorandum of understanding dated December 14, 2005 to enter into a joint development agreement with Ms. Sulochana Balarama Bhat for the development of the lands located at Kurubara Halli village, Mysore. Our Company shall be entitled to 67% of the total area of the land, which is 4.00 acres. Therefore, we are entitled to 2.68 acres of land, which is classified as agricultural lands.

We entered into an memorandum of understanding dated November 8, 2006 to enter into a joint development agreement with Mr. Thampi, Mr. Abraham and others for the development of the lands located at Bogadi village, Mysore. Our Company shall be entitled to 70% of the total area of the land, which is 18.00 acres. Therefore, we are entitled to 12.60 acres of land which is classified as agricultural lands.

We entered into an memorandum of understanding dated December 27, 2007 to enter into a joint development agreement with Ms. Kasturi Bai for the development of the lands located at Kurubara Halli village, Mysore. Our Company shall be entitled to 70% of the total area of the land, which is 1.12 acres. Therefore, we are entitled to 0.78 acres of land.

We entered into an memorandum of understanding dated August 10, 2007 to enter into a joint development agreement with Mr. B. Srinath and Mr. M.R. Jaishankar for the development of the lands located at Shadanahalli village, Mysore. Our Company shall be entitled to 70% of the total area of the land, which is 15 acres. Therefore, we are entitled to 10.5 acres of land which is currently classified as agricultural lands. Of the above lands, Mr. Srinath holds 11.25 acres and 3.75 acres are held by Mr. M.R. Jaishankar.

We entered into a memorandum of understanding dated October 6, 2007 with KSE Limited to purchase the lands measuring 4 acres 4.17 guntas located at Hinakal village, Mysore. Therefore, we will be entitled to an area of 4.52 acres.

Land located at Mangalore

We have entered into an memorandum of understanding dated February 4, 2007 to enter into a joint development agreement with Mr. Ignatius Charles D`Souza, Mr. Vincent D`Souza and Mr. Kotti Prakash Rai for the development of the lands located at Derebail village, Mangalore. Our Company shall be entitled to 72% of the total area of the land, which is 7.00 acres. Therefore, we are entitled to 5.04 acres of land of which 3.85 acres are classified as agricultural land out of the total 7.00 acres.

Land located at Chennai

We have entered into an memorandum of understanding dated January 29, 2007 to enter into a joint development agreement with Mr. K.P. Kandan, Mr. K. Chandra, Ms. Indumathi and Mr. K.P.K. Satish Kumar for the development of the lands located at Kotivakkam village, Chennai. Our Company shall be entitled to 50% of the total area of the land, which is 1.27 acres. Therefore, we are entitled to 0.63 acres of land.

b. *Land in relation to which we have entered into contractual arrangements with partnership firm*

Land located at Devanahalli, Bangalore

We have entered into a memorandum of understanding dated February 15, 2007 with Devagiri Farms (a partnership firm), represented by Mr. D.M. Purnesh and Mr. Rathan Lath and its partners namely Mr. Anitha Purnesh, Mrs. Kala Shankar, Mrs. Saraswathamma, Mrs. Sharada Babu lall Lath and Mr. Tej Raj Gulecha, in relation to the acquisition of land/interest in land located at Rayasandra village, and Devanahalli village at Devanahalli. Pursuant to the terms of the MoU, the partnership currently holds 90 acres of land in its name, and a further 25.28 acres are to be brought by the remaining partners. Our Company has the option to either become a partner in Devagiri Farms or enter into a partnership with Devagiri Farms and its other partners, and form a new partnership and have a 50% interest in it. It has been agreed by the parties to the agreement that the partnership firm may be converted into a private limited company in which our Company shall continue to have a 50% ownership. We have only taken a total of 90 acres for the purposes of our Land Reserves and we are entitled to 45 acres of the land.

We have entered into an memorandum of understanding dated August 13, 2007 to enter into a joint development agreement with M/s. Nalapad Hotel and Convention Centre for the development of the land located at Doddanekundi. Our Company shall be entitled to 50% of the total area of the land, which is 4.00 acres. Therefore, we are entitled to 2.00 acres of land.

We have entered into an memorandum of understanding dated August 13, 2007 to enter into a joint development agreement with M/s. Nalapad Properties for the development of the land located at K.G. road Bangalore. Our Company shall be entitled to 30% of the total area of the land, which is 0.74 acres. Therefore, we are entitled to 0.22 acres of land.

c. *Land in relation to which we have entered into contractual arrangements with certain other entities*

Lands located at Kottayam

We have entered into an agreement to sell dated July 18, 2007 with Thomson Plantations India Private Limited, Mr. M.T. Thomas, Mr. M.T. Mathew and Mr. Sam Thomas for the acquisition of the lands measuring 16.43 acres located at Kottayam district, Kullashekaramangalam village.

We have entered into an agreement to sell dated September 24, 2007 with Mr. M. T. Thomas and Mr. Sam Thomas for the acquisition of the land measuring 1.80 acres located at Kulashekharamangalam village, Kottayam.

Lands located at Bangalore

We have entered into a memorandum of understanding dated March 9, 2007 for entering into a joint development agreement with Bhuwalka Alloys Private Limited for the development of land measuring 3.35 acres located at Sadaramangla village, Whitefield Bangalore. We are entitled to 50% of the total area, i.e 1.67 acres.

We have entered into a memorandum of understanding dated September 15, 2006 with The Little Sisters of the Poor, for the acquisition of the development rights certificate in relation to 20,045 sq.ft. We have not considered the same for the purpose of computation of our land bank.

We have submitted a bid though letter dated December 22, 2005 to Dena Bank for acquisition of 5.80 acres of land located at HMT Campus, Yeshwantpur, Bangalore. We have emerged as the highest Bidder and as requested by Dena Bank have submitted 25% of the offer amount.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., 'Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which Company and/or its Subsidiaries and/or its Group Companies are parties' are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of November 23, 2007 (In Rupees million)	Deposit Paid as of November 23, 2007 (as a % of Agreement Value)
1.	Land located at Devanahalli and Rayasandra village	February 15, 2007	Devagiri Farms (a partnership firm) and our Company	1170.50	300.50	Nil
2.	Land located at HMT Campus, Bangalore	Bid acceptance letter dated December 22, 2005	Dena Bank and our Company	225.67	51.29	Nil
3.	Lands located at Kanakpura road, Bangalore	December 12, 2006	Mr. Hanumappa and others and our Company	985.72	784.91	Nil
			TOTAL	**2381.89**	**1136.7**	

The aggregate agreement value of the non-material agreements in this category is Rs. 634.34 million and the deposit paid as a percentage of the aggregate amount value is Nil.

(iv). Land under which joint development agreements have been entered into:

(iv).1 By the Company directly:

The Company has entered into joint development agreements directly with land owners who grant us permission to develop and sell our portion of the developed plot in one or several parts. The terms of these joint development agreements do not convey any title in the land with respect to which the joint development agreement is being executed. Under these joint development agreements we are required to pay a refundable/non refundable deposit to the owner of the land. Approximately 55.31 acres, located in and around Bangalore, Hyderabad and Mysore, constituting 13.71% of the total Land Reserves, are held under this category. Of the said lands we plan to develop approximately 8.75 million sq.ft. See Risk Factor titled "We are required to make certain payments when we enter into joint development agreements which may not be recoverable" and "We have entered into joint development agreements with our Promoter, in relation to certain land forming part of our Land Reserves" on page XI.

The details of the joint development agreements, the name of the land owner, the percentage accruing to us under these agreements and the amounts paid and payable under these agreements, are specified in the table below.

S.No	City	Location	Date of the Agreement	Land held by	Amount paid as of November 23, 2007 (In Rupees million)	Amount payable (In Rupees million)	Total Developable Area (In acres)	Economic ownership of our Company (Percentage)	Area (In acres)
1.	**Hyderabad**	Banjara Hills	February 5, 2007	Mr. Stouvant Pittie	30.00	30.00	2.77	50.00	1.38
2.	**Bangalore**	8th Block, Jayanagar	December 6, 2004	Sheela Druvakumar Trust and others	0.50	Nil	0.22	52.50	0.12
3.	**Bangalore**	BTM 2nd stage,	March 16, 2005	Mr. S.P. Shamanna Reddy	5.44	Nil	0.60	53.00	0.32
4.	**Bangalore**	Mahadeva pura,	January 8, 2004	Mr. N.A. Harris	562.42	Nil[1]	35.25	77.00	26.97
5.	**Bangalore**	Putenhalli village, Uttarahobli	December 10, 2004	Mr. Venkataswamy Raju[2]	3.00	Nil	3.93	64.00	2.52
6.	**Bangalore**	Richmond Town	March 29, 2006	Mr. K.M. Aiyappa and others	10.15	Nil	0.22	50.00	0.11
7.	**Bangalore**	Ramagondanahali, Varthur	October 1, 2003	Mr. Victor Prasad	4.51	Nil	0.94	75.00	0.71
8.	**Bangalore**		October 6, 2003	Secop Industries	1.30	0.30			
9.	**Bangalore**	Devanahalli	July 4, 2007	Mr. M.R. Jaishankar[3]	Nil	75.00	18.58	70.00	13.00
10.	**Mysore**	Vanivilasa Mohalla	December 2, 2005	Mr. S.P. Ramprasad and others	4.39	Nil	0.40	70.00	0.28
11.	**Mysore**	Devaraja Mohalla	April 27, 2006	Mr. M.R. Narayana	1.50	Nil	0.39	70.00	0.28
12.	**Mysore**	Chamundi Vihar Complex	June 27, 2007	Vaishnavi Associates	4.10	Nil	1.68	68.00	1.14
13.	**Mysore**	Vivekananda Road	April 8, 2006	Ms. Madhavi Taranath	10.00	Nil	0.25	87.50	0.22
14.	**Mysore**	Alanhalli Layout,	April 28, 2007	Ms. Sunanda Nagaraja	0.50	Nil	1.04	70.00	0.73
15.	**Mysore**	Industrial suburb,	August 27, 2007	Ms. Mamatha Mohan	25.32	20.00	3.79	81.00	3.07
16.	**Bangalore**	Turahalli	September 24, 2007	H M Prakash and Others	20.21	Nil	5.53	66.00	3.65
17.	**Chennai**	Chengelpet	October 15	Subramanniam Engineering Limited	27.50	Nil	1.87	45.00	0.81
			TOTAL		**710.84**	**125.30**	**77.46**	**55.31**	**50.85**

[1] As the agreement is on a revenue sharing basis, therefore the amount payable cannot be determined as of now.
[2] 0.90 acres of these lands are the subject matter of a litigation. Our Company has entered into a joint development agreement with the owner of the land and the joint development agreement has also been registered. The said land owner purchased these lands from the previous land owner pursuant to a registered sale deed. Certain relatives of the previous land owner have filed a case in this regard. For details 'See Outstanding Litigation and Defaults-Suits filed against our Company' on page 217.
[3] 1.5 acres of these lands registered in the name of Mr. M.R. Jaishankar and located at Devanhalli are currently under litigation. A case has been filed against Mr. M.R. Jaishankar, claiming that the title of the land does not belong to him. Mr. M.R. Jaishankar has filed a counter suit claiming to be the title holder of the land and that he has a registered sale deed in relation to the land. These lands are registered in the name of Mr. M.R. Jaishankar. For details 'See Outstanding Litigation and Defaults-Suits filed against Mr. M.R. Jaishankar' on page 223.

As of November 23, 2007, we have paid a sum of Rs. 111.25million towards refundable deposits in relation to these lands.

(iv).2 Through the Subsidiaries:

We have not entered into any joint development agreements through our Subsidiaries.

(iv).3 Through entities other than (iv).1 and (iv).2 above:

We have not entered into joint development agreements through any other entities.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., 'Land under which joint development agreements have been entered into by the Company directly' are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of November 23, 2007 (In Rupees million)	Deposit Paid as of November 23, 2007 (as a % of Agreement Value)
1.	Devanahalli	July 4, 2007	Mr. M.R. Jaishankar and our Company	75.00	Nil	Nil
2.	Mahadevapura, Whitefield	January 8, 2004	Mr. N.A. Harris and our Company	562.42*	562.42	Nil

* *As the agreement is on a revenue sharing basis, therefore the amount payable cannot be determined as of now.*

The aggregate agreement value of the non-material agreements in this category is Rs. 198.71 million.

(v) Proportionate interest in lands owned indirectly by the Company through joint ventures:

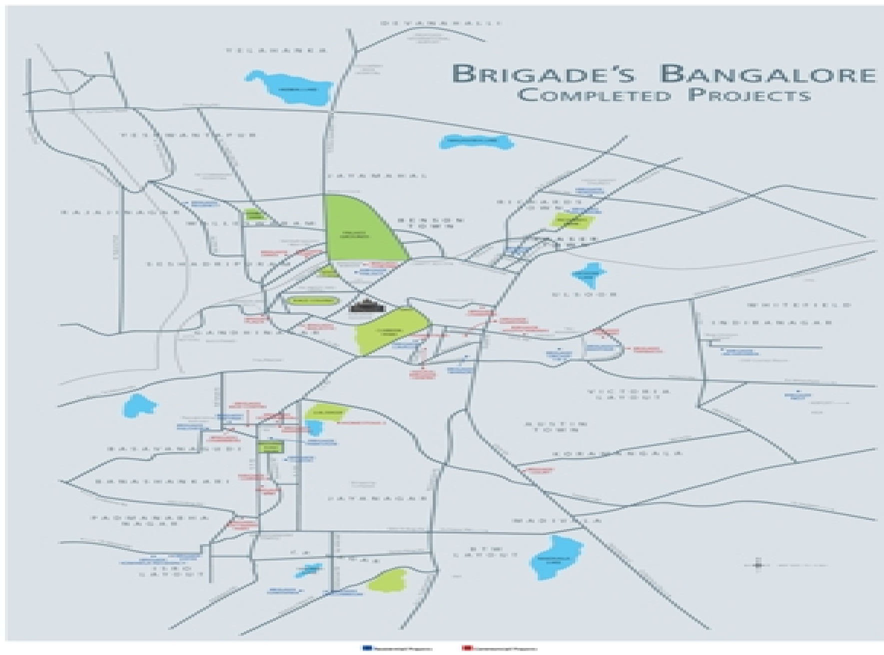
We do not hold any lands that fall within this category.

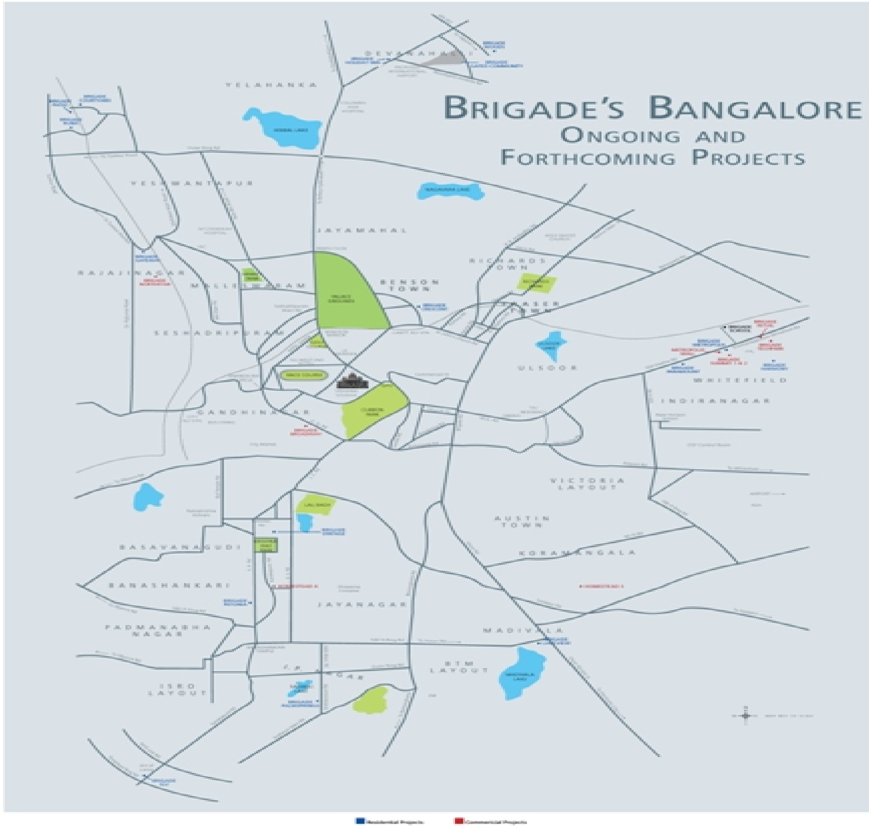
The following table is a summary of our Land Reserves and the amounts due for acquisition of land by us as of November 23, 2007:

Location-wise break up	Land Reserves (in acres)	Land Reserves (in Rupees million)	
		Amount paid	Amount Payable
Bangalore	227.98	4,505.54	1,958.77
Mysore	75.36	284.03	175.97
Hyderabad	1.38	30.00	30.00
Chennai	1.46	42.5	10.00
Kotayyam	18.23	47.73	113.83
Mangalore	30.04	53.51	20.02
Chickmagalur	49.00	0.27	9.16
TOTAL	**403.45**	**4,963.58**	**2,317.75**

Description of Our Business

The following map shows the location of our Completed Properties and Ongoing and Forthcoming Properties in the Bangalore and Mysore area.





Brigade's Mysore completed prjects

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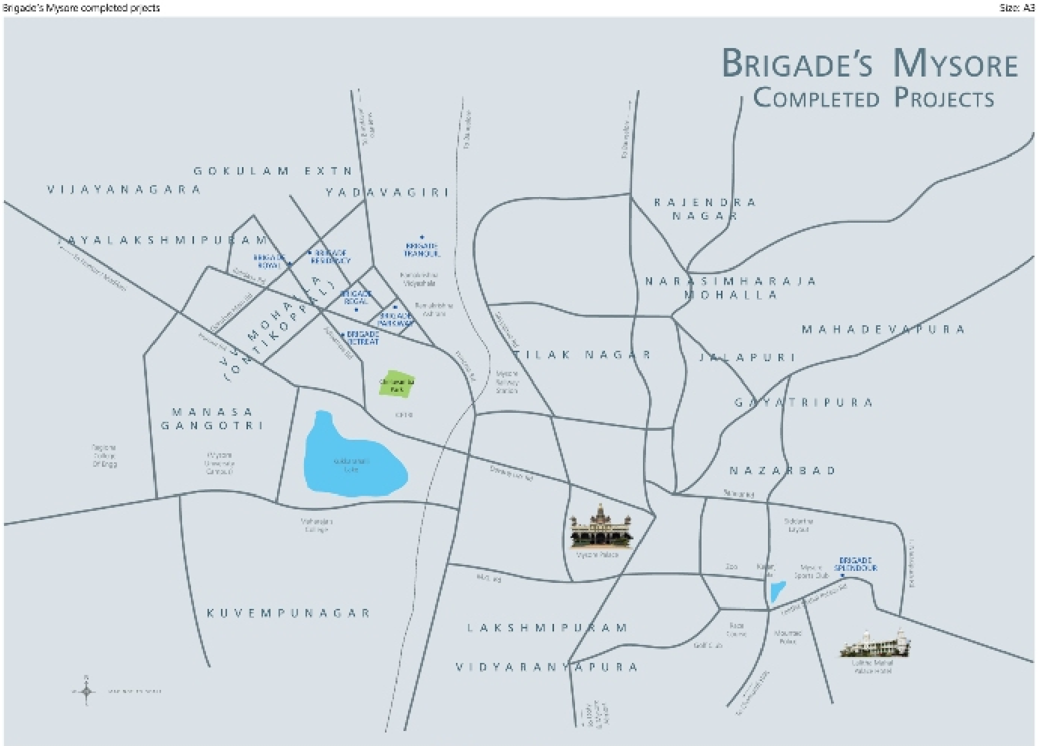
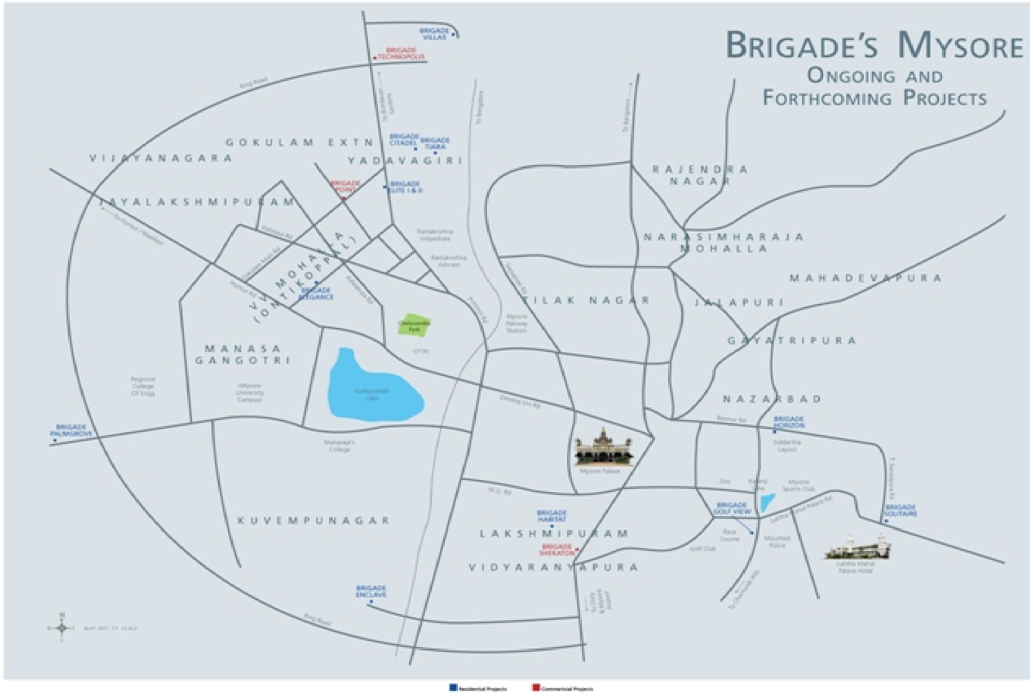




Completed Properties

The following table presents, as of November 23, 2007, the approximate Developable and Saleable Area of our Completed Properties (including our integrated lifestyle enclaves):

	Developable Area (*In million sq. ft.*)	**Percentage of Type of Property**	**Saleable Area** (*In million sq. ft.*)	**Percentage of Type of Property**
Residential properties	4.79	71.07%	4.23	74.60%
Commercial properties	1.72	25.52%	1.21	21.34%
Hospitality ventures	0.23	3.41%	0.23	4.06%
Total	6.74	100.00%	5.67	100.00%

Ongoing Properties

The following table presents, as of November 23, 2007, the approximate Developable and Saleable Area of our Ongoing Properties (including our integrated lifestyle enclaves):

	Developable Area (*In million sq. ft.*)	**Percentage of Type of Property**	**Saleable Area** (*In million sq. ft.*)	**Percentage of Type of Property**
Residential properties	8.36	60.40%	7.34	58.58%
Commercial properties	4.68	33.82%	4.41	35.20%
Hospitality ventures	0.80	5.78%	0.78	6.22%
Total	**13.84**	**100.00%**	**12.53**	**100.00%**

Forthcoming Properties

The following table presents, as of November 23, 2007 the estimated Developable and Saleable Area of our Forthcoming Properties:

	Developable Area (*In million sq. ft.*)	Percentage of Type of Property	Saleable Area (*In million sq. ft.*)	Percentage of Type of Property
Integrated lifestyle enclaves*	15.14	49.93%	10.95	47.32%
Residential properties	8.61	28.40%	6.24	26.97%
Commercial properties	5.77	19.03%	5.15	22.26%
Hospitality ventures	0.80	2.64%	0.80	3.45%
Total	**30.32**	**100.00%**	**23.14**	**100.00%**

**These integrated lifestyle enclaves are currently in the initial stages of planning and as such the apportionment among residential, commercial and hospitality developments in these integrated lifestyle enclaves has not yet been done.*

Our Residential Properties

Our residential properties comprise of integrated lifestyle enclaves and apartments buildings. We believe lifestyle enclaves to be the preferred style of residences of the future. Our integrated lifestyle enclaves are conceptualised as self-contained, gated communities and which generally include a combination of apartment complexes, commercial and retail space, recreational clubs, parks, schools, convention centres and car parking. Our apartments buildings are designed with a number of amenities such as security systems, sports facilities, air-conditioning and power generation. We have completed approximately 41 residential properties across Bangalore and Mysore in South India, with 14 ongoing residential properties and 20 forthcoming residential properties including properties which are part of our integrated enclaves.

Integrated Lifestyle Enclaves

We have completed two integrated lifestyle enclaves and are in the process of completing two additional integrated lifestyle enclaves in Bangalore, South India.

The details of our completed integrated lifestyle enclaves are:

Name of the Property	Location	Type of Development	Year of Completion of Property	Developable Area *(In million sq. ft.)*	Saleable Area *(In million sq. ft.)*
Brigade Millennium	J P Nagar, Bangalore	Residential	June 2006	1.59	1.59
Brigade Millennium		Hospitality	June 2006	0.15	0.15
Brigade Millennium		Commercial	June 2006	0.09	0.09
Total - Brigade Millennium				1.83	1.83
Brigade Gardenia	J.P. Nagar 7th Phase Bangalore	Residential	November 2006	1.59	1.40
Brigade Gardenia		Hospitality	November 2006	0.03	0.03
Total - Brigade Gardenia				1.62	1.43

The details of our ongoing integrated lifestyle enclaves are:

Name of the Property	Location	Type of Development	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)	Estimated Completion Date
Properties undertaken on land owned by us			1.73			
Brigade Gateway	Mallesewaram, Bangalore	Residential		3.16	3.16	June 2008
Brigade Gateway		Commercial		3.48	3.48	September 2008
Brigade Gateway		Hospitality		0.59	0.59	March 2009

Name of the Property	Location	Type of Development	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)	Estimated Completion Date
Total – Brigade Gateway			1.73	7.23	7.23	
Properties undertaken on joint development basis						
Brigade Metropolis	Whitefield, Bangalore	Residential	1.53	3.41	2.62	June 2008
Brigade Metropolis		Commercial		1.20	0.93	April 2008
Brigade Metropolis		Hospitality		0.05	0.05	December 2008
Total – Brigade Metropolis			1.53	4.66	3.60	
Grand Total			**3.26**	**11.69**	**10.83**	

** This area reflects the total area of the land including our share.*

The details of our forthcoming integrated lifestyle enclaves are:

Name of the Property	Location	Land Area (In million sq. ft.)**	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Properties undertaken on land owned by us				
Brigade Technopolis@	Metagalli, Mysore	0.42	0.91	0.91
Brigade SLV@	Kanakapura Road, Bangalore	2.28	5.17	5.17
Total		**2.70**	**6.08**	**6.08**
Properties undertaken on joint development basis				
Brigade Woods	Devanahalli, Bangalore	3.92	7.36	3.68
Brigade Gated Community*	Devanahalli, Bangalore	0.81	1.70	1.19
Total		4.73	9.06	4.87
Grand Total		**7.43**	**15.14**	**10.95**

@ 0.99 million sq. ft. of the land area for such property is held by us,1.35 million sq.ft. is held by a nominee of ours and 0.36 million sq.ft. has yet to be acquired by us.
** The development of Brigade Gated Community shall be done by us and the revenues generated from such project shall be shared between us and Mr. Jaishankar, our promoter and the owner of the land, in the ratio 7:3.*
*** This area reflects the total area of the land including our share.*

Given below is an overview of our completed and ongoing integrated lifestyle enclaves:

Brigade Millennium Enclave: Brigade Millennium Enclave, completed in June 2006, is spread over 0.93 million sq. ft. of land. It comprises of total Saleable Area and total Developable Area of 1.83 million sq. ft. Brigade Millennium Enclave consists of 715 apartments in five blocks, a park, a recreational club called the 'Woodrose Club', a convention centre and a school. The three acre 'Millennium Park' is strategically located within the enclave. The Woodrose Club is the social centre of the enclave with sports facilities, such as a swimming pool, tennis courts, a squash court, a health spa and restaurant, as well as guest rooms. The 'MLR Convention Centre' which is also located within the enclave is designed to host a range of cultural, social and business activities. The Woodrose Club and the MLR Convention Centre were designed based on winning entries from architectural competitions conducted by us to encourage young architects. The enclave also hosts a school named the 'Brigade School' which is owned and operated by a not-for-profit organisation called the Brigade Foundation.

As of November 23, 2007, we have sold almost all of the apartments, and the school, at Brigade Millennium Enclave but own and operate the Woodrose Club and the MLR Convention Centre. Other than the school, the Woodrose Club and the MLR Convention Centre, the enclave is managed by a cooperative society, members of which are also owners of properties in the enclave.

Brigade Gardenia: Brigade Gardenia, completed in November 2006. It comprises of total Saleable Area of 1.43 million sq. ft. and total Developable Area of 1.62 million sq. ft. Brigade Gardenia comprises of 1,024 apartments in six towers and the 'Augusta Club', a recreational club, with facilities such as a swimming pool, tennis courts, a squash court, a health spa and restaurant. As of November 23, 2007, we have sold almost all of the apartments at Brigade Gardenia but own and operate the Augusta Club.

Brigade Gateway: We commenced the development of this integrated lifestyle enclave located in Bangalore in 2005 and expect to complete it in March 2009. Brigade Gateway is spread over 1.73 million sq. ft. of land. When completed, Brigade Gateway will have total Saleable Area and total Developable Area of 7.23 million sq. ft. The design and the planning of Brigade Gateway has been undertaken by the New York based real estate consultancy firm, HOK. Once completed, this enclave is expected to have 1,222 apartments, an artificial lake, a club, a mall with a multiplex, a school, an office building, a hospital and a five-star hotel. As of November 23, 2007, we have pre-sold 916 apartments in this enclave, and have received Rs. 4,029.82 million in the aggregate as advances.

The office space in Brigade Gateway is expected to be a 30 storey office building called 'North Star', comprising of 2.03 million sq. ft of Developable Area. North Star is expected to have a three storey high atrium, a helipad, an observation deck, 21 elevators, a nine level car parking annexe, and provisions for gymnasiums and cafes and will be connected by a sky bridge to a luxury hotel. We are currently constructing the building.

The shopping mall, to be called the 'Orion Mall', is currently being constructed and is expected to be approximately 1.14 one million sq. ft. of Developable Area (including car park) built across five levels. We have agreed to lease approximately 0.10 million sq. ft. of Developable Area on the third floor of the mall to PVR Limited through a lease agreement dated June 20, 2006 for a multi-screen cinema for a period of 20 years. The specifications for the cinema include 11 display screens and the ability to seat a minimum of 2,800 persons. We have also entered into an agreement and a memorandum of understanding with Landmark and Trent to be the anchor tenants in the mall.

We have also entered into a lease agreement on December 9, 2005 to lease approximately 141,000 sq. ft of Developable Area in the Brigade Gateway Enclave to Columbia Asia Hospital Private Limited for a period of 30 years for a multi-speciality hospital with over 200 beds. The hospital is expected to be commissioned by 2008.

We entered into an agreement with Starwood Asia Pacific Hotels and Resorts Pte. Limited, who are the owners of the 'Sheraton' brand, on October 4, 2006 for the management of a Sheraton hotel to be built within Brigade Gateway Enclave. The agreement is for a period of 15 years with the option to extend the term of the agreement for two consecutive five year periods. The total sanctioned Developable Area for the hotel is approximately 0.52 million. sq. ft. (including the service floor, staircases, lifts and car parking). The hotel is designed to have between 230 to 250 Keys, with 20 floors, and a meeting space of approximately 6,400 sq. ft. The hotel is currently scheduled to be completed in 2009.

Brigade Metropolis: We commenced developing this enclave in 2005 and we expect to complete it in the fiscal year 2009. Brigade Metropolis is an integrated enclave located in Bangalore and is spread over 1.53 million sq. ft. of land. When completed, Brigade Metropolis will have a total Saleable Area of 3.60 million sq. ft. and a total Developable Area of 4.66 million sq. ft. The design and the planning of Brigade Metropolis has been undertaken by Thomas Associates. Once completed, this enclave is expected to have 1,584 apartments, two office towers, a shopping mall, a multiplex cinema, landscaped gardens, a recreational club with sports, recreational and health facilities, and a school. As of November 23, 2007, we have pre-sold 1,057 apartments in this enclave, and have received Rs. 2,976.54 million in the aggregate as advances.

The two office towers will be called 'Summit I' and 'Summit II', which together will have approximately 0.84 million sq. ft of Saleable Area, a helipad, 18 high-speed elevators, a cafeteria, a roof top banquet facility, interconnecting sky bridges and four levels of parking.

The shopping mall, to be called 'The Arcade' is designed to be the neighbourhood shopping centre, with approximately 0.11 million sq. ft. of Developable Area. It is currently contemplated to also have business centres and a food court.

The 'Regent Club' is a recreational club located within the enclave and has a Saleable Area of approximately 0.05 million sq. ft. It is expected to have sport and fitness facilities, such as a swimming pool, a health club, lawns, indoor sports areas, a members lounge, tennis and basketball courts and an amphitheatre for the residents of the enclave.

Brigade Woods: We are currently proposing to develop an integrated lifestyle enclave, expected to be called Brigade Woods, in the Devanahalli area of Bangalore which is close to the proposed international airport. We have entered into a memorandum of understanding to form a joint venture for the development of the property with the owner of the land. Under the terms of the memorandum of understanding, we are entitled to a project management fee of five percent of project costs (excluding land cost). We have also agreed to co-brand the property at a fee of five per cent of the net profits of the project before taxes which are payable to us by the joint venture.

Brigade Gated Community: We are currently proposing to develop an integrated lifestyle enclave, expected to be called Brigade Gated Community, in the Devanahalli area of Bangalore. We have entered into a joint development agreement for the development of the property with Mr. Jaishankar, our managing director and the owner of the land, pursuant to which the development of Brigade Gated Community shall be done by us and the revenues generated from such project shall be shared between us and Mr. Jaishankar in the ratio 7:3. We are required to pay a refundable advance of Rs. 75 million to Mr. Jaishankar which shall be credited towards his share of the development.

Brigade SLV: We are currently proposing to develop a project expected to be called Brigade SLV in Kanakapura, which is close to South Bangalore's existing residential areas such as Jayanagar, J.P. Nagar and Banashankari. It is also close to the Art of Living Ashram and various educational institutions such as the Valley School, the Centre for Learning and the Jain International. This proposed project will also be close to existing and planned roads and expressways.

Residential Apartments

Our residential apartments are designed for middle income and high income customers. As of November 23, 2007, we have completed 41 residential buildings (including two enclaves with residential properties) across Bangalore and Mysore and are in the processing of completing 14 apartment buildings across Bangalore and Mysore (including two enclaves with residential properties).

The details of our completed residential properties are:

Name of the Property	Year of Completion of Property	Location	Developable Area *(In million sq. ft.)*
Brigade Komarla Residency A Block	2001	Uttarahalli Main Road, Bangalore	0.20
Brigade Komarla Residency B Block	2001	Uttarahalli Main Road, Bangalore	0.19
Brigade Vista – C	2001	Uttarahalli Main Road, Bangalore	0.05
Brigade Hallmark	2006	Halls Road, Bangalore	0.03
Brigade Coronet	2006	Palace Cross road, Bangalore	0.04
Brigade Retreat	1997	Ontikoppal , Mysore	0.04
Brigade Hillview	1999	Basavanagudi, Bangalore	0.04
Brigade Royal	1999	V.V.Mohalla, Mysore	0.03
Brigade Mansion	2000	Basavanagudi, Bangalore	0.02
Brigade Regal	2001	V.V.Mohalla, Mysore	0.04
Brigade Tranquil	2004	Church Road, Mysore	0.03
Brigade Parkway	2005	Ontikoppal, Mysore	0.03
Brigade Splendour*	2006	Siddarth Layout, Mysore	0.10
Brigade Jacaranda	2003	H.A.L., Bangalore	0.03

Brigade Legacy	2003	Frazer Town, Bangalore	0.04
Brigade Heritage	2006	Richards Town, Bangalore	0.05
Brigade Regency	1998	Malleshwaram, Bangalore	0.13
Brigade Classic	2002	Basavanagudi, Bangalore	0.08
Brigade Mayfair	2005	Cambridge Road, Bangalore	0.09
Brigade Lavelle 1	1999	Lavelle Road, Bangalore	0.02
Brigade Lavelle 2	1999	Lavelle Road, Bangalore	0.02
Brigade Residency	1994	VV Mohalla, Mysore	0.04
Brigade Orchid 1	2001	Brunton Road, Bangalore	0.02
Brigade Orchid 2	2002	Brunton Road, Bangalore	0.02
Brigade Nest	1997	Airport Road, Bangalore	0.02
Brigade Ratna	1996	Basavanagudi, Bangalore	0.05
Brigade Palace	1999	Palace Cross Road, Bangalore	0.04
Brigade Gardenia – Glacier	2006	J.P.Nagar 7th Phase, Bangalore	0.20
Brigade Gardenia – Golden Magic	2006	J.P.Nagar 7th Phase, Bangalore	0.38
Brigade Gardenia – Magnifica	2006	J.P.Nagar 7th Phase, Bangalore	0.44
Brigade Gardenia – Jardine	2006	J.P.Nagar 7th Phase, Bangalore	0.29
Brigade Gardenia – Carinata	2006	J.P.Nagar 7th Phase, Bangalore	0.22
Brigade Gardenia – Jasmine*	2006	J.P.Nagar 7th Phase, Bangalore	0.07
Brigade Millennium – Cassia	2005	J.P.Nagar 7th Phase, Bangalore	0.37
Brigade Millennium – Jacaranda	2006	J.P.Nagar 7th Phase, Bangalore	0.37
Brigade Millennium – Laburnum*	2006	J.P.Nagar 7th Phase, Bangalore	0.20
Brigade Millennium – Mayflower	2004	J.P.Nagar 7th Phase, Bangalore	0.39
Brigade Millennium – Magnolia	2004	J.P.Nagar 7th Phase, Bangalore	0.25
Brigade Elite 2*	2007	Ontikoppal, Mysore	0.04
Brigade Elegance*	2007	Jayalaxmipuram, Mysore	0.03
Brigade Vintage*	2007	Basavangudi, Bangalore	0.05
Total			4.79

**These properties are completed but have not been fully sold as of November 23, 2007.*

The details of our ongoing residential properties are:

Name of the Property	City	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)	Estimated Completion Date
Properties undertaken on land owned by us					
Brigade Habitat	Mysore	0.01	0.03	0.03	September 2007
Brigade Crescent	Bangalore	0.02	0.04	0.04	
Brigade Rubix	Bangalore	0.09	0.31	0.31	
Brigade Petunia	Bangalore	0.11	0.22	0.22	December 2008
Brigade Courtyard	Bangalore	0.15	0.35	0.35	December 2008
Brigade Paramount	Bangalore	0.06	0.15	0.15	September 2007
Brigade Gateway	Bangalore	Part of the integrated lifestyle enclave	3.16	3.16	June 2008
Total			**4.26**	**4.26**	
Properties undertaken on joint development basis					
Brigade Harmony, Bangalore	Bangalore	0.02	0.13	0.10	December 2008
Brigade Lakeview, Bangalore	Bangalore	0.03	0.06	0.03	October 2007

Name of the Property	City	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)	Estimated Completion Date
Brigade Palmsprings, Bangalore	Bangalore	0.17	0.39	0.25	March 2009
Brigade Elite 1	Mysore	0.02	0.04	0.03	December 2007
Brigade Tiara	Mysore	0.02	0.04	0.03	March 2008
Brigade Odyssey	Bangalore	0.01	0.02	0.01	June 2008
Brigade Metropolis	Bangalore	Part of the integrated lifestyle enclave	3.42	2.63	June 2008
Total		0.38	4.10	3.08	
	Grand Total		8.36	7.34	

* *This area reflects the total area of the land including our share.*

The details of our forthcoming residential properties (not including our forthcoming integrated lifestyle enclaves) are:

Name of the Property	City	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Properties undertaken on land owned by us				
Brigade Patio	Bangalore	0.25	0.50	0.50
Total		**0.25**	**0.50**	**0.50**
Properties undertaken on joint development basis				
Brigade Citadel	Mysore	0.01	0.02	0.02
Brigade Horizon	Mysore	0.07	0.17	0.12
Brigade Solitaire	Mysore	0.05	0.11	0.08
Brigade Palmgrove	Mysore	0.78	0.91	0.63
Brigade Golfview	Mysore	0.05	0.09	0.07
Brigade Enclave	Mysore	0.17	0.35	0.28
Brigade Pinnacle, Phase 1	Mangalore	0.14	0.41	0.30
Brigade Pinnacle, Phase 2	Mangalore	0.16	0.50	0.36
Brigade Banjara	Hyderabad	0.12	0.16	0.08
Brigade Raceview	Mysore	0.17	0.44	0.29
Brigade Turahalli	Bangalore	0.25	0.72	0.48
Brigade Panorama	Bangalore	0.80	2.39	1.67
Brigade Villas	Mysore	0.65	0.85	0.59
Brigade Mysore	Mysore	4.10	0.45	0.45
Brigade Whitefield	Bangalore	4.20	0.54	0.32
Total		**11.72**	**8.11**	**5.74**
	Grand Total	11.97	8.61	6.24

* *This area reflects the total area of the land including our share.*

Our Commercial Properties

A majority of our commercial properties are located in Bangalore, which is a centre for the information technology and business process outsourcing business in India. We have a large number of multi-national companies as our clients. As of November 23, 2007, we have 1.72 million sq. ft of completed commercial real estate, The details of our completed commercial properties are:

Name of the Property	Year of Completion of Property	Location	Developable Area *(In million sq. ft.)*
Brigade Majestic	1994	Gandhinagar, Bangalore	0.04
Brigade Champak	1996	Infantry Road, Bangalore	0.03
Brigade Plaza	2000	Anandrao Circle, Bangalore	0.12
Hulkul Brigade Centre	2003	Lavelle Road, Bangalore	0.08
Brigade Court	2004	Koramangala, Bangalore	0.05
Brigade Millennium School – 1*	2004	J.P. Nagar, Bangalore	0.06
Brigade Millennium School – 2 *	2004	J.P. Nagar, Bangalore	0.03
Brigade South Parade@	2004	M.G. Road, Bangalore	0.13
Brigade Sheshmahal	1998	Basavanagudi, Bangalore	0.04
Brigade Chambers	1999	Gandhibazar, Bangalore	0.03
Brigade Software Park A	2000	BSK II Stage, Bangalore	0.06
Brigade Software Park B@	2000	BSK II Stage, Bangalore	0.17
Brigade Techpark A@	2006	Whitefield, Bangalore	0.18
Brigade Techpark B@	2006	Whitefield, Bangalore	0.37
Brigade Point	2001	Railway Parallel Road, Bangalore	0.03
Brigade Square	2000	Cambridge Road, Bangalore	0.03
Brigade Terraces	2002	Cambridge Road, Bangalore	0.04
Brigade MM	1994	K.R. Road, Bangalore	0.13
Brigade Point	2007	Devaraj Mohalla, Mysore	0.04
Brigade Links	1991	Seshadripuram, Bangalore	0.04
Brigade MLR	2000	Basavangudi	0.03
Total			**1.72**

** These properties form part of integrated lifestyle enclaves.*
@ These properties are completed, but not sold, as of November 23, 2007.

The details of our ongoing commercial properties are:

Name of the Property	Location	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)	Estimated Completion Date
Properties undertaken on land owned by us					
Brigade Gateway Office Tower@	Malleshwaram, Bangalore	Part of the integrated lifestyle enclave	2.03	2.03	September 2008
Brigade Gateway Orion Mall@		Part of the integrated lifestyle enclave	1.14	1.14	September 2008
Brigade Gateway Hospital@		Part of the integrated lifestyle enclave	0.17	0.17	October 2007
Brigade Gateway School@		Part of the integrated lifestyle enclave	0.14	0.14	December 2009
Total			**3.48**	**3.48**	

Name of the Property	Location	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)	Estimated Completion Date
Properties undertaken on joint development basis					
Brigade Metropolis Summit 1 and Summit 2@	Whitefield, Bangalore	Part of integrated enclave	1.10	0.84	Apr 2008
Brigade Metropolis Shopping Arcade@	Whitefield, Bangalore	Part of integrated enclave	0.10	0.09	Dec 2008
Total			**1.20**	**0.93**	
	Grand Total		4.68	4.41	

@ These properties form part of integrated lifestyle enclaves.
* *This area reflects the total area of the land including our share.*

The details of our forthcoming commercial properties are:

Name of the Property	Location / City	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Properties undertaken on land owned by us				
Brigade School,	Whitefield, Bangalore	0.17	0.16	0.16
Brigade Retail, Sheraton Hotel	Mysore	0.07	0.18	0.18
Total		**0.24**	**0.34**	**0.34**
Properties undertaken on joint development basis				
Brigade OMR I	Chennai	0.06	0.10	0.05
Brigade OMR II	Chennai	0.08	0.20	0.09
Brigade Retail	Whitefield, Bangalore	0.15	0.38	0.18
Brigade Broadway, Bangalore	Bangalore	0.03	0.06	0.02
Brigade Metropolis Mall	Bangalore	0.17	0.45	0.23
Total		**0.49**	**1.20**	**0.57**
Properties undertaken on leasehold basis				
Brigade IT SEZ	Mangalore	1.09	2.12	2.12
Brigade IT SEZ	Mysore	1.09	2.12	2.12
Total		**2.18**	**4.24**	**4.24**
	Grand Total	**2.91**	**5.77**	**5.15**

* *This area reflects the total area of the land including our share.*

Given below is an overview of our completed and ongoing commercial properties:

Brigade Software Park: We completed Brigade Software Park in October 2000. It is located in South Bangalore. It has a total Developable Area of approximately 0.23 million sq. ft. and comprises of two blocks of buildings.

Brigade Techpark A: We completed Brigade Techpark A in Fiscal 2006. It has a total Developable Area of 0.18 million sq. ft. Brigade Techpark A is located to the east of Bangalore and is in the Whitefield area which is situated near an information technology park and an export processing zone. Brigade Techpark, has facilities such as centralized air-conditioning, a multi-level car park, a swimming pool, a gymnasium and power generation.

Brigade Techpark B: We developed another commercial property targeted toward IT and ITES industries called Brigade Techpark B which was completed in Fiscal 2006. Brigade Techpark B has a total Developable Area of approximately 0.37 million sq. ft. Brigade Techpark B is also located in Whitefield area of Bangalore. A substantial portion of the completed development has been sold as of November 23, 2007.

Brigade IT Park, Mangalore: We have leased 1.09 million sq. ft. of land on a lease cum sale basis in Ganjimutt, EPIP Industrial Mangalore from the Karnataka Industrial Areas Development Board for a period of 20 years for the purposes of developing commercial space. We have applied for SEZ status for this project.

Brigade IT Park, Mysore: We have been leased 1.09 million sq. ft. of land on a lease cum sale basis in Koorgalli village, Mysore, by the Karnataka Industrial Areas Development Board for a period of 20 years for the purposes of developing commercial space.

Our Hospitality Properties

The details of our completed hospitality properties are:

Name of the Property	Location	Year of Completion of Property	Developable Area *(In million sq. ft.)*
Brigade Millennium – MLR Convention Centre	Bangalore	2006	0.06
Brigade Millennium – The Woodrose Club	Bangalore	2005	0.09
Brigade Homestead 1	Bangalore	2001	0.02
Brigade Homestead 2	Bangalore	2007	0.04
Brigade Gardenia – Augusta Club	Bangalore	2006	0.02
Total			**0.23**

The details of our ongoing hospitality properties are:

Name of the Property	Location	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)	Estimated Completion Date
Properties undertaken on land owned by us					
Brigade Gateway – Sheraton Hotel	Malleshwaram, Bangalore	Part of the integrated lifestyle enclaves	0.52	0.52	March 2009
Brigade Gateway – Galaxy Club	Malleshwaram, Bangalore		0.07	0.07	July 2008
Brigade Metropolis Regent Club	Whitefield, Bangalore		0.05	0.05	December 2008
Total			**0.64**	**0.64**	
Properties undertaken on joint development basis					
Homestead IV	Bangalore	0.01	0.02	0.005	September 2007
Total		**0.04**	**0.02**	**0.005**	
Properties undertaken on leasehold basis					
Homestead III	Bangalore	0.06	0.14	0.14	December 2007
Total		**0.06**	**0.14**	**0.14**	
Grand Total			**0.80**	**0.78**	

** This area reflects the total area of the land including our share.*

The details of our forthcoming hospitality properties are:

Name of the Property	Location / City	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Properties undertaken on land owned by us				
Brigade Sheraton Hotel	Mysore	0.10	0.25	0.25
Brigade Resort	Kottayam	0.71	0.10	0.10
Total		**0.81**	**0.35**	**0.35**

Name of the Property	Location / City	Land Area (In million sq. ft.)*	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Properties undertaken on lease				
Brigade Holiday	Devanahalli, Bangalore	0.11	0.25	0.25
Banyan Tree and Angsana Resorts	Chickmaglur	2.13	0.20	0.20
Total		**2.24**	0.45	0.45
Grand Total		**3.05**	**0.80**	**0.80**

* *This area reflects the total area of the land including our share.*

In the hospitality segment, we have completed the development of, and are currently managing, two serviced residence properties, under the brand name 'Brigade Homestead'. We are also in the process of developing nine hospitality properties including four serviced residence properties, three hotel properties and two resorts. These serviced residences, hotels and resorts will be developed by us and branded and managed under the brand names such as Sheraton, Holiday Inn, Mercure Homestead Residences, Banyan Tree and Angsana Resort under agreements with Starwood, InterContinental, Accor and Banyan Tree. Given below is an overview of our hospitality properties.

The Brigade Homestead: The Brigade Homestead serviced residences comprise of approximately 89 operational Keys and are managed by us. Two such serviced residences in Lavelle Road and in Jayanagar in Bangalore are operational, and we are in the process of developing two serviced residences in Jayanagar and Koramangala in Bangalore. Brigade Homestead 1, which is located on Lavelle Road and Cambridge Road in Bangalore offers 55 serviced residences with the options of studio residences, one bed room residences or two bedroom residence. Brigade Homestead 2, which is located in Jayanagar, Bangalore offers 34 serviced residences with the options of studio residences, one bed room residences or two bedroom residence. The standard facilities for both serviced apartments include air-conditioned bedrooms, well equipped kitchenettes, house keeping, internet access and travel assistance.

The Sheraton Bangalore Hotel – Brigade Gateway: We entered into an agreement with Starwood on October 4, 2006 for the management of a Sheraton hotel to be built within Brigade Gateway Enclave. The agreement is for a period of 15 years with the option to extend the term of the agreement for two consecutive five year periods. The total sanctioned Developable Area for the hotel is approximately 0.52 million sq. ft. The hotel is designed to have between 230 to 250 Keys, with 20 floors, and a meeting space of approximately 6,400 sq. ft. The hotel is currently scheduled to be completed in 2009.

The Sheraton Mysore Hotel: We entered into an agreement with Starwood on August 17, 2007 for the management of a proposed Sheraton hotel in Mysore. Under the terms of the agreement, the hotel will have approximately 220 Keys and Starwood will operate the property for a period of 15 years with the option to renew the term for two consecutive additional terms of five years each.

The Banyan Tree Resort and the Angsana Resort: We have entered into a management agreement with Banyan Tree to develop a resort hotel in Chickmagalur, in South India. Under the management agreement, we will own to the hotel and Banyan Tree will manage the hotel for a predetermined fee based on both an incentive fee and a base fee. The resort, when completed, will be two resorts within one property, catering to both high income and middle income customers. The resorts will consist of 116 Keys, a spa and three restaurants, among other facilities. The resort is scheduled to open on or prior to March 2010.

The Holiday Inn: Our subsidiary, Brigade Hospitality Services Private Limited entered into a letter of intent on April 27, 2007 with InterContinental to manage a proposed hotel of approximately 250 Keys to be developed near the Devanahalli International Airport at Bangalore. Under the letter of intent, InterContinental will operate the property for a period of 15 years with the option to renew the term for two consecutive additional terms of five years each.

The Mercure Homestead Residences: Our subsidiary, Brigade Hospitality Services Private Limited has entered into a memorandum of understanding with AAPC Hotels Management Pte. Limited, which is a member of the Accor Asia Pacific Group and has significant expertise in managing serviced residences, hotels and resorts in the Asia Pacific Region. This memorandum of understanding is valid until October 23, 2007**.** Under the terms of the memorandum of understanding, the project will comprise approximately 134 serviced residences to be managed by AAPC Hotels Management Pte. Limited for a period of 15 years with the option to renew the term for two consecutive additional terms of five years each.

We also intend to develop a resort in the backwater islands at Kottayam (in Kerala) with approximately 80 Keys. We are yet to commence the development of this resort.

Our Property Development Cycle

Identification of potential areas of development

One of the key factors in the real estate development sector is the ability to assess the potential of a location after evaluating its demographic and economic trends. We rely on the experience and abilities of our senior management to identify and evaluate potential locations. We also use our experience to evaluate locations where we can gain the early mover advantage. We have commenced the development of properties in Bangalore and Mysore and have acquired land for development in Hyderabad, Mysore, Kottayam (in Kerala) and Chikamagalur.

The process of land identification starts with selecting an appropriate area which we believe has growth potential. This is done by our projects research team which gathers market data on possible locations while selecting an area for development which is cross verified with the information that we have already collated. We also obtain a title opinion of the land in these locations. We also consult the local real estate marketing professionals. Thereafter, we generally conduct a survey at the proposed site and a preliminary feasibility report is generally prepared. The report is based on an analysis of certain factors, including (a) the standard of living and disposable income of the population at the location, (b) the economic growth prospects of the towns in terms of trade and industry, (c) financial viability of the property and (d) the available or planned infrastructure surrounding the land. The next step, after area identification, involves conceptualizing the type and the scale of property development to be undertaken in that particular area. Typically, decisions at this stage involve examining the viability of developing townships or commercial complexes or residential buildings on the identified property. The final decision on the location, nature, financial feasibility and scale of each property is made by our senior management.

Evaluation of applicable laws and obtaining requisite approvals:

While evaluating the feasibility of an area for the implementation of a project, it is imperative to understand the legal regime governing land development at the location, which varies from state to state. We also evaluate other factors such as obtaining the approvals required for the implementation of the project. The approvals generally required for the development of a property include approvals of building plans, lay outs and infrastructure facilities such as power and water and occasionally approvals for conversion of agricultural lands to non-agricultural lands. Similarly, approvals from various government authorities, including from the relevant environmental authorities, airport authorities and fire authorities are required for buildings above a stipulated height. Building completion certificates are obtained from the appropriate authorities after the construction of the properties is completed, in accordance with applicable law. See the section titled 'Regulations and Policies' on page 91 for more details.

Acquisition of title and/or development rights of land:

Rights to purchase land primarily depend upon the laws and regulations governing the location of the proposed property. We either acquire the land we intend to develop, or in limited cases, enter into a joint development agreement with the owner of the land to develop a property or lease the land for periods ranging from 10 to 30 years. For details of the above, please refer to "Our Land Reserves" on page 64.

Designing and Construction:

The design and planning of our properties is either completed by our in-house planning department or by external architects and subsequently, the structural consultants appointed by us. The majority of architects and structural consultants engaged by us are specific to a particular property and are drawn from a pool of designers and architects. The planning department and/or the architect appointed by us provide us with the structural design of the property as well as the estimates of the requirements for manpower, materials, machinery. The external consultants may continue to advise us during the course of the property development.

Once the design and the estimates for the property have been finalized, we set up a project team under the supervision of a site engineer who coordinates the project and reports to our senior management.

The purchase of materials is centralized and is based on the estimates given by the planning division or the architect, as the case may be. Currently, a substantial majority of our aggregate Developable Area is subcontracted for construction to three sub-contractors, B.E. Billimoria & Company Limited, Simplex Infrastructures (India) Limited and Ahluwalia Contracts India Limited and as such we are dependent upon such sub-contractors for our properties. In addition, a material portion of our requirements of cement and steel are satisfied by a limited group of cement and steel producers, who vary from year to year. See "Risk Factors – Risks in Relation to Our Business and Internal Risks – We are substantially dependent upon three construction companies for the development of our properties." on page IX.

We conduct regular site visits and have developed a system of internal reporting for monitoring of the status and stage of all the properties being developed by us at any given point of time through a monthly information system.

We also deploy representatives of our head office at our properties to deal with issues related to manpower planning, including welfare of the workers, as well as security and administration of the site. These representatives travel from site to site in order to oversee such issues.

Additionally, one representative from our human resources department visits each site fortnightly to address issues related to statutory compliances and other general issues related to the workers.

Sales and Marketing

We maintain a data base consisting of our existing customers and undertake direct sales efforts through a combination of telephonic marketing and electronic marketing, either centrally from our head office or through our business representatives. We conduct our indirect marketing through our external network of sales associates across India. We actively participate in real estate exhibitions that are attended by the local population in India.

We have a loyal customer base and encourage the participation of former buyers or tenants in our new product launches. We employ various marketing approaches depending on whether the property is residential or commercial. These include launch events, corporate presentations, web marketing, direct and indirect marketing, as well as newspaper and outdoor advertising. We prefer to market our properties directly to our customers and only a small portion of our sales are made through brokers. Most of the sale bookings are performed at properties, although sales are also made at our corporate offices. Our sales teams have incentives tied to their sales performance. We begin making sales upon commencement of a project and usually enter into agreements to sell a substantial portion of each project prior to completion. A client servicing team services the customer from after the booking process, through to the transfer of property to the new owner. We liaise with various banks and housing finance companies to provide our customers with convenient access to finance in order to purchase their apartments.

In the past, we have mostly followed "build and sell" business model of developing land and selling our developments to customers. While we anticipate continuing our operations in this manner, we will continue to evaluate other options, such as retaining ownership and leasing out property, based on the asset in question and the prevailing market conditions.

Completion and handover of the property

We transfer the title or lease hold rights, as the case may be, to the customer upon the completion and closing of the sale of the property. We ensure the entire consideration is paid to us prior to the transfer of title or before possession is handed over, whichever is earlier. After all of the properties within a project are sold to the customers, the day-to-day management and control of the development is generally relinquished to a society of the owners.

Our Competitors

We face competition from various domestic and international property developers. Moreover, as we seek to diversify in new geographies, we face the risk that some of our competitors have a pan-India presence while our other competitors have a strong presence in the regional markets. Therefore, our competitors may enjoy better relationships with land owners and international joint venture partners, gain early access to information regarding attractive parcels of land and, as such, may be better placed to acquire such land. Our competitors include both large corporate and small real estate developers in the regions where we operate. Our key competitors include Sobha Developers Limited, Prestige Estates Projects Private Limited and Puravankara Projects Limited. We also face competition from various small unorganised operators in the serviced residences business.

Health, Safety and Environment

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety polices and practices, at the beginning of every property development we identify potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors.

Our Work Force

Our registered and corporate office is located in Bangalore. This houses the employees who oversee our financial, administrative and reporting functions. Our employees are not covered by any collective bargaining agreements. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we consider our relationship with our employees to be good. As part of our strategy to improve operational efficiency, we regularly organise in-house and external training programs for our employees.

Our work force consists of our permanent employees, consultants and labour work force that work at properties through sub-contractors. As of November 23, 2007, we had 314 permanent employees.

Our permanent employees include personnel engaged in our management, administration, planning, procurement, auditing, finance, sales and marketing, properties and legal functions. The location-wise break-down of our permanent employees is as set forth below:

Location	No. of Employees
Bangalore	297
Mysore	16
Chennai and Chickmagalur	1
Total	**314**

For the purpose of development of our properties, we engage third party consultant engineers, architects and plumbers. In addition to our employees, we also engage the services of contractual workers who include tradesmen, car-drivers, housekeeping personnel and other skilled, unskilled and semi-skilled workers. There is also a significant labour force which is employed by our consultants, contractors and sub-contractors who work on our properties.

Intellectual property

We have registered the logos and/or works, “Brigade”, “Homestead” and “The Woodrose” under the Trade Marks Act, 1999 in our Company or our Subsidiary’s name. Additionally, we have applied for registration of the logos and/or words, “Brigade Enterprises” , “Brigade Group” in the name of our Company , and “Brigade Hospitality” and “Brigade Hospitality –At your service… always” in the name of Brigade Hospitality Services Private Limited.

Insurance

Our operations are subject to hazards inherent to the construction industry, such as work accidents, fires, earthquakes, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We obtain standard fire and special perils policies for the construction of buildings to cover construction risks and third party liabilities for the duration of the property development. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

We also ensure that contractors obtain insurance while carrying out any activities on our behalf. Our employees are covered under group personnel accident policies.

Properties

Our registered office is located at the Penthouse, the Brigade Towers, 135, Brigade Road, Bangalore. Our corporate office occupies the third floor of No 82, Hulkul Brigade Centre, Lavelle Road, Bangalore 560 001. The north wing of the third floor in which our corporate office is located has been taken on lease from Hulkul Developers for a period of two years commencing from February 2007. The south wing has been taken on lease from Mr. M.R. Jaishankar, Ms. Githa Shankar, Ms. Pavitra Shankar and Ms. Nirupa Shankar, also for a period for a period of two years also commencing from February 2007. Our corporate office houses various departments including, advertising, planning, architectural, legal, secretarial, finance and administration.

We also have an office at Brigade Residency, Mysore, which is owned by us and houses our local engineering, sales and marketing teams.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Karnataka and the respective bye-laws framed by the local bodies incorporated under the laws in the State of Karnataka, and the other states which shall commence decelopment. The information detailed in this chapter has been obtained from the various local legislations and the bye-laws of the respective local authorities that are available in the public domain.

The real estate and construction sector in India is governed by central and state legislations that regulate the substantive and procedural aspects of the acquisition and transfer of land, construction of housing and commercial establishments. The real estate and construction industry in India operates in a largely fragmented manner, and each state prescribes its own regulations. Investors are advised to undertake their independent study in relation to the regulations applicable to us, for carrying out our business in various States in India. We are broadly subject to the laws which provide for the acquisition of the land, its registration and related aspects like payments of stamp duty, local legislation providing for the regulation and supervision of building and residential premises and certain other state specific laws.

Given below is a brief description of the various legislations, i.e Central and State, that are currently applicable to the business carried on by us.

Constitution of India

The Constitution of India, in Schedule VII provides the list of the various fields of legislation in which the Union, the State and the Centre and State are allowed to make laws. The fields of legislation as specified in the Union list allow the Union of India to make the laws while the entries in the State List provide the respective states to make the laws in relation to the same. The entries in the Concurrent list are where the centre and the states can both make laws. Provided below are certain important entries in relation to land which appear both in the Union as well as the State list.

Union List

Entry 86 of the Union list is in relation to '*Taxes on the capital value of the assets, exclusive of agricultural land, of individuals and companies; taxes on the capital of companies*'. Further entry 87 deals with '*Estate duty in respect of property other than agricultural land*'.

State List

Entry 18 of the State List deals with '*land that is to say right in or over the land, land tenures including the relation of landlord and tenant, and the collection of rents, transfer and alienation of agricultural lands; land improvement and agricultural loans; colonisation*'. Further entry 49 empowers the state in relation to '*taxes on land and buildings*'.

Therefore, as provided for in the Constitution of India, as regards lands in specific and real estate in general, the same are governed both by the laws enacted by the states as well as by the Union of India.

Laws enacted by the Union of India

The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act")

The Urban Land Ceiling Act prescribes the limits to urban areas that can be acquired by an entity. It has been repealed in some states and union territories under the Urban Land Act. Further, various land holdings are subject to the provisions of the Land Acquisition Act, 1894 which provides for the compulsory acquisition of land by the appropriate government for public purposes including planned development and town and rural planning. However, any person having an interest in such land has the right to object and the right to compensation.

The Urban Land Ceiling Act is still in force in the State of Karnataka.

Transfer of Property Act, 1882 ("T.P. Act")

The T.P. Act deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place. This mode of transfer between individuals is governed by the provisions of the T.P. Act, as opposed to the transfer of property or interest by the operation of law. The transfer of property as provided under the T.P. Act, can be through the mode of sale, gift, exchange etc. while an interest in the property can be transferred by way of a 'lease' or 'mortgage'.

The T.P. Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908 ("Registration Act")

The Registration Act has been enacted with the object of providing public notice of the execution of documents affecting a transfer of any interest in an immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It lays down in detail, the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding eleven months or reserving a yearly rent.

An unregistered document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered. However, the amount of the fees under the Registration Act for the purpose of registration, varies from state to state.

The Indian Stamp Act, 1899 ("Stamp Act")

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list, are governed by the provisions of the Stamp Act which is enacted by the Central Government. All other instruments required to be stamped, as per the rates prescribed by the respective state governments. Stamp duty is required to be paid on all the documents that are registered, as stated above, the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty, while the other States have amended the Stamp Act, as per the rates applicable to in the State. The Stamp Act provides for stamp duty at the specified rates on instruments listed in the Schedule to the said Act.

The stamp duty in relation to the lease or conveyancing of any immovable property is prescribed by the respective states in which the land is situated and it varies from state to state. Instruments which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. Further the state government also has the power to impound insufficiently stamped documents.

Stamp Duty on instruments in the State of Karnataka is governed by the provisions of the Karnataka Stamp Act, 1957 ("**KSA**"). The KSA prescribes the stamp duty payable on various instruments relating to the land namely conveyance, lease and other instruments as the case may be. The stamp duty payable on conveyance in the State of Karnataka is seven and a half percent, plus any other interest/cess at present and is subject to revision by the government from time to time.

The Easements Act, 1882 ("Easements Act")

The law relating to easements is governed by the Easements Act. The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

Labour Laws

We are also required to comply with the laws, rules and regulations in relation to hiring and employment of labour. The laws applicable to us include the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, which is a social welfare legislation which aims to provide certain benefits as enumerated in the Act to the workers engaged in establishments that use manual labour for purposes of construction activities. The Act also provides for the regulatory regime to establish 'Boards' at the Central and the State level, to regulate the functioning of provisions the Act. All establishments involved in construction, are required to be registered under the Act. The Minimum Wages Act, 1948, provides for the fixing of appropriate minimum wags for workers involved in the various scheduled industries as specified in the act. The schedule of the Act refers to 'employment on the construction' or 'maintenance of roads or in building operations'. The Payment of Bonus Act, 1965 prescribes the compulsory payment of bonuses to the employees by the establishments not expressly excluded by the statute. The Payment of Wages Act, 1936 aims to regulate the payment of wages to certain classes of employed persons. It establishes a regulatory regime for implementation of the objects of the Act. Pursuant to the insertion of Section 2(g) of the Act, it also applies to the construction industry. Further in the event that any aspect of the activity is outsourced and is carried by labourers hired on contractual basis, then compliance with the Contract Labour (Regulation and Abolition) Act, 1970 shall also be necessary. The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in certain prescribed establishments. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years on his superannuation, on his retirement or resignation or on his death or disablement due to accident.

Environment Laws

Water (Prevention & Control of Pollution) Act, 1974 ("Water Act")

The water pollution in India is regulated under the Water Act. The act aims to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. The act provides for the prevention and control of water pollution.

As per the provisions of the act there are certain restrictions on new person shall, without the previous consent of the State Board – (1) establish or take any steps to establish any industry, operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land (such discharge being hereafter in this section referred to as discharge of sewage); (2) bring into use any new or altered outlet for the discharge of sewage; and (3) being to make any new discharge of sewage. Before such an activity is undertaken, an application is to be made to the State pollution control Board and they conduct a through enquiry into the application so made and may finally or may not grant permission to carry out such activity.

Laws relating to SEZ

Special Economic Zones, Act, 2005 (the "SEZ Act")

SEZs are regulated and governed by the SEZ Act. The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs.

Initially, India had introduced the concept of the SEZ as a part of its Foreign Trade Policy, 2000. This concept embodied fiscal and regulatory concessions, which formed part of various laws, for example, Customs Act, Income-Tax Act and Excise Act. Since due to its relatively complex legal framework, it was unable to attract significant private investment, the SEZ Act was enacted.

A Board of Approval ("SEZ Board") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. BOA has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

Procedure for setting up an SEZ

SEZs may be established under the SEZ Act, either jointly or severally by the central government, state government or any other person. As per the provisions of the SEZ Act, any person, who intends to set up an SEZ may, after identifying the area, make an application in Form-A read with Rule 3 of the SEZ Rules, 2006 to the respective state government of the state where the land is located, giving details of the said proposal. State Government may approve the said proposal within a period of 45 days from the date of receipt of such an application in terms of Section 3 of the SEZ Act, 2005, read with sub-rule 1 of Rule 4 of the SEZ Rules, 2006. Alternatively, an application may also be made directly to the BOA and the NOC from the state government may be obtained subsequently.

On receipt of such an application, the BOA may subject to certain conditions approve the proposal in terms of Section 9 of the SEZ Act, 2005 read with Rule 6 of the SEZ Rules, 2006 and communicate it to the central government. Upon receipt of the communication from the BOA, the central government under rule 6 of the SEZ Rules, within 30 days grants the letter of Approval. The central government may prescribe certain additional conditions.

The approvals granted for setting up a SEZ under the erstwhile scheme were referred to as 'in-principle approvals'. Subsequent to the passing of the SEZ Act, However, currently, the central government initially grants the letter of approval to the proposals for setting up of SEZs which as per the old practice continues to be referred to as the 'in-principle approval'. The in-principle approval is valid for a period of one year or three years (as the case may be). The validity period may be extended by the central government, on a case to case basis. Normally, in-principle approval is granted when the Developer is yet to acquire land for the purpose of development of SEZ. In case the Developer already possesses required land for the development of SEZ, the BOA normally grants formal approval. Such formal approval shall be valid for a period of 3 years within which time effective steps shall be taken by the Developer to implement the SEZ project. The validity period may be extended by the central government, on a case to case basis.

The Developer is then required to furnish an intimation to Department of Commerce, Ministry of Commerce and Industry, Government of India. giving details of the SEZ as required in terms of Rule 7 of the SEZ Rules 2006 and the Department of Commerce, Ministry of Commerce and Industry, Government of India on being satisfied with the proposal and compliance of the developer with the terms of the approval, issues a notification declaring the specified area as an SEZ under Rule 8 of the SEZ Rules, 2006.

Apart from the letter of approval from the central government for setting up of the SEZ, no other governmental license is required. Once an area is declared to be an SEZ, the central government appoints a Development Commissioner under Section 11 of the SEZ, Act who is responsible for monitoring and ensuring strict adherence to the legal framework and the day to day operations of the SEZ.

The Special Economic Zone, Rules 2006 (the "SEZ Rules")

The SEZ Rules, 2006 have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a 'unit' in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on 'self certification' and the terms and conditions subject to which entrepreneur and Developer shall be entitled to exemptions, drawbacks and concessions etc. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs.

The Developer and/or a Co-developer as the case may be is required to have at least 26 percent of the equity in the entity proposing to create business, residential or recreational facilities in a SEZ in case such development is proposed to be carried out through a separate entity or special purpose vehicle being a company formed and registered under the Companies Act.

State SEZ Policies

Various states including the states of Maharashtra, Tamil Nadu and Rajasthan have their own state SEZ policies. The state SEZ policies prescribe the rules in relation to the various environmental clearances, water and power supply arrangements, state taxes, duties, local taxes and levies and we are required to follow the state policy in addition to any central policies.

Laws specific to the state of Karnataka

Comprehensive Development Plan ("CDP")

To ensure economic and healthy development of the city, the city is divided into a number of use zones, such as residential, commercial, industrial, public and semipublic. In order to promote public health, safety and the general welfare of the community, the state government thought it necessary to impose limitations on the use of land and buildings.

The CDP for the city of Bangalore was earlier approved by the Government of Karnataka in the year 1984 and has subsequently been revised in 1995 and was again revised by the Bangalore Development Authority ("**BDA**") which is the Planning Authority for the Metropolitan area of Bangalore, as per Section 25 of the Karnataka Town and Country Planning Act, 1961 ("**KTCP Act**"). The CDP covers a total area of 1,306 square kilometres and consists of 387 villages, seven city municipal councils and one town municipal corporation, is revised every ten years.

The CDP serves as the foundation for developing strategic plans and local area plans, and finally, designing neighbourhoods and lays down the policies and programmes for the overall development of the area within its ambit taking into consideration the long term requirements.

The CDP envisions that development will be spatially organized in five concentric belts:

- 1st Belt - The core area consisting of the historic Petta, the Administrative Centre and the Central Business District;
- 2nd Belt - Peri-central area with older planned residential areas surrounding the core area;
- 3rd Belt - Recent extensions (2003) of the City flanking both sides of the Outer Ring Road, a portion of which lacks services and infrastructure facilities and is termed as a shadow area;
- 4th Belt - New layouts with some vacant lots and agricultural lands; and
- 5th Belt - Green belt and agricultural area in the City's outskirts including small villages.

The land use zone in the CDP are categorised as main areas category, specific areas category and constraint areas category

Karnataka Land Revenue Act, 1964 ("KLR Act")

The KLR Act was enacted to consolidate and amend the laws relating to land and the revenue administration in the State of Karnataka. The KLR Act states that any owner of an agricultural land shall require the permission of the Deputy Commissioner, to convert the use of such land for any other purpose. The KLR Act states that such a request for the conversion of the agricultural land cannot be refused, if such lands are in the CDP. Certain activites which are allowed to be carried out in the green belt areas include construction of places of worship, hospitals, libraries, sports clubs and cultural buildings. Any other form of activity, to be carried out will require the prior consent of the relevant authority.

KTCP Act

The KTCP Act was enacted to provide for the regulation of planned growth of land use and development and for the making and execution of town planning schemes in the State of Karnataka. The KTCP Act provides for the declaration of a local planning area and shall be governed by its own local bye laws, rules and regulations, as the case may be. A local planning authority is constituted for such a local planning area. Every local planning authority, shall be required to create a master plan and all activities shall be carried out pursuant to such a master plan.

Karnataka Municipal Corporation Act, 1976 ("KMC Act")

The KMC Act was established to consolidate and amend the laws, relating to the establishment of 'Municipal Corporations' in the state of Karnataka. The Municipal Corporations then have the power to regulate the construction industry by imposing mandatory requirements such as necessary approvals, building bye-laws, regulation of future constructions, etc. Pursuant to the provisions contained in Chapter XV of the Act, the corporations have been given the powers to regulate buildings and other related activity.

Bangalore Mahanagara Pallike Building Bye Laws - 2003 ("BMP Bye Laws")

The BMP Bye Laws are applicable and shall be required to be complied with within the jurisdiction of the Bangalore Mahanagara Pallike. For the purpose of the BMP Bye Laws, the Bangalore Mahanagara Pallike shall mean the Corporation. Currently there are totally about 100 wards in Bangalore to which the BMP Bye Laws are applicable.

Schedule 1 of the BMP Bye Laws, provides the land use classification which is permitted. Land use under the schedule is classified as: (i) Residential (ii) Commercial (retail and wholesale business) (iii) Industrial (iv) public and semi public use (v) parks, open spaces and playgrounds (vi) transport and communication (vii) utilities and services; and (viii) agricultural zone. In the Commercial (retail business) zone, the construction of residential buildings is permitted.

Part II of the BMP Bye Laws provide that every person who intends to erect or re-erect a building or make material alterations shall be required to obtain a license from the Commissioner of the Bangalore Mahanagara Pallike ("**Authority**"). The BMP Bye Laws provide the various details, which shall have to be complied with, for the purpose of carrying out any construction activity within its jurisdiction.

- At the time of submission of an application by any person to the Authority to erect a building or such other construction activity, as required in clause 3 of the BMP Bye Laws, certain documents including the title deeds or the possession issued by a competent authority, property card and the sketch issued by the department of survey and settlement and land records and the latest assessment book extract issued by the Corporation, are required to be required.

In addition to the above, certificates from the following authorities shall have to be submitted with the application. These authorities include:

- The Bangalore Development Authority, in the event any of the conditions as specified are satisfied; and
- No Objection Certificate ("**NOC**') from The Bangalore Water Supply and Sewerage Board, Bangalore Electricity Supply Company, Fire Services Department, Airport Authority of India in case of a high rise building. In the event that the high rise building is above seven floors, such an NOC shall also have to be obtained from the Telecommunication Department.

Bangalore Mysore Infrastructure Corridor Area Planning Authority ("BMICAPA") and Bangalore International Airport Area Planning Authority ("BIAAPA")

The BMICAPA and the BIAAPA have been constituted pursuant to the KTCP Act, as a local planning Authority. The Bangalore Mysore Infrastructure Corridor Project consists of tolled four lane express highways (including their peripheral and link roads) and the five new townships, along this corridor. The Bangalore International Airport Planning Authority, regulates the lands coming within its jurisdiction.

Under the provisions of the KTCP Act, such a local planning authority shall have its own rules and regulations, which shall govern the area within its jurisdiction. In light of the above, the BMICAPA and the BIAAPA constitute independent planning authorities, and therefore in the event that any land is situated in their jurisdiction, they shall pursuant to the authority vested in them, have the powers to govern such areas.

BMICAPA

Any person intending to carry out any development activity in the jurisdiction of Bangalore Mysore Infrastructure Corridor Area **("BMICA")** shall be required to make an application in the prescribed form as specified in Section 14 of the KTCP Act, with documents such as key plan, site plan, building plan, ownership title.

The permitted land use in the BMICAPA includes land to be used for commercial use wherein residential buildings are included.

BIAAPA

The area coming within the jurisdiction of the Bangalore International Airport Area ("**BIAA**") shall be governed by the rules and regulations as framed by the BIAAPA and all applications for carrying out any construction in this area, shall be made to the BIAAPA.

Bangalore Development Authority Act, 1976 ("BDA Act")

The BDA Act was enacted for the establishment of a development authority to provide for the development of the city of Bangalore and areas adjacent to it. Section 67 of the BDA Act has amended the KTCP Act and states that for the city of Bangalore, the Bangalore Development Authority ("**BDA**") shall be the local planning authority for the local planning area.

Bangalore Metropolitan Region Development Authority Act, 1985 ("BMRDA Act")

The BMRDA Act was enacted for the purpose establishing the Bangalore Metropolitan Region Development Authority ("**BMRDA**") to plan, co-ordinate and supervise the proper and orderly development of the Bangalore metropolitan region. Any development in the Bangalore district and the Bangalore rural district shall require the prior permission of the BMRDA.

Karnataka Apartment Ownership Act, 1972 ("KAO Act")

Under the provisions of the KAO Act, every owner of an apartment is required to execute a declaration to adhere to the provisions of the KAO Act. The KAO Act states that the administration of every property, shall be bound by its own bye laws.

Other applicable laws

In addition to the legislation stated above, we shall also be required to obtain the consent of various local bodies including the Ministry of Environment and Forests and/or State Pollution Control Board, Fire Force Department, Sewerage Board, Telecom Department and Airport Authority of India ("**AAI**").

<u>Foreign Investment in the Real Estate Sector</u>

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, however the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment is not permitted in the Real Estate Industry.

The GoI has permitted FDI of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure), (Real Estate Sector), subject to certain conditions contained in Press Note No. 2 (2005 series) (Press Note 2) and Press Note No. 4 (2006 series) (Press Note 4).

Further, as per the sector-specific policy for FDI, FDI upto 100% is allowed under the automatic route in Special Economic Zones and Free Trade Warehousing Zones covering setting up of these Zones and setting up units in the Zones, subject to Special Economic Zones Act, 2005 and the Foreign Trade Policy.

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual dated November 2005 ("**FDI Manual**"), FEMA Regulations**,** and the relevant Press Notes issued by the Secretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI's:

a. Development of serviced plots and construction of built up residential premises
b. Investment in real estate covering construction of residential and commercial premises including business centres and offices
c. Development of townships
d. City and regional level urban infrastructure facilities, including both roads and bridges
e. Investment in manufacture of building materials, which is also open to FDI
f. Investment in participatory ventures in (a) to (e) above
g. Investment in housing finance institutions, which is also open to FDI as an NBFC.

FEMA Regulations

The FEMA Regulations, state that the investment cap in the real estate on the activities in the 'Housing and Real Estate' is permit investment to the extent of 100% only by NRIs in the following specified areas:

1. Development of serviced plots and construction of built up residential premises
2. Investment in real estate covering construction of residential and commercial premises including business centres and offices
3. Development of townships
4. City and regional level urban infrastructure facilities, including both roads and bridges
5. Investment in manufacture of building materials, which is also open to FDI
6. Investment in participatory ventures in (a) to (c) above
7. Investment in housing finance institutions, which is also open to FDI as an NBFC.

However, all other forms of FDI are prohibited in relation to Housing and Real Estate Business.

Press Note 2 of 2005

The law in relation to investment in the real estate sector has further been modified vide press note 2 of 2005, bearing No. 5(6)/2000-FC dated March 3, 2005. The said press note has also amended certain press notes which have been issued earlier, in the same field.

Under the said press note 2, FDI up to 100% under the automatic route is allowed in 'townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)', subject to the compliance with the following requirements.

a. Minimum area to be developed under each project is as under

1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
2. In case of construction-development projects, a minimum built up area of 50,000 square meters
3. In case of a combination project, anyone of the above two conditions would suffice

b. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.

c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

Therefore applicable law only permits investment by an NRI under the automatic route in the 'Housing and Real Estate' sector upto 100% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100 % FDI in the 'Housing and Real Estate' subject to compliance with the terms provided in press note 2 of 2005.

The RBI by its letters dated October 30, 2007 and November 22, 2007 has clarified that 'FIIs may subscribe in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. It has also provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide press note 2 (2005 series).

The office of the RBI at Bangalore has vide its letter dated November 23, 2007 stated that FIIs may invest in a particular issue of an Indian Company, either under Schedule 1 (Foreign Direct Investment Scheme) or Schedule 2 (Portfolio Investment Scheme) of Notification No. FEMA 20/2000-RB dated May 3, 2000. The letter has also clarified that both routes cannot be availed simultaneously.

Therefore in light of the above letters, FIIs are permitted to invest in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000.

Note:

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

HISTORY AND CORPORATE STRUCTURE

Our History

Our Company was originally called 'Brigade Enterprises', a partnership firm, formed by our Promoters Mr. M. R Jaishankar and Ms. Githa Shankar, which was subsequently converted into a private limited company called Brigade Enterprises Private Limited on November 8, 1995 and a certificate of incorporation was issued by the Registrar of Companies, Karnataka in this regard. For more information on our Promoters, see 'Our Management- Brief Biographies of our Directors' on page 111.

Pursuant to the provisions of Section 391 to 394 of the Companies Act and pursuant to an order of the High Court of Karnataka dated August 23, 2002, Brigade Developers Private Limited and Brigade Investments and Projects Private Limited, merged with our Company with effect from April 1, 2001 and in the year 2005, pursuant to another order of High Court of Karnataka dated October 28, 2005, Brigade Constructions Private Limited merged with our Company with effect from April 1, 2004.

The registered office of our Company is situated at 'Pent House', Brigade Towers, 135, Brigade Road, Bangalore 560 025.

Change in status

Our Company was originally formed as a partnership, under the name of Brigade Enterprises pursuant to a partnership deed dated May 29, 1990, with our Promoters, Mr. M. R Jaishankar and Ms. Githa Shankar as its two partners. The partnership was reconstituted pursuant to a Deed of Reconstitution dated January 27, 1995 and a revised Partnership Deed dated September 29, 1995, came into effect. The main objective of Brigade Enterprises was to carry on the business of property development.

Pursuant to the procedure prescribed under Chapter IX of the Companies Act, the partnership, Brigade Enterprises was converted into a private limited company on November 8, 1995 and a certificate of incorporation was issued by the Registrar of Companies, Karnataka in this regard.

The status of our Company was changed to a public limited company by a special resolution of the members passed at an annual general meeting held on June 20, 2007. The fresh certificate of incorporation consequent on change of name was granted to our Company on July 20, 2007 by the Registrar of Companies, Karnataka.

Awards

Our Company is certified as an ISO 9001:2000 property developer. Our Company was also awarded a certificate of recognition by the International Facility Management Association in December 2003 for being amongst the best service providers in the real estate industry.

Key Events and Milestones

Year	Key Events, Milestones and Achievements
January 1992	Completion of construction of Brigade Gardens, a centrally air-conditioned shopping complex in Bangalore
April 1994	Completion and handover of our first luxury apartments project outside Bangalore, Brigade Residency, Mysore
November 1995	Conversion of the partnership firm 'Brigade Enterprises' into a private limited company 'Brigade Enterprise Private Limited' under chapter IX of the Companies Act
December 1995	Our project 'Brigade Regency' in Bangalore was rated by CRISIL and has received `PA2' rating.
December 1996	Our Company obtains the ISO 9001: 1994 certification from the London based Certifying Agency Bureau Veritas Quality International.
June 2000	Launch of 'Homestead I', range of luxury service apartments in Bangalore
December 2001	Completion and handover of Komarla Brigade Residency, an eco friendly building
August 2002	Merger of Brigade Developers Private Limited and Brigade Investments and Projects Private Limited into our Company
February 2003	Our Company is re-certified for ISO 9001:2000.
July 2003	Our Project Brigade Millenium 1 - Phase I – 'Mayflower' and 'Cassia' Blocks' have been awarded a credit rating of 'RT2+' by ICRA

Year	Key Events, Milestones and Achievements
October 2005	Merger of Brigade Constructions Private Limited with our Company
December 2005	Our Company is re-certified for ISO 9001:2000
June 2006	Completion of Brigade Millennium, an integrated lifestyle enclave in Bangalore.
July 2007	Change of status from private to public

Main Objects

Our main objects enable us to carry on our current business and also the business proposed to be carried on by us as contained in our Memorandum of Association and are as follows:

1. To carry on, in all their respective branches all or any of the business as property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carry out, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.

2. To carry on the business of manufacture, process, buying, selling, trading, importing or exporting of coffee, tea, spices, or any other agricultural or plantation products or by-products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other commodities or products or by-products.

3. To carry on the business of an investment company in all its branches and kinds and particularly to invest in, acquire, hold, sell, underwrite and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company or body corporate or other persons whosoever, and to finance private industrial enterprises and to undertake and carry on the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.

4. To generate, harness, develop and accumulate electric power by setting up mini hydel plants and all other types of power-plants like hydro-power, thermal –power, diesel power, multi fuel based power, micro-hydel power, and also to generate electric power by generating wind, solar, tidal and other sources of energy for captive consumption and also supply and distribution either directly or through state electricity boards or others to consumers of electricity on commercial basis and to establish, construct and maintain necessary power stations and to generally accumulate, distribute and supply electricity.

Amendments to our Memorandum of Association

Date	Nature of Amendment
July 20, 2007	Change of name of the Company pursuant to a change in the status of the Company from private to public. The approval was received from the ROC for the change of name on July 20, 2007.
June 20, 2007	Increase in the authorized capital to Rs. 1,500 million comprising of 150,000,000 Equity Shares of Rs. 10 each from Rs. 300 million comprising of 30,000,000 Equity Shares of Rs. 10 each.
March 10, 2006	Increase in the authorized capital to Rs. 300 million comprising of 30,000,000 Equity Shares of Rs. 10 each from Rs. 200 million comprising of 20,000,000 Equity Shares of Rs. 10 each.
March 29, 2004	Increase in the authorized capital to Rs. 200 million comprising of 20,000,000 Equity Shares of Rs. 10 each from Rs. 50 million comprising of 5,000,000 Equity Shares of Rs. 10 each.

Details of our Subsidiaries

Brigade Hospitality Services Private Limited

Brigade Hospitality Services Private Limited was incorporated on June 1, 2004 as a private limited company. Its registered office is situated at Pent House, Brigade Towers, 135, Brigade Road, Bangalore 560 025.

The main objects of Brigade Hospitality Services Private Limited are

1. To establish and carryon in India or elsewhere the business to establish, construct, erect, build, own, purchase, acquire, undertake, promote, run, manage, own, lease, convert, commercialise, handle, operate, renovate, maintain, improve, exchange, furnish, recondition, hire, let on hire, develop, consolidate, subdivide, and organize, hotels, restaurants, cafes, taverns, rest houses, motels, snack bars, lodging house keepers, clubs, resorts, country homes, concept parks, recreation and entertainment centres, service apartments, senior citizens homes, retirement homes, assisted living centre, concept show rooms, concept houses, boutiques, fashion centres, art and craft show rooms, art galleries exhibitions, licensed victuallere, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and news paper rooms, places of amusement, sports, gymnasiums, golf courses including golf clubs, entertainment, opera box offices, cinema multiplexes, nursing homes, old age homes, health centres, hospitals, yoga centres, massage house, immunisation centres, therapeutic houses, clinics, maternity family planning unit, diagnostic centres, chemist shop, blood banks, eye banks kidney banks, poly clinic, natural cure centres.

2. To act as Concierge, Travel agent, flight carriers, contractors and caterers to conferences, exhibitions, seminars and shows of all kinds, meeting of companies, corporations, bodies corporate or any other entities, to handle conferences and meetings, to handle inward foreign tourist activities in India and abroad, to provide for guides, safe deposits and baggage transport, an agent of bankers and to arrange travellers cheques, coupon drafts and other modes of foreign exchange on their behalf and to provide such facilities for national and international travel as may be incidental and necessary for the accomplishment of the above objects.

Shareholders as on November 23, 2007

The shareholding pattern of equity shares of Brigade Hospitality Services Private Limited is as follows

Sl.No	Shareholder	Number of shares	Percentage (in %)
1.	Brigade Enterprises Limited	990,000	99.00
2.	Mr. M.R. Jaishankar*	5,000	0.50
3.	Ms. Githa Shankar*	5,000	0.50
	TOTAL	**1,000,000**	**100.00**

*(*Shares held on behalf of our Company. The relevant forms indicating that these shares are held as nominees on behalf of our Company as required under the provisions of the Companies Act, 1956 have been filed with the RoC, Karnataka at Bangalore)*

Directors as of November 23, 2007

The Board of Directors of Brigade Hospitality Services Private Limited comprises Mr. M. R. Jaishankar, Ms. Githa Shankar, Mr. Parappil Balaram Menon and Mr. M.S.Ravindranath.

Financial Performance

In Rs. Million except for share data

	Financial year ended March 31, 2007	Financial year ended March 31, 2006	10 months ended March 31, 2005
Sales and other income	93.44	50.22	12.90
Profit/Loss after tax	(16.59)	0.00	1.19
Reserves and Surplus	0.00	1.19	1.19
Equity capital (par value Rs. 10)	10.00	10.00	0.10
Earnings per share (Rs)	(16.59)	0.00	142.29
Book value per share	(5.41)	11.19	128.57

Tetrarch Holdings Private Limited

Tetrarch Holdings Private Limited was incorporated on July 7, 1995 under the name of Tetrarch Securities and Services Private Limited. Subsequently the name of the company was changed to Tetrarch Holdings Private Limited and a fresh certificate of incorporation consequent to change was obtained from the Registrar of Companies, Karnataka, Bangalore on June 12, 2006. The registered office of the Company is situated at No. 15/3-1, Shantiniketan, Palace Road, Bangalore 560 052.

The main objects of Tetrarch Holdings Private Limited are as follows

1. To carry on, in all their respective branches all or any of the business as property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carry out, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.

2. To carry on the business of an investment company in all its branches and kinds and particularly to invest in, acquire, hold, sell, underwrite and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any Company or body corporate or other persons whosoever, and to finance private industrial enterprises and to undertake and carry on the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.

3. To generate, harness, develop and accumulate electric power by setting up Mini Hydel Plants and all other types of power – plants like Hydro – Power, Thermal – Power, Diesel – Power, Multi Fuel Based Power, Micro – Hydel Power, and also to generate electric power by generating wind, solar, tidal and other sources of energy for captive consumption and also supply and distribution either directly or through State Electricity Boards or others to consumers of electricity on commercial basis and to establish, construct and maintain necessary power stations and to generally accumulate, distribute and supply electricity.

Shareholders as on November 23, 2007

The shareholding pattern of equity shares of Tetrarch Holdings Private Limited is as follows

Sl.No	Shareholder	Number of shares	Percentage (in %)
1.	Brigade Enterprises Limited	100,100	99.90
2.	Ms. Githa Shankar*	100	0.10
	TOTAL	**100,200**	**100.00**

(Shares held as nominees on behalf of our Company. The relevant forms indicating that these shares are held as nominees on behalf of our Company as required under the provisions of the Companies Act, 1956 have been filed with the RoC, Karnataka at Bangalore)*

Directors as of November 23, 2007

The Board of Directors of Tetrarch Holdings Private Limited comprises Mr. M. R. Jaishankar and Ms. Githa Shankar.

Financial Performance

In Rs. Million except for share data

	Financial year ended March 31, 2007	Financial year ended March 31, 2006	Financial year ended March 31, 2005
Sales and other income	0.00	85.73	71.72
Profit/Loss after tax	(0.04)	(0.24)	0.43
Reserves and Surplus	0.24	0.29	0.53
Equity capital (par value Rs. 10)	1.00	1.00	1.00
Earnings per share (Rs)	(0.44)	(2.37)	4.29
Book value per share	12.44	12.64	14.78

Brigade Estates and Projects Private Limited

Brigade Estates and Projects Private Limited was incorporated on December 7, 2006 as a private limited company. Its registered office is situated at Pent House, Brigade Tower, 135, Brigade Road, Bangalore-560 025.

The main objects of Brigade Estates and Projects Private Limited are as follows:

1. To purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, buildings, structures, develop the same and dispose of or maintain the same and build townships, markets or other buildings residential and commercial or conveniences thereon and to equip the

same or part thereof with all or any amenities or conveniences, drainage facility, electric, telephone, television / cable installations, and to deal with the same in any manner whatsoever, and by advancing or collecting money and entering into and arrangements of all kinds with builders, buyers, tenants and others.

2. To construct, erect, build, repair, re-model, demolish, develop, improve and maintain building structures, houses, apartments, hospitals, schools, places of worship, highway, roads, paths, streets, sideways, courts, alleys, pavements and to do other similar construction, levelling or paving work.

3. To purchase, sell, develop, take in exchange, or on lease, hire or otherwise acquire, whether for investment or sale or working the same, any real or personal estate including land, building, houses, cottages, shops, concessions, privileges, licences, easement or interest in or with respect to any property or interest in or with respect to any property whatsoever for the purpose of the company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration.

4. To acquire, promote, develop, recreation clubs, golf clubs, country clubs and other clubs having bowling alleys, go carting in cars and boats etc., pool games, pin ball games, video games, ice skating, water sports and to organise rock climbing, trekking, picnics, excursion trips and to conduct musical shows, charity shows, cultural and classical programmes.

Shareholders as on November 23, 2007

The shareholding pattern of equity shares of Brigade Estates and Projects Private Limited is as follows

Sl.No	Shareholder	Number of shares	Percentage (in %)
1.	Mr. M.R.Jaishankar*	5,000	50
2.	Ms. Githa Shankar*	5,000	50
	TOTAL	**10,000**	**100**

* Shares are held as nominees on behalf of our Company. *The relevant forms indicating that these shares are held as nominees on behalf of our Company as required under the provisions of the Companies Act, 1956 have been filed with the RoC, Karnataka at Bangalore)*

Directors as of November 23, 2007

The Board of Directors of Brigade Estates and Projects Private Limited comprise Mr. M. R. Jaishankar, Ms. Githa Shankar and Mr. A. Anil Kumar.

Financial Performance

In Rs. Million except for share data

	Four months ended March 31, 2007
Sales and other income	Nil
Profit/Loss after tax	Nil
Reserves and Surplus	Nil
Equity capital (par value Rs. 10)	0.10
Earnings per share (Rs)	(1.43)
Book value per share	4.56

Brigade Properties Private Limited

Brigade Properties Private Limited was incorporated on May 16, 2007 as a private limited company. Its registered office is situated at Pent House, Brigade Tower, 135, Brigade Road, Bangalore- 560 025.

The main objects of Brigade Properties Private Limited are as follows:

1. To purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, buildings, structures, develop the same and dispose of or maintain the same and build townships, markets or other buildings residential and commercial or conveniences thereon and to equip the same or part thereof with all or any amenities or conveniences, drainage facility, electric, telephone, television / cable installations, and to deal with the same in any manner whatsoever, and by advancing

or collecting money and entering into contracts and arrangements of all kinds with builders, buyers, tenants and others.

2. To construct, erect, build, repair, re-model, demolish, develop, improve and maintain building structures, houses, apartments, hospitals, schools, places of worship, highway, roads, paths, streets, sideways, courts, alleys, pavements and to do other similar construction, leveling or paving work

3. To purchase, sell, develop, take in exchange, or on lease, hire or otherwise acquire, whether for investments or sale, or working the same, any real or personal estate including land, building, houses, cottages, shops, concessions, privileges, licenses, easement or interest in or with respect to any property or interest in or with respect to any property whatsoever for the purpose of the company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration.

4. To acquire, promote, develop, recreation clubs, golf clubs, country clubs and other clubs having bowling alleys, go carting in cars and boats etc., pool games, pin ball games, video games, ice skating, water sports and to organize rock climbing, trekking, picnics, excursion trips and to conduct musical shows, charity shows, cultural and classical programmes.

Shareholders as on November 23, 2007

The shareholding pattern of equity shares of Brigade Properties Private Limited is as follows

Sl.No	Shareholder	Number of shares	Percentage (in %)
1.	Mr. M.R.Jaishankar*	5,000	50
2.	Ms. Githa Shankar*	5,000	50
	TOTAL	**10,000**	**100**

(Shares are held as nominees on behalf of our Company. The relevant forms indicating that these shares are held as nominees on behalf of our Company as required under the provisions of the Companies Act, 1956 have been filed with the RoC, Karnataka at Bangalore)*

Directors as of November 23, 2007

The Board of Directors of Brigade Properties Private Limited comprises Mr. M. R. Jaishankar, Ms. Githa Shankar and Mr. A. Anil Kumar.

Financial Performance

The Company has been recently incorporated and therefore no financial statements have been prepared.

Associate Companies

Tandem Allied Services Private Limited

Tandem Allied Services Private Limited was incorporated on June 19, 2000 under the name of Tandem Property Management Services Private Limited. Subsequently the name of the Company was changed to Tandem Allied Services Private Limited and a fresh certificate of incorporation consequent to change of name was obtained from the Registrar of Companies, Karnataka, Bangalore May 30, 2003. Its registered office is situated at 706, 7th Floor, Brigade Towers, Brigade Road, Bangalore 560 0525.

The main objects of Tandem Allied Services Private Limited are as follows:

1. To act as Manager, Controllers, and consultants for management, and maintenance of all types of properties such as industrial, commercial, residential, hotels, public utility services, Clubs, Recreation centres, Service apartments, schools, Gardens, Parks, etc., and providing services for housekeeping, security and other services incidental for upkeep and maintenance of the properties.

2. To act as developers, contractors and agents for construction, land development of all types of properties.

3. To own, rent properties of every description including land for purpose of investment, selling and leasing.

4. To act as consultants and advisors on matters connected with Real Estate business in the matter of buying, selling, maintenance, transfers, documentation, provision of legal and accounting services, liaison with Government and Non-Government authorities and organisations and generally advise on all property matters.

5. To solicit or proure insurance business as a corporate agent.

6. To carry on the business of financial advisory services and to act as franchise, agents, business developers, consultants or representatives for securing house finance, automobile loans, personal loans, consumable durable loan and other related financial services.

Shareholders as on November 23, 2007

The shareholding pattern of equity shares of Tandem Allied Services Private Limited is as follows

Sl.No	Shareholder	Number of shares	Percentage (in %)
1.	Mr. A. Anil Kumar	100,000	20.00
2.	Mr. Arun Kumar	95,000	19.00
3.	Ms. Celine A Kumar	82,500	16.50
4.	Brigade Enterprises Limited	185,000	37.00
5.	Ms. Meera Krishna Kumar	25,000	5.00
6.	Ms. Indira V Sharma	12,500	2.50
	Total	**500,000**	**100.00**

Directors as of November 23, 2007

The Board of Directors of Tandem Allied Services Private Limited comprises Mr. Arun Kumar, Ms. Celine A. Kumar, Mr Rajendra Prasad, Mr. A. Anil Kumar and Ms. Meera Krishna Kumar.

Financial Performance

In Rs. Million except for share data

	Financial year ended March 31, 2007	Financial year ended March 31, 2006	Financial year ended March 31, 2005
Sales and other income	43.85	32.85	22.67
Profit/Loss after tax	6.17	5.98	3.05
Reserves and Surplus	11.94	7.20	4.80
Equity capital (par value Rs. 10)	5.00	5.00	2.00
Earnings per share (Rs)	12.33	11.95	6.10
Book value per share	33.89	24.41	34.00

AEC Infotech Private Limited

AEC Infotech Private Limited was incorporated on May 15, 2000, as Semac.com Private Limited. Subsequently the name of the company was changed to AEC Infotech Private Limited and a fresh certificate of incorporation consequent to change was obtained from the Registrar of Companies, Karnataka, Bangalore on August 18, 2000. The registered office of the Company is situated at No 24, Palace Cross Road, Bangalore 560 020.

The main objects of AEC Infotech Private Limited are as follows:

1. To carry on the business of computer software development both application and process control software, education software, entertainment software, banking and insurance software, and to offer consultancy and data processing services to industrial, Business, trading and industries, to establish networks through satellites and other communication modes, to provide internet based and web enabled services and solutions including e-commerce.

2. To carry on the business of importers, exporters, traders, buyers, sellers, retailers, wholesalers, stockists, franchisers, agents, distributors, consignors, brokers, manufactures, processors, converters, developers or otherwise deal in computer software, computers, computer hardware, computer peripherals, consumables, attachments, modems, spare parts, and other requirements of

computer hardware and software industry, Communication equipments, systems, attachments, cellular phones, wireless or radio frequency communication systems, VSAT terminals, imaging equipment, photocopiers, sensors, attachments for telephones ISDN terminals, and video telephones.

3. To establish, own or as a franchises or with any other terms the training center, imparting education, in the field of computer technology and programming, affiliated to Indian or foreign universities and institutes, to provide counseling on higher studies and assist placement on web based platform.

4. To acquire from or sell to any person, firm, or body corporate, unincorporated, whether in India or elsewhere technical and managerial information, know how, Process, engineering, manufacturing, operating and commercial data, plants, layouts and blueprints useful for the design operation erection of any plant or process of manufacture and to acquire and grant or license other rights and benefits in the foregoing matter and things and to render all kinds of management, techinal consultancy services, in specification, design, selection, implementation, of any software, hardware networking, integrated systems/projects.

5. To provide services in cost estimation, bid and project management, material auction on a web based platform/portal, cataloguing of materials, conduct commercial business on line, medical transcriptions.

Shareholders as on November 23, 2007

The shareholding pattern of equity shares of AEC Infotech Private Limited is as follows

Sl.No	Shareholder	Number of shares	Percentage (in %)
1.	Brigade Enterprises Limited	1,90,000	25.06
2	Semac Private Limited	1,48,100	19.54
3.	Mr. R Sridhar	40,010	5.28
4.	Mr. Ashok D Pavate	50,000	6.59
5.	Mr. Vikram Pavate	79,745	10.52
6.	Ms. Seshadri Ramaswami	67,845	8.95
7.	Ms. Tarini Ashok Pavate	25,000	3.30
8.	Mr. Kumar Nadig	1,00,000	13.19
9.	Mr. Nelson P Mathew	20,000	2.64
10.	Mr. Abdo Karadag	15,436	2.04
11.	Mr. Mithilesh K Jha	11,900	1.57
12.	Mr. A C Ramachandran	10,000	1.32
13.	Mr. M N Raghavendra Rao	10	0.00
	Total	**758,046**	**100.00**

Directors as of November 23, 2007

The Board of Directors of AEC Infotech Private Limited are as follows:

Sl.No	Name	Designation
1.	Mr. R Sridhar	Director
2	Mr. Ashok D Pavate	Director
3.	Mr. Vikram Pavate	Director
4.	Mr. Anil Kumar	Director
5.	Mr. Roshin Mathew	Director
6.	Mr. T S Suneeth Kumar	Director
7.	Mr. Seshadri Ramaswami	Director
8.	Mr.Kumar Nadig	Director

Financial Performance

In Rs. Million except for share data

	Financial year ended March 31, 2007	Financial year ended March 31, 2006	Financial year ended March 31, 2005
Sales and other income	35.77	22.25	10.00
Profit/Loss after tax	3.36	4.58	1.35
Reserves and Surplus	5.62	2.25	1.32

	Financial year ended March 31, 2007	Financial year ended March 31, 2006	Financial year ended March 31, 2005
Equity capital (par value Rs. 10)	7.58	7.08	7.08
Earnings per share (Rs)	4.44	6.47	1.91
Book value per share	17.41	13.18	6.72

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have not less than three directors and not more than 12 directors. We currently have eight directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Name, Designation, Father's/ Name, Address, DIN, Occupation and Term	Nationality	Age	Other Directorships
Mr. M.R. Jaishankar **Chairman and Managing Director** S/o Late Mr. M.L. Ramachandra Setty 'Shantiniketan', 15/3-1, Palace Road Bangalore 560 052 Karnataka India DIN: 00191267 Business Appointed for a period of five years with effect from April 1, 2007 till March 31, 2012 by our Board on March 7, 2007 and by our shareholders at the EGM dated March 30, 2007	Indian	53	**Indian Companies** a) Brigade Hospitality Services Private Limited b) Tetrarch Holdings Private Limited c) Brigade Estates and Projects Private Limited d) Brigade Properties Private Limited e) Mysore Holdings Private Limited f) Brigade Infrastructure Private Limited **Trust** g) Brigade Foundation
Ms. Githa Shankar **Executive Director** W/o Mr. M.R. Jaishankar 'Shantiniketan', 15/3-1, Palace Road Bangalore 560 052 Karnataka India DIN: 01612882 Business Appointed for a period of five years with effect from April 1, 2007 till March 31, 2012 by our Board on March 7, 2007 and by our shareholders at the EGM dated March 30, 2007	Indian	53	**Indian Companies** a) Brigade Hospitality Services Private Limited b) Tetrarch Equity Research and Analysis Private Limited c) Brigade Estates and Projects Private Limited d) Tetrarch Holdings Private Limited e) Brigade Properties Private Limited f) Mysore Holdings Private Limited g) Brigade Infrasturcture Private Limited **Partnerships** h) Plantation Management Company i) Estate Management Company **Trust** j) Brigade Foundation
Mr. M. R. Gurumurthy **Non-Executive Director**	Indian	66	**Indian Companies** a) Capronics Private Limited

Name, Designation, Father's/ Name, Address, DIN, Occupation and Term	Nationality	Age	Other Directorships
S/o Late M. L. Ramachandra Setty 'Sundaralakshmi' Spencer Road Chickmagalur 577 101 Karnataka India DIN: 01367579 Business Liable to retire by rotation			**Partnerships** a) Plantation Management Company b) The Plantation Caretakers **HUF** M. R Gurumurthy (Smaller HUF)
Mr. M. R. Shivram **Non-Executive Director** S/o Late M.L. Ramachandra Setty No. 3009/2-3, 18th Cross II Main, II Stage Banashankari Bangalore 560 070 Karnataka India DIN: 00824560 Business Liable to retire by rotation	Indian	59	**Indian Companies** a) Capronics Private Limited **Partnerships** b) Estate Management Company c) Plantation Management Company d) Slim Line Circuits **Proprietorship** e) PCB Inc
Mr. P.M. Thampi **Independent Director** S/o Mr. Issac Mathai 2B, Martha's Place 58, Lavelle Road 5th Cross Bangalore 560 001 Karnataka India DIN: 00114522 Business Liable to retire by rotation	Indian	72	**Indian Companies** a) HDFC Asset Management Company Limited b) Nitrex Chemicals India Limited c) Pioneer Balloon India Private Limited d) Strides Arcolab Limited e) P I Drugs and Pharmaceuticals Ltd **Trust** f) Bombay Scottish Orphanage Society
Mr. P.V.Maiya **Independent Director** S/o Late P.G.Maiya Flat No. 106, Sowmya Springs, Opposite. M.N. Krishna Rao Park Diwan Madhav Rao Road, Basavanagudi	Indian	68	**Indian Companies** a) Neuland Laboratories Limited b) Canara Bank

Name, Designation, Father's/ Name, Address, DIN, Occupation and Term	Nationality	Age	Other Directorships
Bangalore 560 004 Karnataka India DIN: 00195847 Business Liable to retire by rotation			
Dr.T.N. Subba Rao **Independent Director** S/o Mr. T.S. Narayana Rao Construma Consultancy Private Limited IInd Floor, Pinky Plaza, Fifth Road, Khar (West) Mumbai 400 052 DIN: 01216542 Professional Liable to retire by rotation	Indian	78	**Indian Companies** a) Tinsula Investments Private Limited b) Construma Consultancy Private Limited c) Buro Rep-Rehab Private Limited d) Med-Health Services (India) Private Limited e) Pinky Properties Private Limited
Dr. K. Kasturirangan **Independent Director** S/o Late Mr. Krishnaswamy Chalakudi Manickaiyer 'Daffodils', No. 202 Sixth Main, 19th Cross Malleshwaram Bangalore 560 055 Karnataka India Scientist DIN: 01749241 Liable to retire by rotation	Indian	66	None

Brief Biographies of our Directors

Mr. M. R. Jaishankar holds a Bachelor of Science degree in agriculture from the University of Agricultural Sciences, Hebbal, Bangalore and a Master of Business Administration from Manasa Gangotri, Mysore. He has 21 years of experience in real estate industry. Mr. Jaishankar has previously worked as a Sales Officer from 1977 to 1978 for UB-MEC Limited, and has 25 years of business experience. Prior to promoting our Company, he promoted MLR Industries in Peenya, Bangalore from 1979 to 1980, which was engaged in the manufacture of roasted chicory (an ingredient in coffee). After running MLR Industries for five years, he diversified into real estate development and promoted Brigade Investments, a partnership firm in the year 1986 which constructed among other Brigade Towers, Brigade Gardens, Brigade Manor, Brigade Parkview and Brigade Regency. Mr. Jaishankar is a former President of the Rotary Club of Bangalore Midtown and the Karnataka Ownership Apartments Promoters Association (KOAPA), Director of Public Affairs Centre, a non-government organisation, Lifetime Trustee of Brigade Foundation, which started The Brigade School in J. P. Nagar, Bangalore. He is also a member of the Bangalore Club, Karnataka Golf Association and Bangalore Golf Club. He has been the Director of our Company since November 8, 1995. He has also been awarded by Economic Times ACETECH 2007 for being an outstanding professional in the field of construction and architecture.

Ms. Githa Shankar holds a Bachelor of Arts degree, Bachelors in Library Science and a Masters in Business Administratoin, all from Mysore University. She has 30 years of experience in the fields of advertising, stock broking, insurance, education and real estate. Her prior experience involves working with the United States Information Service as an accounts executive, and in Marketing Consultants & Agencies Limited, an advertising agency. She was a member of Bangalore Stock Exchange and her membership was transferred to Tetrarch Equity Research and Analysis Private Limited on November 29, 1997 an entity in which Mrs. Githa Shankar currently holds 99.50% of the shareholding. She is also the Managing Trustee of Brigade Foundation which started and runs The Brigade School located in Brigade Millenium J. P. Nagar, Bangalore. She has been a Director of our Company since November 8, 1995.

Mr. M. R. Gurumurthy holds a Bachelor of Science degree from Mysore University. He has 40 years of business experience. He manages coffee estates. He is the former President of the Rotary Club of Chickmagalur. He has been a Director of our Company since November 8, 1995.

Mr. M. R. Shivram holds a Bachelors degree in engineering from Bangalore University and a Master of Science degree in electronics from New York University. He has 30 years of business experience. He worked for three years as Design Engineer in Krantkramer and Branson, U.S.A. He is the Managing Director of Capronics Private Limited located in Electronic City, Bangalore. He has been a Director of our Company since November 8, 1995.

Mr. P. M. Thampi holds Bachelor of Science degree from the University of Madras and Post Graduate Diploma in Chemical Enginerring form the University of Surrey, UK. He is a Fellow of the Institution of Chemical Engineers and Chartered Engineer, U. K. He has 44 years of experience in the chemical industry. He worked for ICI India Limited from 1957 to 1985 and when he left the company, he was the chief executive of the fertiliser division. He was the chairman and the managing director of BASF India Limited from 1986 to April 2000. Currently he is the chairman of the board of Pioneer Balloon India Private Limited and also a member of the board of HDFC Asset Management Company Limited in addition to being on the board of other companies. He is the chairman of board of trustees (management committee) of Bombay Scottish Orphanage Society which manages the Bombay Scottish School in Mumbai. He was appointed as a Director of our Company by the Board at its meeting held on November 10, 2000.

Mr. P. V. Maiya holds a Masters in Arts degree from the University of Mysore and is also a Certified Associate of the Indian Institute of Bankers from the Institute of Banking and Finance. He has 37 years of experience in banking industry. He has worked in State Bank of India and other organizations in various capacities from 1981 onwards including as a deputy general manager international division (credit), as a general manager (operations) in Bangalore and Hyderabad and was also on deputation from the State Bank of India as Executive Director of the Shipping Credit and Investment Corporation of India, which is now part of ICICI. He has also worked as chairman and managing director of ICICI Banking Corporation Limited, Mumbai from 1994 until his retirement in 1998. He was the founding managing director of Central Depository Services (India) Limited from 1998 to 1999. He was also appointed as a director of Indian Bank from 2001 to 2004. He has also been elected as a director of Canara Bank from among the shareholders for a period of three years from July 27, 2007. He has also been a Trustee on the Board of Trustees of Canbank Mutual Fund from November 2001 to June 2004. He was appointed as a Director of our Company by the Board at its meeting held on March 6, 2000.

Dr. T. N. Subba Rao, holds Bachelor of Engineering from Mysore University in 1950, Chartered Engineer from the Chartered Engineer of Engineering Council U.K., Fellow Institution of Engineers (India) I.E.I, Fellow Institution of Civil Engineers (F.I.C.E) U.K., Fellow Institution of Structural Engineers (F.I. Struct. E) U.K.,and a Fellow of Indian National Academy of Engineering (INAE). He received an honorary doctorate from the University of Stuttgart. He has 57 years of experience in the construction and consultancy industry. He joined Gammon India Limited in 1950 and became its managing director in 1972. He resigned in 1991 to start Construma Consultancy Private Limited which is involved in infrastructure project consultancy. He is a the former vice president of the Federation Internationale du Beton (FIB) and International Association of Bridge Engineering (IABSE) and INAE besides being a past member of the Praesidium of F.I.B. He is the past president of Builders Association of India (BAI), International Federation of Asian and Western Pacific Contractor's Association (IFAWPCA), the Confederation of

International Contractors' Associations (CICA), the apex institution representing the construction industry globally and the Indian Concrete Institute. He has held senior positions in accredited national and international organisations including research institutions and has participated in the formation of national and international codes and practices. He has been the recipient of the FIP Gold medal (FIB), The International Award of Merit in Structural Engineering from (IABSE), The Prestressed Concrete Design Award from the Institution of Engineers (India) in 1989, Distinguished Service Award by the International Federation of Asian & Western Pacific Contractors' Association (IFAWPCA) in 1998, ICI-FOSROC Award in 1998, Honorary Award for outstanding Concrete Achievements and Structures (Japan), The Gourav Award from the Association of Consulting Civil Engineers, and several others. He is bestowed with Honorary Lifetime Membership of BAI, IABSE and 'Eminent Engineering Personality' status by the Institution of Engineers (India) (I.E.I). He has been appointed as a Director of our Company by the Board at its meeting held on November 10, 2000.

Dr. K. Kasturirangan received his Bachelor of Science with honours and Master of Science degrees in physics from Bombay University and received his doctorate degree in experimental high energy astronomy in 1971 working at the Physical Research Laboratory, Ahmedabad. He has 25 years of experience in the space industry. He is presently the director of the National Institute of Advanced Studies at Bangalore, honorary professor of physics at the Physical Research Laborary, Ahmedabad and Member of Upper House of Indian Parliament. For over 9 years until 2003, Dr. Kasturirangan worked for the Indian Space programme as Chairman of the Indian Space Research Organisation. Dr. Kasturirangan is a Member of the International Academy of Astronautics and the International Astronomical Union. He is a fellow of the Indian Academy of Sciences, Indian National Academy of Engineering, the Indian National Science Academy and the National Academy of Sciences of India. He is the chairman of Council of the Indian Institute of Science and Indian Institute of Astrophysics at Bangalore. He is the president, India-Cyprus Parliamentary Friendship Group and Member, India-China Eminent Persons' Group, constituted by the Indian Parliament. He is an honorary fellow of Cardiff University, UK and has been made an Academician of the Pontifical Academy of Sciences, Vatican City. He has won several awards including ISPRS Brock Medal and Allan D Emil Memorial Award of the International Astronautical Federation in 2004, Shanti Swarup Bhatnagar Award in Engineering, Aryabhata Award 2003 of Astronautical Society of India, Lifetime Achievement Award of Asia-Pacific Satellite Communications Council, Singapore, Aryabhata Medal by Indian National Science Academy in 2000, Ashutosh Mookerjee Memorial Award by the Indian Science Congress. He has been conferred with the highest civilian honour Padma Vibhushan by the President of India and Award of 'Officer of the Legion d'honneur' by the President of the French Republic, France. He is the recipient of Honorary Doctorate from 13 universities. He was appointed as a Director of our Company by the Board at its meeting held on April 2, 2007.

All our directors except Mr. M.R. Jaishankar and Ms. Githa Shankar are liable to retire by rotation at the next AGM, pursuant to conversion of our Company into a public limited company. Only one third of the directors are liable to retire by rotation at every AGM.

Remuneration of our Executive Directors

Mr. M.R. Jaishankar

Mr. M.R. Jaishankar was appointed by Board resolution dated March 7, 2007 for a period of five years commencing from April 1, 2007 and by our shareholders at the EGM dated March 30, 2007. The remuneration payable to him has been revised with effect from April 1, 2007 by Board resolution dated March 7, 2007. A commission in addition to the salary and perquisites, is payable which may be determined by our Board and which is subject to the ceiling specified in Section 198 and Section 309 of the Companies Act. The exact amount payable shall be determined based on certain performance criteria.

The details of remuneration include the following:

Particulars	Remuneration
Basic Salary	Up to a maximum of Rs. 0.40 million per month, with annual increments being effective from April 1 every year.
Provident Fund	Rs. 780 per month shall be contributed every month
Gratuity	As payable under the exiting laws
Perquisites	a) furnished accommodation or house rent allowance, b) leave travel allowance, c) medical reimbursement, d) company maintained car

Particulars	Remuneration
	e) club fee f) leave and other benefits as per the policy of the Company

During the above tenure of our Managing Director, if the Company does not make any profits or the profits are inadequate, the salary and perquisites as specified above shall be payable to our Managing Director, as minimum remuneration.

Ms. Githa Shankar

Ms. Githa Shankar was appointed by Board resolution dated March 7, 2007 for a period of five years commencing from April 1, 2007 and by our shareholders at the EGM dated March 30, 2007. The remuneration payable to her has been revised with effect from April 1, 2007 by Board resolution dated March 7, 2007. A commission in addition to the salary and perquisites, is payable which may be determined by our Board and which is subject to the ceiling specified in Section 198 and Section 309 of the Companies Act. The exact amount payable shall be determined based on certain performance criteria.

The details of remuneration include the following:

Particulars	Remuneration
Basic Salary	Up to a maximum of Rs. 0.40 million per month, with annual increments being effective from April 1 every year.
Provident Fund	Rs. 780 per month shall be contributed every month
Gratuity	As payable under the exiting laws
Perquisites	a) furnished accommodation or house rent allowance, b) leave travel allowance, c) medical reimbursement, d) company maintained car e) club fee f) leave and other benefits as per the policy of the Company

During the above tenure of Ms. Githa Shankar, if the Company does not make any profits or the profits are inadequate, the salary and perquisites as specified above shall be payable to Ms. Githa Shankar, as minimum remuneration.

Details of Borrowing Powers of Our Directors

Our Articles, subject to the provisions of Section 293(1)(d) of the Companies Act authorise our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders of the Company, through a resolution passed at the AGM dated June 20, 2007, authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding Rs. 25,000 million at any time.

Payment or benefit to directors/ officers of our Company

Except as stated in this section titled "Our Management" beginning on page 109, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

Apart from the remuneration of certain of our Directors as stipulated in the section titled "Our Management – Remuneration of Our Executive Directors" on page 113 above, our Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act and the rules made thereunder and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

Except as indicated above, each Director is eligible for sitting fees of Rs. 10,000 for each Board meeting that he attends and Rs. 10,000 for each meeting of a committee of the Board.

Further, no benefits are payable upon the termination of the services of a Director.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Company has entered into a lease with Mr. M.R. Jaishankar, Ms. Githa Shankar, Ms. Nirupa Shankar and Ms. Pavitra Shankar to use the north wing premises of our corporate office. Our Company also entered into an agreement dated July 4, 2007 with our Promoter, Mr. M.R. Jaishankar to develop the lands owned by our Promoter which are located at Devanahalli, Banglaore. We have entered into an memorandum of understanding dated August 10, 2007 to enter into joint development agreement with Mr. B. Srinath and Mr. M.R. Jaishankar for the development of the lands located at Shadanahalli village, Mysore. Our Subsidiary, Brigade Hospitality Services Private Limited has also entered into a lease agreement dated July 1, 2007 with our Promoter, Mr. M.R. Jaishankar for the lease of the lands located at Udayagiri village, Devanahalli Taluk, Bangalore.

Except as stated in the section titled "Related Party Transactions" on page 131, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business. Further, please refer to the section titled "Our Promoter - Interests of Promoters" and "-Common Pursuits" on page 129.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Red Herring Prospectus, except in relation to the lands located at Bangalore and Mysore, as described above.

Our Articles provide that our Directors and officers shall be indemnified by the Company out of the funds of the Company to pay all costs, losses and expenses which they may incur or become liable for, by reason of any contract entered into or act or deed done by them as such officer or servant or in any way in the discharge of their duties, or if such officer or employee becomes personally responsible or liable for the payment of any sum primarily due from the Company.

Our Articles further provide that where our Directors become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security cover affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors any loss in respect of such liability.

Corporate Governance

We have complied with the requirements of corporate governance contained in the Equity listing agreements particularly those in relation to composition of the Board of Directors, constitution of committees such as Audit Committee and Investor Greivance Committee. Further, the provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We have complied with such provisions, including with respect to the appointment of independent Directors to our Board and the constitution of the Investor Grievances Committee. We have also adopted the Corporate Governance Code in accordance with Clause 49 of the listing agreements to be entered into with the Stock Exchanges prior to listing.

The Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently our board has eight Directors, of which the Chairman of the Board is an executive Director, and in compliance with the requirements of Clause 49 of the Listing Agreement, we have two executive Directors and 6 non-executive Directors, of whom four are independent Directors on our Board.

Audit Committee

The Audit Committee was constituted by our Directors at their Board meeting held on July 20, 2007. The Audit Committee consists of Mr. P. V. Maiya (Chairman), Mr. P. M. Thampi and Mr. M. R Gurumurthy.

The terms of reference of the Audit Committee include:

- Overseeing the Company's financial reporting process and disclosure of its financial information.
- Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee.
- Approval of payments to the statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  b. Changes, if any, in accounting policies and practices and reasons for the same
  c. Major accounting entries involving estimates based on the exercise of judgment by management
  d. Significant adjustments made in the financial statements arising out of audit findings
  e. Compliance with listing and other legal requirements relating to financial statements
  f. Disclosure of any related party transactions
  g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- Reviewing the functioning of the whistle blower mechanism, in case the same is existing.
- Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Investor Grievance Committee

The Investor Grievance Committee was constituted by our Directors at their Board meeting held on July 20, 2007. This Committee is responsible for the redressal of shareholder grievances and consists of Dr. K. Kasturirangan (Chairman), Mr. P. V. Maiya and Mr. M. R. Shivram.

The terms of reference of the Investor Grievance Committee include:

- Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Compensation Committee

The Compensation Committee was constituted by our Directors at their Board meeting held on July 20, 2007. The Compensation Committee consists of Mr. P.M. Thampi (Chairman), Dr. T. N. Subba Rao and Mr. P. V. Maiya.

The terms of reference of the Compensation Committee include:

- Framing suitable policies and systems to ensure that there is no violation, by an employee of the Company of any applicable laws in India or overseas, including:
  a. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
- Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.
- Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in clause 5 of the ESOP Guidelines.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

IPO Committee

Our Company has also constituted an IPO Committee at their Board meeting held on July 20, 2007. The Public Issue Committee consists of Mr. M.R Jaishankar (Chairman), Mr. P.V. Maiya, Mr. M.R. Shivram and Mr. P.M. Thampi. The IPO Committee is in charge of all the affairs in relation to the initial public offering of the Equity Shares of our Company.

Shareholding of our Directors in the Company

Except as provided hereunder, no other Directors hold any shares in the share capital of our Company.

S.No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (assuming Green Shoe Option is not exercised) (%)	Post-Issue Percentage Shareholding (assuming Green Shop Option is exercised) (%)
1.	Mr. M.R. Jaishankar (shares held jointly withMrs. Githa Shankar)	22,856,547	24.26	20.62	20.70
2.	Mrs. Githa Shankar (shares held jointly with Mr. M. R Jaishankar)	9,326,625	9.90	8.42	8.45
3.	Mrs. Githa Shankar	47,250	0.05	0.04	0.04
4.	Mr. M.R. Jaishankar[(1)]	2,712	0.00	0.00	0.00
5.	Mr. M. R. Shivram[(5)]	3,734,063	3.96	7.32	3.38
6.	Mr. M. R. Gurumurthy[(6)]	2,115,722	2.25	6.25	1.92

(1) Mr. Jaishankar holds (a) 2,625 Equity Shares with M.V. Susheela, and (b) 87 Equity Shares with T. A. Suchitra, Y. A. Jaivardhan, Y. G. Ramkumar, Y. N. Gangadhar Setty, Y. R. Ashwin and Y. R. Rajeshwar

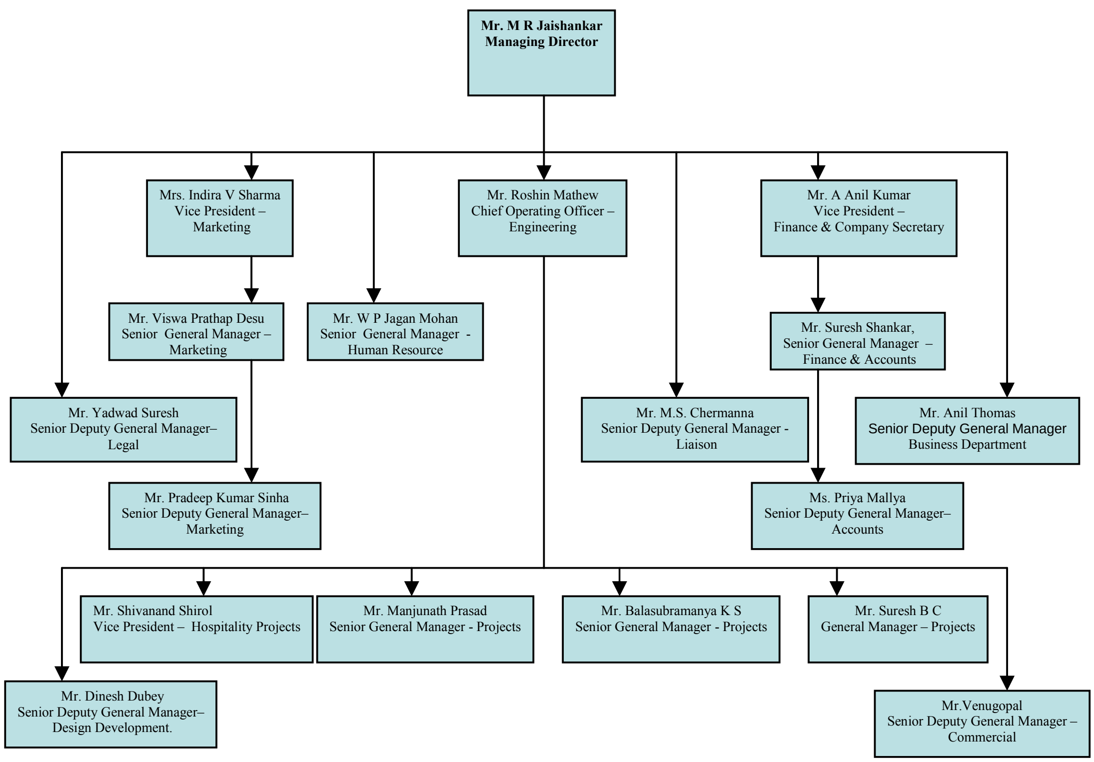
(2) Of which (a) 1,741,243 are held in his own name and (b) 1,992,820 Equity Shares held jointly with Ms. Latha Shivram

(3) Of which (a) 1,684,053 are held in his own name and (b) 431,669 Equity Shares held jointly held with Ms. Sujatha Devi

Changes in our Board of Directors during the last three years

Name	Date of Appointment	Date of Change/ Cessation	Reason
Dr. K. Kasturi Rangan	April 2, 2007	-	Appointment
Mr. M.S. Ravindra	November 4, 1995	March 21, 2007	Resignation
Mr. A.A. Ramesh Kumar	November 4, 1995	March 21, 2007	Resignation
Mr. G. Rajendra Prasad	November 4, 1995	March 21, 2007	Resignation
Mr. B.S. Adinarayana Gupta	November 4, 1995	March 21, 2007	Resignation
Mr. M.R. Krishna Kumar	November 4, 1995	March 21, 2007	Resignation

Managerial Organisation Structure



Key Managerial Personnel

In addition to our whole-time Director, Mr. M.R. Jaishankar, whose details have been provided under “Biographies of our Directors” on page 111, following are our other key managerial employees.

Ms. Indira V. Sharma, 46 years, is vice president, marketing of our Company. She is responsible for marketing the real estate projects of the Company. She has done her post graduation in Business Administration from Manasa Gangotri, Mysore University. She is also a gold medallist with operations research and marketing, which were here electives during her Business Administration course. She also received the state award for this achievement. She joined our Company on July 1, 1988 as a marketing executive. Prior to joining our Company she was a free lance market researcher. She has also worked with N. Ranga Rao and Sons as a Manager- Sales during the period from 1985-1987 in Mysore. She has more than 25 years experience in marketing. The remuneration paid to her for Fiscal 2007 was Rs. 1.78 million.

Mr. Roshin Mathew, 44 years, is chief operating officer, projects of our Company. He is responsible for the delivery of projects to the end user, within the parameters of time, cost and quality. He holds a Bachelor of Technology degree in Civil Engineering from Kerala University and Masters in Building Engineering and Management from the School of Planning and Architecture, New Delhi. He joined our Company on July 8,

2005. He has more than two decades of experience in the real estate sector. Prior, to joining our Company, he was employed with Kap Group of Companies in their Project Management, Construction and Real Estate Division for 13 years. He is also a director in AEC Infotech Private Limited. The remuneration paid to him for Fiscal 2007 was Rs. 1.61 million.

Mr. A. Anil Kumar, 40 years, is vice president finance and company secretary of our Company. He is responsible for the finance, accounts and secretarial matters of the Company. He is also a qualified chartered accountant, a cost and works accountant and company secretary. He is also a Certified Public Accountant (CPA) in the USA. He has 17 years of experience in diversified areas of investments, finance and administration operations, both in India and abroad. He joined our Company on March 7, 2005. Prior to joining our Company he was associated with Al Yousef Group at Muscat, Oman – an investments holding company with interests in financial services, insurance, banking, real estate development, hospitality, logistics, distribution and oil field services. He has also in the past held various positions in India with Yokogawa Blue Star Limited, Esanda Finanz and Leasing Limited, Microland Limited, and Fairgrowth Investments Limited in the areas of finance, accounts, treasury, investment, banking and company secretarial matters. He is also a director of AEC Infotech Private Limited, Tandem Allied Services Private Limited, Brigade Properties Private Limited and Brigade Estates and Projects Private Limited. The remuneration paid to him for Fiscal 2007 was Rs. 1.75 million.

Mr. Shivanand Shirol, 46 years, is vice president – hospitality projects of our Company. He is responsible for execution of hospitality projects of our Company. He has graduated in civil engineering from Bangalore University. He joined our Company on August 3, 1998. He has more than 22 years of experience in real estate and property development. Prior to joining our Company, he worked with Ashok Leyland Properties Limited. He has worked with various realty companies such as Allied Constructions, Embassy Builders and Ashok Leyland Properties. The remuneration paid to him for Fiscal 2007 was Rs. 1.58 million.

Mr. Jagan Mohan, 46 years, is senior general manager - human resources of our Company. He is responsible for providing adequate manpower resources, design and implement People related policies and development of capability through training. He holds a Bachelor of Commerce degree from Madras University and Master of Arts in Social Work with specialization in Personnel Management and Industrial relations. He joined our Company on October 5, 2006. He has more than 22 years of experience in human resources, personnel development, industrial relations and general administration. He has worked with the SPIC Group, Petroproducts Business from 1987 to 1990 as the HR Executive, with Larsen and Toubro in their cement division, from 1991 to 1995 as the senior personnel officer, and SRF Group, Techical Textile Business, as Chief Manager – HR, from 1996 to September 2006. The remuneration paid to him for Fiscal 2007 was Rs. 0.61 million.

Mr. Suresh Shankar, 56 years, is senior general manager – finance of our Company. He is responsible for the Finance and Accounting functions of our Company. He is a qualified chartered accountant. He joined our Company on November 22, 2006. He has 29 years of experience in finance and accounts. Prior to joining our Company he worked with Indo American Hybrid Seeds Private Limited, Bangalore as General Manager - Finance. The remuneration paid to him for Fiscal 2007 was Rs. 0.42 million.

Mr. Balasubramanya K S., 45 years, is senior general manager - projects of our Company. He is project head and team leaders, responsible for total project implementation from concept to design development and project implementation management until the project is handed over. He is a graduate in civil engineering from Mysore University. He joined our Company on October 7, 2003. He has more than 22 years of experience in real estate and property development. Prior to joining our Company, he has worked with Gina Engineering Co Private Limited as Deputy General Manager-Engineering and Projects, Chandavarkar and Thacker Architects as the resident engineer architect and clients representative and Saravana Constructions, as Project Engineer. The remuneration paid to him for Fiscal 2007 was Rs. 1.27 million.

Mr. Viswa Prathap Desu, 41 years, is senior general manager- marketing of our Company. He is responsible for the marketing and sales of our residential, commercial and retail properties. He holds a honours degree in Bachelors of Science-Physics from the Delhi University and post graduate diploma in business administration from the Institute of Management Technology, Ghaziabad, U.P. He joined our Company on April 11, 2005. He has over ten years of experience in the construction and housing industry. Prior to joining our Company he has worked with IDEB Constructions and Project Private Limited. He has also worked with Philips India Limited, Hindustan Petroleum Corporation Limited and Tata Housing Development Company Limited. The remuneration paid to him for Fiscal 2007 was Rs. 1.70 million.

Mr. Manjunath Prasad, 44 years, is senior general manager- projects of our Company. He is responsible for the overall project execution including, engineering coordination, construction management and cost control. He is a graduate in civil engineering from Bangalore University and a post graduate in construction technology from Bangalore University. He is a member of the institution of Engineers India (MIE). He joined our Company on October 3, 2005. He has over 20 years of experience in engineering and project consultancy both in India and abroad. Prior to joining our Company, he worked with Jurong Consultants (India) Limited. He has also worked with various multi national companies including Tata Consulting Engineers (India) Private Limited and Electrowatt Engineering (Oman) LLC . The remuneration paid to him for Fiscal 2007 was Rs. 1.25 million.

Mr. Yadwad Suresh, 41 years, is senior deputy general manager – legal of our Company. He is responsible for all legal affairs concerning the Company. He holds a Bachelor of Commerce degree from the Mangalore University and a Bachelor of Law degree, also from Mangalore University. He joined our Company on May 21, 2003. He has more than 18 years of experience in the legal field. Prior to joining our Company, he worked with Go Khatak Enterprises Limited, Goa. He has previously worked with Phil Corporation Limited, Goa and Manipal Group of Companies, Manipal as a Manager. He has also practiced as an advocate at Udupi, in South Karnataka. The remuneration paid to him for Fiscal 2007 was Rs. 1.03 million.

Mr. Anil Thomas, 36 years, is senior deputy general manager – business development of our Company. He is responsible for business development and property acquisitions. He has a Bachelors degree in Arts from National College, Bangalore University. He completed his Post Graduate Diploma in Sales and Marketing Management from National Institute of Sales, Bangalore. He first joined our Company in September 1995 and left in 1999 and rejoined us on March 3, 2003. He has over 14 years of experience in marketing and business development. Prior to joining our Company, he worked with Jones Lang LaSalle, Bangalore and headed their commercial and transactions team. He has worked with various development and real estate companies including First Estate Private Limited, Ramapuram Holiday Resorts Private Limited and Alsa Construction and Housing Limited. The remuneration paid to him for Fiscal 2007 was Rs.0.94 million.

Mr. Suresh B C, 42 years, is general manager – projects of our Company. He is responsible for execution and completion of the projects of our company. He is a graduate in civil engineering from Mysore University. He joined our Company on September 9, 1991. He has over 20 years of experience in project management and construction related activities. Prior to joining our Company, he worked with Sri. Manjunath Constructions. He has in the past worked with some contractors. The remuneration paid to him for Fiscal 2007 was Rs. 1.23 million.

Ms. Priya Mallya, 42 years, is senior deputy general manager – accounts of our Company. She is responsible for day to day accounts, finance and taxation matters. She holds a Bachelor of Commerce degree from Bangalore University. She joined our Company on March 19, 1999. She has 18 years of experience in the field of accounts. Prior to joining our Company she worked with Deutsche Software (India) Limited as Executive – Accounts. She has in the past also worked with K. Raheja Development Corporation as Accounts Officer and Premier Mills Limited as an Audit Assistant. The remuneration paid to her for Fiscal 2007 was Rs. 0.86 million.

Mr. M.S. Chermanna, 55 years, is senior deputy general manager – liaison of our Company. He is responsible for liason work and in charge of getting all the approvals and interface with the various departments of the government. He holds a Bachelor of Arts from Bangalore University. He joined our Company on July 6, 1998. He has 28 years of experience in various industries including the metal and hotel industries. Prior to joining our Company he worked with Steel Craft (proprietory concern) as liason executive. He has also in the past worked with Metro Malleable Manufacturers Private Limited as supervisor store, Widia India Limited as officer – stores, Vijay Crystal Exporters Private Limited as manager - co-ordination, Upkar Associates (a proprietory concern) as chief executive, Hotel Woodlands as lobby manager and L Tkarle and Co. (a partnership firm) as assistant manager - purchase. The remuneration paid to him for Fiscal 2007 was Rs. 0.85 million.

Mr. Pradeep Kumar Sinha, 53 years, is senior deputy general manager - marketing of our Company. He is responsible for marketing of commercial, it/software and retail projects. He holds a Master of Arts from Kashi Vidyapeeth, Varanasi and Post Graduate Diploma in Business Management from Gorakhpur University Gorakhpur. He joined our Company on July 1, 2006. He has 26 years of experience in marketing of various products in various industries including six years in the real estate industry. Prior to joining our Company, he worked with Usha Services and Consultants Private Limited as a sales executive (Electro Medical Equipment). In the past he has also worked with Cement Corporation of India Limited (a

Government of India Enterprise) as a regional manager and was responsible for over all marketing of CCI cement and Kumar Builders, Pune as deputy general manager - Corporate Marketing. The remuneration paid to him for Fiscal 2007 was Rs.0.60 million.

Mr. Dinesh Kumar Dubey, 36 years, is the senior deputy general manager- design and development of our Company. He is responsible for, design development of all the real estate construction and developments of our Company. He holds a degree in civil engineering from Andhra University. He joined our organization on May 2, 2005. He has over 15 years of experience in project management and design and development. Prior to joining our Company he worked with Bengal Ambuja Housing Development Limited, as deputy general manager- projects. The remuneration paid to him for Fiscal 2007 was Rs. 1.08 million.

Mr. S. Venugopal, 34 years, is senior deputy general manager-commercial of our Company. He is responsible for the award of civil contracts and services contracts and related commercial taxation matters. He also oversees the supply chain management of our Company. He holds a Bachelor of Commerce from Saint Xaviers College, Kolkata and has completed his post graduate diploma in business management from the Indian Institute of Management, Calcutta. He joined our Company on April 1, 2005. He has more than 13 years of experience in the real estate sector. Prior to joining our Company he worked with M/s K. Raheja Corp., Mumbai as senior manager- purchase and in the past has also worled with Bengal Ambuja Housing Development Limited as deputy general manager- commercial. The remuneration paid to him for Fiscal 2007 was Rs. 1.16 million.

All our key managerial personnel are permanent employees of our Company and none of our Directors and our key managerial personnel are related to each other except our Promoters.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel hold Equity Shares in our Company.

Bonus or profit sharing plan of the Key Managerial Personnel

As on the date of filing this Red Herring Prospectus, we do not have a bonus or profit sharing plan for our Key Managerial Personnel.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in the Company, if any.

None of our Key Managerial Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

On August 17, 2007 our shareholders approved our ESOP 2007 whereunder the employees as specified in the ESOP 2007, shall be granted options for our Equity Shares. For further details, please refer to Note 23 to the section titled "Capital Structure – Notes to Capital Structure" on page 26.

Changes in the Key Managerial Personnel

The changes in the key managerial personnel in the last three years are as follows:

Name of the Key Managerial Person	Date of Change	Reason for change
Mr. A. Anil Kumar	March 7, 2005	Appointment
Mr. Roshin Mathew	July 8, 2005	Appointment
Mr. Manjunath T V	July 16, 2005	Resignation
Mr. Narahari M S	April 2, 2005	Resignation
Mr. Viswa Prathap Desu	April 11, 2005	Appointment
Mr. Manjunath Prasad	October 6, 2005	Appointment
Mr. Pradeep Kumar Sinha	1st July 2006	Appointment
Mr. Sanjay K Sinha	August 22, 2006	Resignation
Mr. Sam J. Manohar	August 26, 2006	Resignation
Mr. Jagan Mohan	October 5, 2006	Appointment

Name of the Key Managerial Person	Date of Change	Reason for change
Mr. Suresh Shankar	November 22, 2006	Appointment
Mr. Basavaraj	August 4, 2007	Expired

Other than the above changes, there have been no changes to the Key Managerial Personnel of the Company that are not in the normal course of employment.

OUR PROMOTERS

Individuals

M. R. Jaishankar

Passport number: Z1559712

He does not have a voter`s ID

Driving license number 300/89

PAN :ACGPJ5805Q

Ms. Githa Shankar

Passport number: Z1557945

Voter`s ID: KT/12/085/237265

She does not have a driving license.

PAN :ABHPS4219H

For further details on our Promoters, see 'Our Management - Brief Biographies of our Directors' on page 111.

Our Company confirms that the Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Promoters have been submitted to the BSE and NSE at the time of filing this Red Herring Prospectus with them.

Promoter Group

Relatives of the Promoters that form part of the Promoter Group under Clause 6.8.3.2 of the SEBI Guidelines

Promoter	Name of the Relative	Relationship
Mr. M. R. Jaishankar	Githa Shankar	Wife
	M. R. Gurumurthy	Brother
	M. R. Krishna Kumar	Brother
	M. R. Shivram	Brother
	M. R. Nagaraj	Brother
	M. V. Susheela	Sister
	G.R Arundhati	Sister
	Rajeshwari	Sister
	Rukmani	Sister
	Pavitra Shankar	Daughter
	Nirupa Shankar	Daughter
Ms. Githa Shankar	M. R. Jaishankar	Husband
	Laila Chandy	Sister
	Beena Joseph	Sister
	Renu Mammen	Sister
	Shobna George	Sister
	Anita Mathew	Sister
	Pavitra Shankar	Daughter
	Nirupa Shankar	Daughter

Companies forming part of our Promoter Group under Clause 6.8.3.2 of the SEBI Guidelines

Capronics Private Limited

The company was incorporated on October 24, 1977 under the Companies Act 1956. It has its registered office at No.91/B, Electronic City, Hosur Road, Bangalore 560 100. The company carries on the business of consulting engineers, system consultants, business management and/or experts on matters relating to the manufacture and application of electrical and electronic equipments.

Shareholding as of November 23, 2007

The shareholding pattern of equity shares of the company is as follows:

S.No	Shareholder	Number of shares	Percentage
1.	Mr. M. R. Shivram	47,410	95.00
2.	Mr. M. R. Gurumurthy	630	1.00
3.	Mr. M.S Ravindra	1,090	2.50
4.	Mr. M. R. Jaishankar	820	1.00
5.	Mr. Y. A. Giridhar	50	0.50
	TOTAL	**50,000**	**100.00**

Directors as of November 23, 2007

The board of directors comprise of Mr. M. R. Shivram and Mr. M. R. Gurumurthy.

Financial Performance

(in Rupees million except for share data)

	Financial year ended March 31, 2006	Financial year ended March 31, 2005	Financial year ended March 31, 2004
Sales and other Income	28.16	22.95	17.84
Profit/loss after tax	2.50	(0.66)	(1.09)
Reserves and Surplus	4.03	1.50	2.16
Equity capital (par value Rs. 100)	5.00	5.00	2.5
Earnings per share	50.09	(13.19)	(43.43)
Book Value per share	180.55	129.95	186.29

Mysore Holdings Private Limited

The company was originally formed as a partnership pursuant to a partnership deed dated January 1, 2004 and the same was reconstituted pursuant to a deed of reconstitution dated January 6, 2007. Subsequently, pursuant to a revised deed of partnership dated January 10, 2007 the nature of partnership was decided to be changed into a joint stock company. Finally, the partnership was converted into a company under chapter IX of the Companies Act, 1956 and was incorporated on August 3, 2007 under the Companies Act, 1956. It has its registered office at 135, Brigade Towers, Pent House, Brigade Road Bangalore 560 025. The company carries on the business of construction, development and maintainence and residential and commercial complexes.

Shareholding as of November 23, 2007

The shareholding pattern of equity shares of the company is as follows:

S.No	Shareholder	Number of shares	Percentage
1.	M.R. Jaishankar	27,000	22.50
2.	Githa Shankar	30,000	25.00
3.	Pavithra Shankar	30,000	25.00
4.	Nirupa Shankar	30,000	25.00
5.	A.Anil Kumar	1,000	0.83
6.	Priya Mallya	1000	0.83
7.	K.J. Philomena	1000	0.84
	TOTAL	**120,000**	**100.00**

Directors as of November 23, 2007

The board of directors comprise of Mr. M. R. Jaishankar and Ms. Githa Shankar.

Financial Performance

The company was recently converted into a private limited company under chapter IX of the Companies Act, 1956 and therefore no audited financials for the past three years have been prepared.

Mercury Premises Leasing Private Limited

The company was incorporated on Fenruary 24, 2005 under the provisions of the Companies Act, 1956. Its has its registered office at #405/406, 4th floor, Raheja Towers, (West Block) 26/27, M.G. Road, Bangalore 560 001. The Company carries on the business on buying and leasing of properties.

Shareholding as of November 23, 2007

The shareholding pattern of equity shares of the company is as follows:

S.No	Shareholder	Number of shares	Percentage
1.	Ms. Beena Joseph	800	80.00
2.	Mr. Deepak Joseph	200	20.00
	TOTAL	**1,000**	**100.00**

Directors as of November 23, 2007

The board of directors comprise of Ms. Beena Joseph and Mr. Deepak Joseph.

Financial Performance

(in Rupees million except for share data)

	Financial year ended March 31, 2006	Two months ended March 31, 2005
Sales and other Income	1.81	0.00
Profit/loss after tax	(0.95)	0.00
Reserves and Surplus	0.00	0.00
Equity capital (par value Rs. 100)	0.10	0.10
Earnings per share	(95.45)	0.00
Book Value per share	(100.00)	(0.70)

Brigade Infrastructure Private Limited

Brigade Infrastructure Private Limited was incorporated on October 1, 2007 as a private limited company. Its registered office is situated at Pent House, Brigade Tower, 135, Brigade Road, Bangalore 560 025. The company carries on the business of development of townships, markets or other residential and commercial buildings.

Shareholders as on November 23, 2007

The shareholding pattern of equity shares of Brigade Infrastructure Private Limited is as follows

Sl.No	Shareholder	Number of shares	Percentage (in %)
3.	Mr. M.R.Jaishankar	5,000	50.00
4.	Ms. Githa Shankar	5,000	50.00
	TOTAL	**10,000**	**100.00**

Directors as of November 23, 2007

The Board of Directors of Brigade Infrastructure Private Limited comprises Mr. M. R. Jaishankar, Ms. Githa Shankar and Mr. A. Anil Kumar.

Financial Performance

The Company has been recently incorporated and therefore no financial statements have been prepared.

Tetrarch Equity Research and Analysis Private Limited

The company was incorporated on July 7, 1995 under the provisions of the Companies Act, 1956. Its has its registered office at15/3-1, Palace Road, Bangalore 560052. The Company carries on the business of trading in securities. The company is registered with SEBI and has the following registration no. INB081008836 and is a member of the Bangalore Stock Exchange.

Shareholding as of November 23, 2007

The shareholding pattern of equity shares of the company is as follows:

S.No	Shareholder	Number of shares	Percentage
1.	Ms. Githa Shankar	220,100	99.95
2.	Mr. Mohan Parvatikar	100	0.05
	TOTAL	**220,200**	**100**

Directors as of November 23, 2007

The board of directors comprise of Ms. Githa Shankar and Mr. Mohan Parvathikar

Financial Performance

(in Rupees million except for share data)

	Financial year ended March 31, 2006	Financial year ended March 31, 2005	Financial year ended March 31, 2004
Sales and other Income	0.03	5.78	25.25
Profit/loss after tax	0.00	0.48	0.33
Reserves and Surplus	0.69	0.69	0.20
Equity capital (par value Rs. 100)	2.20	2.20	2.20
Earnings per share	0.02	2.19	1.51
Book Value per share	13.10	13.07	10.87

Other Entities

II. Partnerships

Plantation Management Company

Plantation Management Company is a partnership firm constituted by means of a partnership deed dated April 1, 1988. The principal place of business is located at Shantiniketan, Rathnagiri Road, Chikmagalur. The nature of business of Plantation Management Company is to carry on the business of managing the coffee and other estates.

Partners and Profit sharing

The partners in the firm are Mr. M. R. Gurumurthy, Mr. M. R. Nagaraj, Mr. M. R. Krishna Kumar, Mr. M. R. Shivram, Ms. Githa Shankar and Mr. M S Ravindra and the profits are shared equally by all partners.

Financial Performance

The financial statements are not required to be audited and thus not available.

The Plantation Caretakers

The Plantation Caretakers is a partnership firm constituted by means of a partnership deed dated July 19, 1996 and as specifed under the partnership deed its operations commenced from April 1, 1996. The principal place of business is located at Ramsunder, Spencer Road, Chikmagalur. The partnership firm is carrying on the business of management of coffee estates and trading in estate requirements. It also provides technical consultancy and financial as well as general assistance to the coffee growers.

Partners

The partners in the firm are Mr. M. R. Gurumurthy and Mr. M. R. Nagaraj.

Financial Performance

The financial statements are not required to be audited and thus not available.

Estate Management Company

Estate Management Company is a partnership firm constituted by means of a partnership deed dated September 28, 1999. The principal place of business is located at "Shanthiniketan", Rathnagiri Road, Chikmagalur. The partnership firm is carrying on the business of management and trading of coffee estates.

Partners and Profit sharing

The partners in the firm are Mr. M. S. Ravindra, Mr. M. R. Krishna Kumar, Mr. M. R. Shivram and Ms. Githa Shankar and the profits are shared equally by the partners.

Financial Performance

The financial statements are not required to be audited and thus not available.

Slimline Circuits

Slimline Circuits is a partnership firm originally constituted by means of a partnership deed dated March 6, 1980 and the addendum to that dated November 19, 1990. Subsequently the partnership was reconstituted vide the deed of partnership dated April 1, 1992. The partnership firm was then reconstituted on April 1, 1999 by means of a Deed of Reconstitution. The principal place of business is located at Brigade MM Industrial Enclave, K R Road, Bangalore- 560 082. The partnership firm is carrying on the business of manufacture of professional grade printed circuit boards and is also carrying on the activities of processing of PCB's like drilling, hot air levelling etc to others.

Partners and Profit sharing

The partners in the firm are Mr. M. R. Shivram and Mr. M. S. Amar and the profits are shared equally by the partners.

Financial Performance

(in Rupees)

	Fiscal Year ended March 31, 2007	Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2005
Total Income	137,429.00	51,039.00	58,530.00
Excess of Income over Expenditure for the year	116,440.00	14,504.50	10,945.00
Capital Account (Corpus Fund)	470,000	470,000	470,000

The Cash Pharmacy

The Cash Pharmacy is a partnership firm constituted by means of a partnership deed dated April 1, 1992. The assets and liabilities of the said partnership were taken over by a partnership operating under the same name constituted by way of partnership deed dated April 1, 1994. The assets and liabilities of this partnership were again taken over by a partnership constituted by way of partnership deed dated October 31, 2005. The principal place of business is located at No. 2, St. Marks Road, Bangalore 560 001. The nature of business of The Cash Pharmacy is to carry on the business of chemists and druggists.

Partners and Profit sharing

The partners in the firm are Mr. G. Rajendra Prasad, Ms. G. R. Arundhati, Ms. G. N. Vasantha, Ms. G. Vandana, Ms. G. R. Sumanthi, Ms. G. R. Sujaya, Ms. N. Shreya and Ms. Prerana P. Chetan. The profits and loss sharing ratio of the partners are:

Sl. No.	Name of Partners	Capital Contribution (in Rupees)	Profit Sharing Ratio (%)	Loss Sharing Ratio (%)
1.	Mr. G. Rajendra Prasad	75,000	17.	17
2.	Ms. G. R. Arundhati	75,000	17	17
3.	Ms. G. N. Vasantha	25,000	17	17
4.	Ms. G. Vandana	75,000	17	17
5.	Ms. G. R. Sumathi	15,000	8	16
6.	Ms. G. R. Sujaya	15,000	8	16
7.	Ms. N. Shreya	10,000	8	Nil
8.	Ms. Prerana P. Chetan	10,000	8	Nil
	Total	**300,000**	**100.00**	**100.00**

Financial Performance

(in Rupees)

	Fiscal Year ended March 31, 2007	Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2005
Total Income	25,768,819.45	28,171,316.22	30,921,280.90
Excess of Income over Expenditure for the year	1,156,916.34	620,591.16	691,020.22
Capital Account (Corpus Fund)	300,000	300,000	225,000

III. Sole propreitorship concerns

PCB Inc

PCB Inc, is a proprietory concern. The principal place of business is located at 91/B Electronic City, Hosur Road, Bangalore- 560 100. M. R. Shivram (HUF) is the proprietor of the proprietory concern which is carrying on the business of Computer Added Management ("**CAM**") programming and drill bit resharpening.

Financial Performance

(in Rupees)

	Fiscal Year ended March 31, 2007	Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2005
Total Income	559,362.00	1,314,713.52	898,645.32
Excess of Income over Expenditure for the year	126,694.65	329,466.33	(428,554.90)
Capital Account (Corpus Fund)	585,194.50	492,584.85	(77,594.48)

IV. Hindu Undivided Families

M. R. Gurumurthy (Smaller HUF)

The HUF was formed vide instrument of partition executed on March 30, 1988. Mr. M. R. Gurumurthy is the Karta of the HUF.

M. R. Shivram (HUF)

The HUF was formed on June 21, 1979 and Mr. M. R. Shivram is the Karta of the HUF.

M.R. Jaishankar (HUF)

The HUF was formed on October 31, 1982 and Mr. M. R. Jaishankar is the Karta of the HUF.

V. Trust

Brigade Foundation

Brigade Foundation is a Public Charitable Trust having its place of business at Pent House, Brigade Towers, No. 135, Brigade Road, Bangalore- 560 025. Brigade Foundation was formed under the Deed of Declaration of Trust dated July 13, 2003 and registered as Document No. 341/2003-04, Book IV before the Senior Sub-Registrar, Shivaji Nagar, Bangalore. The deed of Declaration of Trust was amended through Amendment to Deed of Declaration of Trust dated December 4, 2003. The object of the Trust is to start Kindergarten, Nursery, Primary, Elementary and High School, Colleges and any other educational or other institutions.

Brigade Foundation is running the Brigade School at Brigade Millennium, J. P. Nagar, VII Phase, Bangalore 560 078 effective from academic year 2004.

Ms. Githa Shankar and Mr. M. R. Jaishankar are the trustees.

Financial Performance

(in Rupees)

	Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2005	Fiscal Year ended March 31, 2004
Total Income	30, 378, 038.00	29,999,125.00	9,685,637.00
Excess of Income over Expenditure for the year	9,273, 237.15	13,456,216.20	7,088,019.25
Capital Account (Corpus Fund)	32,818,972.60	23,545,735.45	10,088,019.25

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding in our Company and to extent of them being Directors of our Company. For further interest, of our Directors, see section ‘Our Management - Interests of Directors’ on page 115.

Our Promoters have no interest in any property acquired by our Company or proposed to be acquired by our Company except as otherwise disclosed in the Red Herring Prospectus.

Common Pursuits

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For, further details on the related party transactions, to the extent of which our Company is involved, see “Related Party Transactions” on page 131.

Sick Company

None of the companies forming part of our Promoter Group have been declared sick in the past.

Disassociation by the Promoters in the last three years

Name of the Company	Relationship with the Promoter	Reasons for Disassociation	Date of Disassociation
Tetrarch Holdings Private Limited	Stake owned by Ms. Githa Shankar	Sale of majority stake	December 22, 2005

Payment or Benefit to Promoters

Except as stated in “Financial Statements - Related Party Transactions” on page 131, no amount or benefit has been paid or given to any Promoter within the two years preceding the date of filing of this Red Herring Prospectus and no such amount or benefit is intended to be paid.

Other Confirmations

Our Promoters have further confirmed that they have not been declared as wilful defaulters by the Reserve Bank of India or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

RELATED PARTY TRANSACTIONS

(All amounts are in millions of Indian Rupees, unless otherwise stated)

DETAILS OF RELATED PARTY TRANSACTIONS

Amt in Millions

Particulars	Name of the related party	Nature of Relationship		As on March 31,				
			Sep 30, 2007	2007	2006	2005	2004	2003
Director Remuneration	M. R. Jaishankar	Managing Director (KMP)	37.13	56.23	24.67	11.56	5.32	3.13
	Githa Shankar	Executive Director	37.13					
Sale of materials / finished goods/ services	Tandem	Associated Company	-	-	-	-	-	-
	M. R. Jaishankar	Managing Director (KMP)	2.10	3.31	-	22.49	-	-
	Gita Shankar	Relative of KMP	2.59	1.30				
	Pavitra Shankar	Relative of KMP	3.47	4.89				
	Nirupa Shankar	Relative of KMP	3.47	2.44				
	Brigade Foundation	Relative of KMP has interest	0.24	-	-	53.50		
Purchase of goods and Contractual Services	AEC	Associated Company	7.39	4.61	3.08	2.08	1.02	0.32
	Tandem	Associated Company	13.59	17.00	7.59	3.63	1.46	1.87
	M. R. Jaishankar	Managing Director (KMP)	0.82	1.02	-	-	-	-
	Gita Shankar	Relative of KMP	0.43	0.27	-	-	-	-
	Pavitra Shankar	Relative of KMP	0.84	0.27	-	-	-	-
	Nirupa Shankar	Relative of KMP	0.84	0.27	-	-	-	-
	Latha Shivram	Relative of KMP	46.71	-	-	-	-	-
	Mysore Holdings	Firm wherein KMP has substantial interest	-	-	0.16	-	-	-
	Brigade Foundation	Relative of KMP has interest	-	0.19	0.74	-	-	-
Outstanding receivables/ (payables), as at the end of the year	AEC	Associated Company	(1.61)	(0.50)	0.38	(0.27)	(0.04)	0.09
	Tandem	Associated Company	(0.96)	(0.32)	(1.33)	(1.25)	(0.37)	(0.34)
	M. R. Jaishankar	Managing Director (KMP)	0.10	(0.59)	1.65	13.17	(5.10)	(4.52)
	Gita Shankar	Relative of KMP	0.03	(2.51)	(0.47)	-	-	-
	Pavitra Shankar	Relative of KMP	0.01	(4.76)	(0.60)	-	-	-

	Nirupa Shankar	Relative of KMP	0.01	(2.13)	(0.60)	-	-	-
	Shivraj Harsha	Relative of KMP	0.11	-	-	-	-	-
	M S Amar	Relative of KMP	0.01	-	-	-	-	-
	M R Shivram	Relative of KMP	0.08	-	-	-	-	-
	Mysore Holdings	Firm wherein KMP has substantial interest	5.91	0.24	-			
	Brigade Foundation	Relative of KMP has interest	28.20	27.89	39.24	51.24		

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company. The dividends declared by our Company during the last five fiscal years have been presented below:

	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007
Face Value of Equity Share (per share)	10.00	10.00	10.00	10.00	10.00
Interim Dividend on Equity Shares (Rs.)	1.80	2.00	1.00	0.75	2.00
Final Dividend on each Equity Share (Rs.)	Nil	Nil	1.00	0.75	Nil
Dividend Rate for equity shares (%)	18.00	20.00	20.00	15.00	20.00

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL STATEMENTS

UNCONSOLIDATED FINANCIAL INFORMATION OF BRIGADE ENTERPRISES LIMITED

To,
The Board of Directors,
Brigade Enterprises Limited
Pent House, Brigade Towers,
Brigade Road,
Bangalore 560 025.

Ref : UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES AND UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED AND UNCONSOLIDATED CASH FLOWS, AS RESTATED UNDER INDIAN GAAP AS AT SEPTEMBER 30, 2007 AND FOR THE YEARS ENDED 31ST MARCH 2007, 2006, 2005, 2004 AND 2003 .

Dear Sirs,

We have examined the unconsolidated financial information of Brigade Enterprises Limited ('the Company') annexed to this report and initialed by us for identification purposes, which has been prepared in accordance with the requirements of:

a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956('the Act');

b) The Securities and Exchange Board of India (Disclosure And Investor Protection) Guidelines 2000 ('the Guidelines') as amended from time to time and related clarifications; and

c) The terms of reference received from the Company, requesting us to carry out work, proposed to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively, 'the Offer Documents') of the company in connection with its proposed Initial Public Offer ('IPO').

A. Financial information as per Unconsolidated Audited Restated Financial Statements of Brigade Enterprises Limited.

We have examined the attached unconsolidated Restated Summary Statement of Assets and Liabilities of the company as at September 30, 2007 and 31st March 2007, 2006, 2005, 2004 and 2003, the Unconsolidated Restated Summary Statement of Profits and Losses and the Unconsolidated Restated Statement of Cash flows for each of the years ended on those dates ('Unconsolidated Restated Summary Statements') (see Annexure 1, 2 and 3) as prepared by the Company and approved by the Board of Directors. The Unconsolidated Restated Profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and as more fully described in the notes to the Unconsolidated Restated Financial Statements appearing in Annexure 25 to this report. We have audited the unconsolidated financial statements of the company for the period ended on September 30, 2007 and for the years ended 31st March 2007, 2006, 2005, 2004 and 2003. Based on our examination of the Unconsolidated Restated Summary Statements, we confirm that:

i) The 'Unconsolidated Restated Summary Statements' have to be read in conjunction with the notes given in Annexure 25 to this Report.

ii) The 'Unconsolidated Restated Summary Statements' of the company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the company as at September 30, 2007 and 31st March, 2007 as stated in the Notes forming part of the Unconsolidated Restated Summary Statements vide Annexure 25 to this report.

iii) There are no qualifications in the auditors' reports during the reporting period, which require any adjustments to the Unconsolidated Restated Summary Statements.

iv) The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate in the period/year to which they are related as described in notes forming part of the 'Unconsolidated Restated Summary Statements' appearing in Annexure – 25.

v) There are no prior period items which need to be disclosed separately in the Unconsolidated Restated Summary Statements in the years to which they relate;

B. Other Financial Information:

We have examined the following information in respect of period ended September 30, 2007 and as at the year ended 31st March, 2007, 2006, 2005, 2004 and 2003 of the Company, to be included in the offer documents, as approved by the Board of Directors and annexed to this report;

1. Statement of Fixed Assets (Annexure –4 & 4A)
2. Statement of Summary of Investments (Annexure – 5)
3. Statement of Inventories (Annexure – 6)
4. Statement of Sundry Debtors (Annexure –7)
5. Statement of Loans and Advances (Annexure –8)
6. Statement of Secured and Unsecured Loans (Annexure –9 and 10)
7. Statement of Current Liabilities and Provisions (Annexure – 11)
8. Statement of Share Capital (Annexure – 12)
9. Statement of Reserves and Surplus (Annexure – 13)
10. Statement of Turnover (Annexure –14)
11. Statement of Other Income (Annexure – 15)
12. Statement of Land and Construction expenses (Annexure –16)
13. Statement of Administrative expenses (Annexure – 17)
14. Statement of Finance charges (Annexure – 18)
15. Statement of Contingent Liabilities (Annexure –19)
16. Statement of Dividend Paid (Annexure – 20)
17. Summary of Accounting Ratios (Annexure – 21)
18. Statement of Capitalization (Annexure – 22)
19. Statement of Tax Shelter (Annexure – 23)
20. Statement of Related Party Disclosure (Annexure – 24)

In our opinion, the 'Financial Information as per Audited Financial Statements' and other Financial Information mentioned above for the period ended September 30, 2007 and year ended 31st March, 2007, 2006, 2005, 2004 and 2003 have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

The sufficiency of the procedures, as set forth in the above paragraphs is the sole responsibility of the Company and we make no representation regarding the sufficiency of the procedures described above either for the purposes for which this report has been requested or for any other purpose.

This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the Financial Statements referred to herein.

This report is intended solely for your information and for inclusion in offer documents in connection with the proposed IPO of the company and is not to be used, referred to or distributed for any other purpose without our prior written consent in each instance and which consent may be given only after full consideration of the circumstances at that time.

For **Narayanan, Patil and Ramesh**
Chartered Accountants

L. R. Narayanan
Partner
Membership No. 200/25588

Place: Bangalore
Date: November 21, 2007

ANNEXURE – 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Amount in Rs. Millions

Particulars	September 30, 2007	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003
Fixed Assets – A						
Gross Block	980.35	956.32	430.09	420.85	209.60	254.68
Less : Depreciation	235.07	198.16	111.13	58.19	32.35	20.60
Net Block	745.28	758.16	318.95	362.65	177.25	234.08
Capital Work in Progress	604.71	478.46	432.06	182.10	109.01	4.02
Total	**1,349.99**	**1,236.62**	**751.01**	**544.75**	**286.26**	**238.10**
Investments – B	**15.44**	**15.37**	**17.99**	**4.63**	**8.31**	**8.22**
Deferred Tax Asset - C	**16.61**	**16.76**	**4.39**	**10.82**	**1.16**	**1.69**
Current Assets, Loans & Advances - D						
Inventories	5,398.03	3,984.43	2,678.84	2,128.94	377.24	276.85
Sundry debtors	119.83	169.50	73.07	97.72	30.68	4.01
Cash and bank balances	31.55	175.04	196.25	127.31	14.06	12.39
Loans and advances	1,496.82	1,551.82	734.55	554.76	540.58	170.00
Total (D)	**7,046.23**	**5,880.79**	**3,682.72**	**2,908.73**	**962.57**	**463.25**
TOTAL ASSETS (A + B + C + D) = E	**8,428.28**	**7,149.54**	**4,456.10**	**3,468.92**	**1,258.29**	**711.26**
F. Liabilities and Provisions						
Secured loans	2,966.72	2,402.03	1,007.31	1,071.60	286.64	114.36
Unsecured loans	136.78	-	17.93	21.10	24.01	32.48
Current liabilities	3,022.23	2,921.58	2,561.27	1,898.80	666.98	379.08
Provisions	398.66	354.03	65.36	47.00	21.87	26.13
	6,524.39	**5,677.65**	**3,651.87**	**3,038.50**	**999.50**	**552.05**
NETWORTH (E - F)	**1,903.89**	**1,471.89**	**804.24**	**430.42**	**258.79**	**159.21**
Net worth represented by:						
Share capital	942.07	269.16	269.16	107.66	35.89	35.89
Reserves and Surplus	977.20	1,202.73	535.08	322.75	222.90	123.33
Preliminary Expenses	(15.38)	0.00	0.00	0.00	0.00	0.00
Total	1,903.89	1,471.89	804.24	430.42	258.79	159.21
Net Worth	**1,903.89**	**1,471.89**	**804.24**	**430.42**	**258.79**	**159.21**

As per our report of even date
For Narayanan, Patil and Ramesh
Chartered Accountants

For Brigade Enterprises Limited

L. R. Narayanan
Partner

M.R.Jaishankar
Chairman & Managing Director

M.R.Shivram
(Director)

Membership No. 200/25588
Place: Bangalore
Date: November 21,2007

A. Anil Kumar
(Company Secretary)

ANNEXURE 2

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

Amount in Rs. Millions

PARTICULARS	September 30, 2007	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003
Income						
Contract & Other receipts	2.227.44	4,019.59	1,988.61	1,628.27	834.26	552.34
Work in progress	-	-	-	-	-	-
Increase / (Decrease) in closing stock	20.18	58.06	(6.42)	(36.13)	(67.89)	251.91
Total	**2,247.62**	**4,077.65**	**1,982.19**	**1,592.13**	**766.37**	**804.25**
Expenditure						
Project Expenses	1,093.08	2,315.68	1,150.08	1,069.71	500.94	625.95
Personnel Expenses	135.74	159.43	87.53	50.35	30.73	19.74
Administrative and Selling Expenses	137.84	282.29	126.60	150.70	82.66	62.32
Interest & Financial Charges	171.83	164.57	95.97	60.53	18.91	29.34
Depreciation	40.84	87.24	53.58	41.19	11.95	7.49
Total	**1,579.33**	**3,009.20**	**1,513.76**	**1,372.48**	**645.19**	**744.83**
Operating Profit Before Tax	668.30	1,068.44	468.43	219.65	121.18	59.42
Less : Provision for taxation - Current taxes	(220.00)	(347.40)	(41.05)	(33.27)	(12.97)	(18.32)
Provision for taxation - Deferred taxes	(0.15)	12.37	(6.43)	9.63	(0.53)	0.73
Fringe Benefit tax	(0.77)	(1.80)	(1.11)	-	-	-
Operating Profit after Tax but before Extra-ordinary items	**447.38**	**731.62**	**419.84**	**196.01**	**107.68**	**41.82**
Less: Dimunition in value of investments	(0.01)	(2.58)	0.02	0.02	0.01	(0.23)
Restated Profit after tax	447.37	729.04	419.86	196.03	107.69	41.59
Balance brought forward from previous year	0.00	235.08	303.01	170.86	80.07	58.96
Profit available for Appropriation	**447.37**	**964.11**	**722.87**	**366.89**	**187.76**	**100.55**
Appropriations						
Towards Proposed / Interim dividends	0.00	53.83	40.37	21.53	7.18	6.46
Towards Tax on proposed / Interim dividend	0.00	7.55	5.66	2.92	0.94	0.83
Profit Transferred to General Reserve	0.00	74.80	280.26	19.69	8.78	13.20
Profit utilised for issue of bonus shares	0.00	-	161.50	19.74	-	-
Balance carried forward to Balance sheet	447.37	827.93	235.08	303.01	170.86	80.07
	447.37	964.11	722.87	366.89	187.76	100.55

As per our report of even date
For Narayanan, Patil and Ramesh
Chartered Accountants

For Brigade Enterprises Limited

L. R. Narayanan

M.R.Jaishankar

M.R.Shivram

Partner	Chairman & Managing Director	(Director)

Membership No. 200/25588
Place: Bangalore
Date: November 21, 2007.

A. Anil Kumar
(Company Secretary)

ANNEXURE 3

STATEMENT OF CASH FLOW, AS RESTATED

Rs. Millions

Particulars	September 30, 2007	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003
Cash flows from Operating activities						
Net Profit before taxation	668.30	1,068.44	468.45	219.65	121.18	59.42
Adjustments for:						
Depreciation	40.84	87.24	53.58	41.19	11.95	7.49
Profit on sale of Assets	(1.92)	(0.01)	(9.78)	(9.41)	(10.45)	(0.10)
Income from Investments	-	(0.65)	(0.15)	(0.11)	(2.19)	(0.26)
Interest Income	(1.28)	(11.59)	(10.19)	(2.27)	(0.90)	(0.86)
Sundry Debtors Written Off	0.06	3.13	0.42	-	1.35	1.07
Interest paid	163.50	141.23	94.19	53.83	18.75	27.89
Operating Profit before working Capital changes	869.50	1,287.79	596.52	302.88	139.69	94.65
Decrease / (Increase) in Sundry Debtors	49.61	(99.56)	24.24	(67.04)	(28.02)	0.70
Decrease / (Increase) in Inventories	(1,413.60)	(1,305.59)	(549.91)	(1,667.81)	(100.39)	225.70
Decrease / (Increase) in Loans & Advances	8.13	(669.95)	(179.67)	94.17	(370.80)	(58.22)
Income taxes paid	(131.85)	(189.06)	(35.53)	(12.74)	(18.31)	(11.59)
Increase / (Decrease) in Current Liabilities	103.21	364.55	663.33	1,005.70	288.38	(55.79)
Net Cash flow from (used in) Operating Activities	**(515.00)**	**(611.81)**	**518.99**	**(344.84)**	**(89.45)**	**195.45**
Cash flows from Investing Activities						
Purchase of Fixed Assets	(157.73)	(573.06)	(298.44)	(359.62)	(136.84)	(133.43)
Sale proceeds of Fixed Assets	5.44	0.22	48.37	69.43	87.19	40.37
Long term Investments	(0.07)	0.04	(13.36)	(1.30)	(0.08)	(0.61)
Interest received	1.28	11.59	10.19	2.27	0.90	0.86
Income from investments		0.65	0.15	0.11	2.19	0.26
Net Cash flow from (used in) Investing Activities	**(151.08)**	**(560.57)**	**(253.09)**	**(289.12)**	**(46.64)**	**(92.55)**
Cash flows from Financing Activities						
Interest payment	(163.50)	(141.23)	(94.19)	(53.83)	(18.75)	(27.89)
Dividend paid	-	(84.40)	(35.29)	(20.29)	(7.29)	-
IPO Expenses	(15.38)	-	-	-	-	-
Increase / (Decrease) in secured loans	564.69	1,394.72	(64.30)	784.96	172.28	(62.08)
Decrease in Unsecured loans	136.78	(17.93)	(3.17)	(2.91)	(8.48)	(2.16)
Net Cash flow from (used in) financing activities	**522.59**	**1,151.17**	**(196.96)**	**707.93**	**137.77**	**(92.13)**
Net increase in cash and cash equivalents	**(143.49)**	**(21.21)**	**68.94**	**74.00**	**1.68**	**10.76**
Cash and Cash equivalents at the beginning of period	175.04	196.25	127.31	53.31	12.39	1.62
Cash and Cash equivalents at the end of period	**31.55**	**175.04**	**196.25**	**127.31**	**14.06**	**12.39**

Notes:

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Negative figures have been shown in bracket
3. Purchase of Fixed Assets is arrived at as below:

Period	Increase in Fixed Assets	Increase in Capital Work in Process	Total as per audited restated Cash flow
As on March 31, For 2004	31.85	104.99	136.84

	As on March 31,2005	286.53	73.09	359.62	
	As on March 31,2006	48.48	249.96	298.44	
	As on March 31,2007	526.66	46.4	573.06	
	As on September 30, 2007	31.48	126.25	157.73	

As per our report of even date
For Narayanan, Patil and Ramesh

For Brigade Enterprises Limited

Chartered Accountants

L. R. Narayanan
Partner

M.R.Jaishankar
Chairman & Managing Director

M.R.Shivram
(Director)

Membership No. 200/25588
Place: Bangalore
Date: November 21, 2007.

A. Anil Kumar
(Company Secretary)

ANNEXURE - 4

STATEMENT OF FIXED ASSETS, AS RESTATED

Rs. In Millions

Particulars	September 30, 2007			March 31, 2007			March 31, 2006			March 31, 2005			March 31, 2004			March 31, 2003		
	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net
Land	62.79	-	62.79	66.30	-	66.30	40.30	-	40.30	32.76	-	32.76	40.40	-	40.40	40.40	-	40.40
Building	546.88	55.33	491.55	544.07	41.90	502.17	189.49	18.13	171.36	203.82	6.62	197.20	77.58	0.13	77.45	154.22	0.12	154.10
Office Equipment	93.61	50.77	42.84	83.40	49.29	34.10	56.08	30.28	25.80	57.71	17.07	40.63	33.11	9.59	23.52	25.88	6.28	19.60
Interiors, Furniture & Fixtures	214.38	93.71	120.67	203.34	76.36	126.98	99.25	40.66	58.59	91.82	19.80	72.02	34.16	13.14	21.03	24.65	8.70	15.96
Computers	25.95	18.76	7.19	24.54	17.17	7.37	20.88	13.47	7.41	17.00	10.14	6.86	15.78	5.95	9.84	3.91	3.16	0.75
Vehicles	37.26	16.50	20.76	34.68	13.44	21.24	24.08	8.59	15.49	17.75	4.57	13.19	8.56	3.55	5.01	5.61	2.34	3.27
Total	**980.87**	**235.07**	**745.80**	**956.32**	**198.16**	**758.16**	**430.09**	**111.13**	**318.95**	**420.85**	**58.19**	**362.65**	**209.60**	**32.35**	**177.25**	**254.68**	**20.60**	**234.08**

Annexure 4A: Break up for movement in Gross Block.

Rupees Million

Particulars	Sept 30,2007				March 31,2007				March 31,2006				March 31,2005				March 31,2004				March 31,2003			
	OB of GB	Addn	Del	Cl GB	OB of GB	Addn	Del	Cl GB	OB of GB	Addn	Del	Cl GB	OB of GB	Addn	Del	CL GB	OB of GB	Addn	Del	Cl GB	OB of GB	Addn	Del	CL GB
Land	66.30	0.00	3.52	62.79	40.30	26.00	0.00	66.30	32.76	22.26	14.72	40.30	40.40	4.41	12.05	32.76	40.40	0.00	0.00	40.40	40.40	0.00	0.00	40.40
Building	544.07	2.81	0.00	546.88	189.49	354.57	0.00	544.07	203.82	4.53	18.86	189.49	77.58	160.83	34.60	203.82	154.22	0.00	76.64	77.58	51.29	102.94	0.00	154.22
Office Equipment	83.39	14.15	3.93	93.61	56.08	27.53	0.21	83.40	57.71	2.90	4.53	56.08	33.11	36.08	11.49	57.71	25.88	7.31	0.08	33.11	48.90	17.25	40.27	25.88
Interiors, Furniture & Fixtures	203.86	10.52	0.00	214.38	99.25	104.08	0.00	203.34	91.82	7.84	0.40	99.25	34.16	72.67	15.02	91.82	24.65	9.51	0.00	34.16	17.08	7.58	0.00	24.65
Computers	24.54	1.41	0.00	25.95	20.88	3.66	0.00	24.54	17.00	3.89	0.00	20.88	15.78	1.27	0.05	17.00	3.91	11.87	0.00	15.78	3.50	0.41	0.00	3.91
Vehicles	34.68	2.58	0.00	37.26	24.08	10.81	0.21	34.68	17.75	7.07	0.74	24.08	8.56	11.37	2.17	17.75	5.61	3.16	0.21	8.56	4.15	1.47	0.02	5.61
Total	956.84	31.48	7.45	980.87	430.09	526.66	0.42	956.32	420.85	48.48	39.24	430.09	209.60	286.62	75.38	420.85	254.68	31.85	76.93	209.60	165.32	129.65	40.28	254.68

ANNEXURE 5

STATEMENT OF SUMMARY OF INVESTMENTS, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
In Immovable property	0.00	0.00	0.00	0.00	0.00	0.00
Quoted investments	0.07	0.07	0.07	0.05	0.03	0.01
Unquoted Investments:	0.05	0.05	0.15	0.16	0.16	0.16
Government securities	1.23	1.26	1.30	0.78	0.49	0.45
Others	0.00	0.00	0.00	0.00	0.00	0.00
With related parties	0.00	0.00	0.00	0.00	0.00	0.00
In promoter group companies	0.00	0.00	0.00	0.00	0.00	0.00
In subsidiary companies	11.45	11.35	13.84	1.00	5.00	5.00
In associated companies	2.64	2.64	2.64	2.64	2.64	2.60
In capital with partnership firm	0.00	0.00	0.00	0.00	0.00	0.00
Total	**15.44**	**15.37**	**17.99**	**4.63**	**8.31**	**8.22**

ANNEXURE 6

STATEMENT OF INVENTORIES, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Stock at site	97.98	-	83.42	112.89	35.79	13.11
Work in Progress	3,234.66	2,187.56	777.28	444.60	259.07	108.35
Land held for Development	1,978.22	1,729.89	1,778.70	1,525.59	-	-
Stock in Trade (Stock of Flats/Shops/TDR)	87.16	66.98	39.43	45.86	81.08	148.97
Purchased units	-	-	-	-	1.30	6.42
Total	**5,398.02**	**3,984.43**	**2,678.84**	**2,128.94**	**377.24**	**276.85**

ANNEXURE 7

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Debts outstanding for the period exceeding 6 months						
from persons related to Directors / Promoters	28.21	27.90	40.64	53.21	-	-
from Others	82.56	1.77	32.43	31.35	7.61	1.35
Other debts						
from persons related to Directors / Promoters	-	-	-	13.17	0.18	-
from Others	9.06	139.83	-	-	22.89	2.66
Total	**119.83**	**169.50**	**73.07**	**97.72**	**30.68**	**4.01**

ANNEXURE 8

STATEMENT OF LOANS AND ADVANCES, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Receivable from promoter/ promoter group companies:	0.14	-	1.65	13.17	-	-
Loans to subsidiaries		-	-	-	-	-
Loans to body corporate	-	-	-	-	-	-
Loans to employees	0.69	0.15	0.16	1.63	0.31	0.09
Advances recoverable in cash or in kind or value to be received	1432.58	1,470.62	586.03	410.36	455.28	96.49
Other loans and advances	4.53	29.79	10.17	1.62	13.92	16.92
Deposits	58.52	50.16	136.04	126.18	71.06	52.20
Interest accrued on fixed deposits	0.35	1.09	0.50	0.30	0.02	-
Loan given to others		-	-	1.50	-	4.30
Total	**1,496.82**	**1,551.82**	**734.55**	**554.76**	**540.58**	**170.00**

Note :

An increase in the contract and other receipts from Rs 1,988.61 mn to Rs 4,019.59mn from FY 2005-06 to FY2006-07 thereby implying a 102% increase and the increases in the advances recoverable are commensurate therewith. The details of the above said amounts are as follows.

(Rs. In Millions)

Sl. No.	Particulars	FY 2005-06	FY 2006-07
1	Contract and other receipts	1988.61	4019.59
2	Property Advance	323.08	805.42
3	Advances to Contractors including mobilization advances	221.34	477.08
4	Advance Income Tax / TDS	40.80	188.11
5	Others	0.81	0

ANNEXURE 9

STATEMENT OF SECURED LOANS, AS RESTATED

Rs. in Million

Particulars	As on Sept 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
FROM BANKS						
Term Loans						
1. Corporation Bank	1045.44	1152.39	700.00	700.65	150.00	0.00
• Loan to be paid out of rental loan against securitization of lease rent receivables or out of own sources on or before March 31, 2008 or commencement of payment of lease rentals, whichever is earlier. • Continuing charge on the land and building provided as security for the term loan of Rs.700 million sanctioned for the entire Brigade Gateway project • Guarantee for an amount of Rs.1156.9 million by Mr. M R Jaishankar, Mr. M R Shivaram and Mr. M R Krishna						

Kumar • A demand promissory note for Rs.350 million has been executed by the Company • Repayment of the loan to each lender on a prorate basis, with the first repayment date being December 31, 2009 and the last repayment on March 31, 2015. • Pari passu first charge on all the fixed assets of the Company, both present and future, including equitable mortgage over land and building for Brigade Gateway-North Star. • First charge/assignment of all the operating cash flows, treasury income, revenues/receivables from Northstar and Multilevel Car Parking. • Assignment or charge of all the insurance contracts/insurance proceeds. • First charge on or assignment of the escrow account, and other reserves to be established by the Company in consultation with the lenders. • Personal guarantees of Mr.M.R.Jaishankar, Mr.M.R.Krishnakumar and Mr.M.R.Sivaram. • Repayment in 4 quarterly instalments of Rs.175 million each, starting from September 20, 2007 • Equitable mortgage of portion of property situated at Rajajinagar extension, on which Brigade Gateway Project together with the buildings proposed to be constructed thereon. • Joint and several personal guarantees of Mr. M. R. Jaishankar, Mr. M. R.Shivaram and Mr.M.R.Krishnakumar						
2. Karnataka Bank	298.06	350.00	250.00	250.00	-	-
• Repayment in 4 quarterly instalments of Rs.87.5 million each, to commence from September 2007 • Equitable mortgage of portion of property situated at Rajajinagar extension, on which Brigade Gateway Project together with the buildings proposed to be constructed thereon. • Personal guarantee of Mr.M.R.Jaishankar, Mr.M.R.Shivram and Mr.M.R.Krishnakumar						
3. Indian Bank	150.00	148.60	-	-	-	-
• Repayment of the loan to each lender on a prorate basis, with the first repayment date being December 31, 2009 and the last repayment on March 31, 2015. • Pari passu first charge on all the fixed assets of the Company, both present and future, including equitable mortgage over land and building for Brigade Gateway-North Star. • First charge/assignment of all the operating cash flows, treasury income, revenues/receivables from Northstar and Multilevel Car Parking. • Assignment or charge of all the insurance contracts/insurance proceeds. • First charge on or assignment of the escrow account, and other reserves to be established by the Company in consultation with the						

lenders. • Personal guarantees of Mr.M.R.Jaishankar, Mr.M.R.Krishnakumar and Mr.M.R.Sivaram.						
4. State Bank of Mysore	110.95	-	-	-	-	-
• Repayment of Loan in 28 quarterly instalments starting from March, 2010. • Equitable Mortgage of the land and building of Shopping mall to be constructed at Brigade Gateway on pari-passu charge basis. • Pari-passu first charge on the current assets of the mall project and the hotel project. • Assignment of all the contracts entered into, in connection with the construction of project.						
5. State Bank of Patiala	110.93	-	-	-	-	-
• Repayment of Loan in 28 quarterly instalments starting from March, 2010. • Equitable Mortgage of the land and building of Shopping mall to be constructed at Brigade Gateway on pari-passu charge basis. • Pari-passu first charge on the current assets of the mall project and the hotel project. • Assignment of all the contracts entered into, in connection with the construction of project.						
6. State Bank of India	242.62	-	-	-	-	-
• Repayment of Loan in 28 quarterly instalments starting from March, 2010. • Equitable Mortgage of the land and building of Shopping mall to be constructed at Brigade Gateway on pari-passu charge basis. • Pari-passu first charge on the current assets of the mall project and the hotel project. • Assignment of all the contracts entered into, in connection with the construction of project.						
7. Industrial Development Bank of India	5.04	-	-	-	-	-
• Repayable in four quarterly instalments of Rs.1000 Lakhs each commencing from April 1, 2009. • First equitable mortgage of land and building at Brigade Palmspring. • First exclusive charge on the current assets of the project. • An irrevocable and unconditional guarantee(s) from Mr.M.R.Jaishankar and Mrs.Githa Shankar .						
8. Bank of Maharashtra	108.21	-	-	-	-	-
• Repayable at Rs.5 Crores per month from April 2009 to September 2009 and thereafter at Rs.6.70 crores per month from October 2009 to November 2009 & last instalment in December 2009 of Rs.6.60 crores.						

• Equitable Mortgage of land and building of Brigade Petunia. • Personal guarantee of Mr.M.R.Jaishankar and Mr.M.R.Shivram.						
9. ICICI Bank	101.20	-	-	-	-	-
• Repayable in 78 monthly instalments . • Exclusive mortgage on the Properties together with all building and structures thereon, both present and future. • Personal Guarantee of Sri.M.R.Jaishankar & Shri M.R.Shivram.						
Working capital loan						
Corporation bank - CC A/c	100.92	144.77	-	9.05	31.86	-
• Sanctioned limit is Rs.6.50 Crores • To meet the working capital requirement and cash flow mismatches of the Company • This is a running account repayable on demand subject to Annual renewal						
Rent receivable Loans						
1. Corporation Bank	0.00	0.00	17.67	57.16	104.78	73.58
• Secured by assignment of lease rentals from Brigade Chambers, Brigade Seshmahal and Hulkul Brigade Center (1st, 2nd & 3rd Floor interiors). • First charge on rent receivables.						
2. State Bank of India	86.74	104.80	36.50	50.00		
• Repayable in equal monthly instalments of Rs. 3,320,075 starting from April 2005 • Equitable mortgage of property at Kurubarakunte village belonging to the Company. • Personal guarantee of Mr.M.R.Jaishankar and Mr.M.R.Shivaram • First charge on rent receivables.						
2. From Financial Institutions						
HUDCO	-	-	-	-	-	40.00
• Equitable mortgage of land & building to be constructed thereon, at Puttenahalli (Birgade Millennium-Phase1) • Personal guarantee of Mr. M R Jaishankar and Mr. M R Shivaram						
HDFC	606.02	500.00				
• Repayment in 2 tranches, the first tranche being fully paid by the end of the 11th quarter and the second tranche being fully paid at the end of the 16th quarter. • Mortgage of property being the Company's share in the project land, amounting to 610,000 sq.ft., and built up space thereon. • Personal guarantee of Mr. M. R. Jaishankar. • Any other similar security acceptable to HDFC Bank.						

3.Vehicle Loans						
ICICI Bank Limited	0.59	1.46	3.14	4.74		0.78
• Repayment in equated monthly instalments of Rs.149,850 over a period of 3 years, between January 7, 2005 and December 7, 2007 • The vehicle, has been provided as security for the loan						
Total (I to xi)	**2,966.72**	**2,402.03**	**1,007.31**	**1,071.60**	**286.64**	**114.36**

ANNEXURE 10

STATEMENT OF UNSECURED LOANS, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Loans from:						
Directors – (with interest, repayable on demand)	2.50	-	0.50	1.12	2.12	8.56
Group Companies	102.69	-	-	-	-	-
Shareholders (other than directors)	31.59	-	17.43	19.98	21.88	23.92
Other corporate bodies	-	-	-	-	-	-
Total	**136.78**	**-**	**17.93**	**21.10**	**24.01**	**32.48**

ANNEXURE 11

STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31				
		2007	2006	2005	2004	2003
A : CURRENT LIABILITIES						
Creditors for Goods and Services:						
1) Total outstanding dues of small scale industrial undertaking		-	-	-	-	-
2) Total outstanding dues of creditors other than small scale industrial undertaking						
Creditors for Contractors and suppliers	840.29	828.26	446.94	144.81	80.07	47.20
Creditors for Expenses	131.65	28.44	49.08	54.37	18.17	15.39
Advances from Customers	1920.67	1,864.91	2,052.94	1,504.36	450.32	227.82
Other Liabilities	129.62	199.97	12.32	195.26	118.42	88.66
Interest accrued but not due on loans	-	-	-	-	-	-
Total Current Liabilities	**3022.23**	**2,921.58**	**2,561.27**	**1,898.80**	**666.98**	**379.08**
B : PROVISIONS						
Retirement benefit to the employees	9.20	6.63	2.39	1.54	1.25	0.78

Proposed Dividend		-	20.19	10.77	7.18	6.46
Dividend tax		-	2.83	1.51	0.94	0.83
Taxes	389.46	347.40	39.90	33.19	12.50	18.06
Fringe Benefit Tax (net of advance tax)	-	-	0.05	-	-	-
Total Provisions	**398.66**	**354.03**	**65.36**	**47.00**	**21.87**	**26.13**

ANNEXURE 12
STATEMENT OF SHARE CAPITAL, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31				
		2007	2006	2005	2004	2003
Authorised Capital:						
Equity Share of Rs. 10/- each	1,500.00	300.00	300.00	200.00	200.00	50.00
Issued, Subscribed and Paid up Capital:						
Equity Share of Rs. 10/- each fully paid up	942.07	269.16	269.16	107.66	35.89	35.89

ANNEXURE 13
STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

Rs. in Million

Particulars	As on Sep 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
A. Share Premium						
Balance as per last Balance Sheet	-	-	-	3.26	3.26	3.26
Less: Utilised for issue of fully paid bonus shares	-	-	-	(3.26)	-	-
Total- A	**-**	**-**	**-**	**-**	**3.26**	**3.26**
B. General Reserve						
Balance as per last Balance Sheet	374.80	300.00	19.74	48.78	40.01	40.0
Add: Transfer from Profit and Loss Account	0.00	74.80	280.26	19.74	8.77	-
Less : Utilised for issue of fully paid bonus shares	-		-	(48.78)	-	-
Total- B	**374.80**	**374.80**	**300.00**	**19.74**	**48.78**	**40.0**
C. Profit and Loss Account	**602.40**	**827.93**	**235.08**	**303.01**	**170.86**	**80.06**
Total (A+B+C)	**977.20**	**1,202.73**	**535.08**	**322.75**	**222.90**	**123.32**

ANNEXURE 14
STATEMENT OF TURNOVER, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
1. Contract Receipts						
a. Residential Projects	2089.30	3,616.36	1,609.38	1,289.29	641.66	280.80
b. Commercial Projects	48.11	165.34	224.98	242.44	125.86	203.14
2. Rental Income	77.02	121.80	114.55	71.76	37.09	43.84
3. Miscellaneous Receipts	9.81	103.84	20.47	12.23	17.65	23.36
4. Other Income	3.20	12.24	19.23	12.55	12.00	1.22

Total	**2227.44**	**4,019.59**	**1,988.61**	**1,628.27**	**834.26**	**552.34**

ANNEXURE 15

STATEMENT OF OTHER INCOME, AS RESTATED

Rs. in Millions

Particulars	As on Sept 30 2007	As at March 31,				
		2007	2006	2005	2004	2003
Other Income	-	-	-	-	-	
Total	-	-	-	-	-	

ANNEXURE 16

STATEMENT OF LAND AND CONSTRUCTION EXPENSES, AS RESTATED

Rs. in Million

Particulars	As on Sep 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Purchases:						
Land Purchases	583.29	715.71	48.41	38.16	72.88	-
TDR Purchases	-	-	-	-	-	-
Tenancy Right Purchases	-	-	-	-	-	-
Civil Materials	611.06	813.98	339.31	454.16	210.66	70.45
Total - (A)	**1194.35**	**1,529.69**	**387.72**	**492.31**	**283.53**	**70.45**
Operating and Other Expenses:						
Civil Contract Work	864.76	1,781.95	775.23	694.17	351.76	120.37
Other Expenses	305.17	479.74	539.23	330.90	135.47	65.54
Total - (B)	**1,169.93**	**2,261.69**	**1314.46**	**1025.07**	**487.23**	**185.91**
Net changes in Work-in-progress and stock - **(C)**	**(1,271.20)**	**(1,475.70)**	**(552.11)**	**(447.67)**	**(269.81)**	**369.59**
Total construction expenses (A) + (B) + (C)	**1,093.08**	**2,315.68**	**1,150.08**	**1,069.71**	**500.94**	**625.95**

ANNEXURE 17

STATEMENT OF ADMINISTRATIVE AND SELLING EXPENSES, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Advertisement & Sales Promotion	48.91	102.62	51.98	31.69	20.69	24.80
Agency Commission	19.15	34.43	7.56	16.27	7.43	1.92
Bad debts	0.06	3.13	0.42	-	1.35	1.07
Communication Expenses	2.14	6.95	4.19	3.19	2.45	1.63
Directors Sitting fee	0.14	0.42	0.43	0.37	0.22	0.11
Discount	2.68	24.96	7.32	5.55	5.84	1.65
Donation	5.35	1.57	3.14	1.55	0.05	0.10
Miscellaneous Expenses	4.17	21.17	5.26	2.06	2.21	2.25

Insurance A/c	4.59	6.20	0.70	2.58	1.58	0.23
Legal, Professional & consultancy charges	3.12	7.43	4.87	3.78	4.46	2.47
Power / Fuel Charges	2.60	3.23	2.08	2.59	1.48	0.96
Printing & Stationery	1.58	3.28	2.93	1.76	1.21	1.15
Rates and taxes	7.05	12.49	8.57	54.12	24.25	18.35
Rent Paid	20.43	21.83	11.44	10.97	4.53	2.35
Repairs and Maintenance	4.44	8.24	1.67	2.29	1.28	1.51
Foreign exchange fluctuation	0.01	0.37	(0.00)	-	-	-
Security Charges	3.35	7.99	3.47	1.67	1.22	0.75
Travelling & Conveyance	8.07	15.97	10.59	10.26	2.41	1.01
Total	**137.84**	**282.29**	**126.60**	**150.70**	**82.66**	**62.32**

ANNEXURE 18

STATEMENT OF FINANCE CHARGES, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Bank Charges	8.32	23.34	1.78	6.70	0.16	1.45
Interest paid to Banks and Financial Institutions	157.07	138.66	91.74	51.06	15.22	22.51
Interest paid on Unsecured Loans	6.44	2.36	2.45	2.77	3.53	5.38
Total	**171.83**	**164.56**	**95.97**	**60.53**	**18.91**	**29.34**

ANNEXURE 19

STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
Towards counter guarantee to bank for issuing bank guarantee	15.63	11.67	-	-	0.37	0.18
Claims against the company from Government departments not acknowledged as debts	-	29.59	1.55	-	-	-
Capital Commitments not provided in the books	2778.35	2,904.37	-	-	-	-
Total	**2,793.98**	**2,945.63**	**1.55**	**-**	**0.37**	**0.18**

ANNEXURE 20

STATEMENT OF DIVIDEND PAID, AS RESTATED

Rs. in Million

Particulars	As on September 30, 2007	As at March 31,				
		2007	2006	2005	2004	2003
No. of Equity Shares	9,42,07,000	26,916,210	26,916,210	10,766,484	3,588,828	3,588,828

Face Value per Share	10.00	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	-	20%	7.50%	10%	20%	18%
Dividend declared (Both interim and final)	-	53.83	40.37	21.53	7.18	6.46
Tax on Dividend	-	7.55	5.66	2.92	0.94	0.83
Total Dividend	**-**	**61.38**	**46.03**	**24.45**	**8.12**	**7.29**

ANNEXURE 21

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Rs. In Million

	As on September 30,2007	As at March 31, 2007	2006	2005	2004	2003
Earnings per share						
Net Profit after Tax (As Adjusted)	447.37	729.04	419.86	196.03	107.69	41.59
No. of equity shares	9,42,06,735	26,916,210	26,916,210	10,766,484	3,588,828	3,588,828
Restated Weighted Average Number of Equity Shares	9,42,06,735	9,42,06,735	9,42,06,735	9,42,06,735	9,42,06,735	9,42,06,735
Net EPS Basic / diluted (Rs.)	4.75	7.74	4.46	2.08	1.14	0.44
Net Assets Value (NAV)						
Net Assets (Rs. in Million)	1,903.89	1,471.89	804.24	430.42	258.79	159.21
No. of equity shares	9,42,06,735	26,916,210	26,916,210	10,766,484	3,588,828	3,588,828
Restated Weighted Average Number of Equity Shares	9,42,06,735	9,42,06,735	9,42,06,735	9,42,06,735	9,42,06,735	9,42,06,735
N A V per share (Rs.)	20.21	15.62	8.54	4.57	2.75	1.69
Return on Net Worth						
Net Profit after Tax (As Adjusted)	447.37	729.04	419.86	196.03	107.69	41.59
Net Worth	1,903.89	1,471.89	804.24	430.42	258.79	159.21
Return on Net Worth (%)	23.50%	49.53%	52.21%	45.55%	41.61%	26.12%

Notes:

a) These ratios have been computed as follows

Earnings Per Share (Rs.)	Net Profit after Tax, as Restated attributable to equity shareholders
	Weighted average number of equity shares outstanding during the year
Net Annual Value per Share (Rs.)	Net worth, as Restated at the end of the year or period
	Weighted average number of equity shares outstanding during the year
Return on Net worth (%)	Net Profit after Tax, as Restated
	Net worth, as Restated at the end of the year or period

b) Net profit or loss, as restated, as appearing in the statements of profit and losses, as restated of the respective years, has been considered for the purpose of computing the above ratios

c) Earnings Per Share has been computed in accordance with Accountings Standard - 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In accordance with paragraph 24 of AS-20, in case of bonus issue and a share split, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous periods have been considered accordingly.

d) Net worth represents Equity Share capital and Reserves & Surplus less Miscellaneous Expenditure not written off or adjusted

ANNEXURE 22

STATEMENT OF CAPITALISATION, AS RESTATED

Rs. in Million

Particulars	Pre-issue as at Sep 30, 2007	Adjusted for present issue
Borrowings		
Short Term Debts	928.86	
Long Term Debts (a)	2,037.86	
Total Debts	**2,966.72**	
Shareholders funds		
Share Capital	942.07	
Reserves and Surplus	961.82	
Total Shareholders funds	**1,903.89**	
Long Term Debt / Equity Ratio (b)	1.07	

Note:

a) Short Term debts or debts maturing within the next one year from the date of above statement and interest accrued and due on these and other overdraft loans

b) Total Long Term Debt / Total Shareholders funds

Annexure – 23

STATEMENT OF TAX SHELTER AS PER CONSOLIDATED AND RESTATED FINANCIALS

(Amount in Millions)

Particulars	As on 30 Sep 2007	For the year ended March 31,				
		2007	2006	2005	2004	2003
Profit before tax (See Notes below) (A)	668.30	1,068.44	468.43	219.65	121.18	59.42
Tax thereon - Rate	33.99	33.66	33.66	36.59	35.88	36.75
Tax at the above Rate (B)	227.15	359.64	157.67	80.37	43.48	21.84
Adjustments:						
Permanent Differences:						

Dividend Received	-	(0.65)	(0.15)	(0.11)	-	-
Donations after 80G Deduction	2.85	0.79	2.15	1.05	0.05	0.10
Net effect of 80IB	(45.95)	(113.09)	(329.63)	(154.44)	(61.28)	(8.22)
Others	(1.01)	(2.03)	(2.79)	(8.89)	(4.23)	(4.67)
Total Permanent Difference (C)	(44.12)	(114.98)	(330.41)	(162.39)	(65.46)	(12.79)
Timing Differences:						
Difference on account of Depreciation	0.92	19.21	18.81	(3.77)	(0.98)	1.08
Profits or Losses on sale of Fixed Assets	(1.85)	-	(8.88)	(0.21)	0.01	(0.10)
Provision for gratuity and leave encashment	2.57	5.08	0.85	0.30	0.47	0.17
Others	-	1.71	(31.46)	31.94	(20.03)	0.08
Total Timing Differences (D)	1.65	26.00	(20.68)	28.27	(20.53)	1.23
Net Adjustment (E) = (D+C)	(42.47)	(88.99)	(351.10)	(134.12)	(85.98)	(11.56)
Tax Expenses / (Saving) thereon (F)	(14.44)	(29.95)	(118.18)	(49.07)	(30.85)	(4.25)
Taxable Income / Loss (G) = (A+E)	625.82	979.46	117.33	85.53	35.20	47.86
Interest U/s 234A, 234B & 234C	4.37	17.76	0.39	0.29	-	0.57
Net tax paid as per Return	**217.09**	**329.69**	**39.72**	**31.30**	**12.63**	**17.59**

Notes:

a) The Information pertaining to the year ended 31st March, 2003 to 31st March, 2006 are as per the Returns of Income filed by the Company. The effects of assessment/appellate orders have not been considered.

b) Information pertaining to the period ending Sep 30, 2007 is as per draft computation prepared by the Management of the Company, as return of Income is not yet due for filing.

ANNEXURE 24

DETAILS OF RELATED PARTY TRANSACTIONS

Amt in Millions

Particulars	Name of the related party	Nature of Relationship	As on Sep 30, 2007	As on March 31,				
				2007	2006	2005	2004	2003
Director Remuneration	M. R. Jaishankar	Managing Director (KMP)	37.13	56.23	24.67	11.56	5.32	3.13
	Githa Shankar	Executive Director	37.13	-	-	-	-	-
Investments during the year	Brigade Hospitality	100% Subsidiary	-	-	9.00	1.00	-	-
	Tetrarch Holdings	100% Subsidiary	-	-	3.84	-	-	-
	Brigade Estates	100% Subsidiary	-	0.10	-	-	-	-
	Brigade Properties	100% Subsidiary	0.10	-	-	-	-	-
Sale of materials / finished goods/ services	Tandem	Associated Company	-	-	-	-	-	-
	M. R. Jaishankar	Managing Director (KMP)	2.10	3.31	-	22.49	-	-
	Gita Shankar	Relative of KMP	2.59	1.30	-	-	-	-
	Pavitra Shankar	Relative of KMP	3.47	4.89	-	-	-	-
	Nirupa Shankar	Relative of KMP	3.47	2.44	-	-	-	-
	Brigade Foundation	Relative of KMP has interest	0.24	-	-	53.50	-	-
Purchase of goods and Contractual Services	AEC	Associated Company	7.39	4.61	3.08	2.08	1.02	0.32
	Tandem	Associated Company	13.59	15.04	5.94	3.20	1.46	1.87
	Brigade Hospitality	100% Subsidiary	0.60	0.08				
	M. R. Jaishankar	Managing Director (KMP)	0.82	1.02	-	-	-	-
	Githa Shankar	Executive Director	0.43	0.27	-	-	-	-

	Pavitra Shankar	Relative of KMP	0.84	0.27	-	-	-	-
	Nirupa Shankar	Relative of KMP	0.84	0.27	-	-	-	-
	Latha Shivram	Relative of KMP	46.71	-	-	-	-	-
	Mysore Holdings	Firm wherein KMP has substantial interest	-	-	0.16	-	-	-
	Brigade Foundation	Relative of KMP has interest	-	0.19	0.74	-	-	-
Outstanding receivables/ (payables), as at the end of the year	AEC	Associated Company	(1.61)	(0.50)	0.38	(0.27)	(0.04)	0.09
	Tandem	Associated Company	(0.96)	(0.15)	(1.33)	(1.13)	(0.37)	(0.34)
	M. R. Jaishankar	Managing Director (KMP)	0.10	(0.59)	1.65	13.17	(5.10)	(4.52)
	Githa Shankar	Relative of KMP	0.03	(2.51)	(0.47)	-	-	-
	Pavitra Shankar	Relative of KMP	0.01	(4.76)	(0.60)	-	-	-
	Nirupa Shankar	Relative of KMP	0.01	(2.13)	(0.60)	-	-	-
	M. K. Shivaraj Harsha	Relative of KMP	0.11	-	-	-	-	-
	M. S. Amar	Relative of KMP	0.01	-	-	-	-	-
	M. R. Shivram	Relative of KMP	0.08	-	-	-	-	-
	Brigade Constructions Pvtt. Ltd.	100% subsidiary	-	-	-	-	52.35	8.10
	Brigade Properties	100% subsidiary	0.05	-	-	-	-	-
	Tetrach Holdings	100% subsidiary	0.01	0.01	-	-	-	-
	Brigade Hospitality	100% subsidiary	(38.00)	(24.87)	-	-	-	-
	Mysore Holdings	Firm wherein KMP has substantial interest	5.91	0.24	-	-	-	-
	Brigade Foundation	Relative of KMP has interest	28.20	27.89	39.24	51.24	-	-

ANNEXURE – 25

Significant Accounting Policies and Notes to Accounts

I. SIGNIFICANT ACCOUNTING POLICIES:

1. **Basis for Preparation of Financial Statements:**

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

2. **Use of Estimates:**

   Preparation of financial statements in conformity with Generally Accepted Accounting Principles requires company management to make estimates and assumptions that affect reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as of the date of Financials and reported amounts of income & expenses during the period. Examples of such estimate include profits expected to be earned on projects carried on by the company, contract costs expected to be incurred to completion of project, provision for doubtful debts, income taxes, etc. Actual results could differ from these estimates. Differences, if any, between the actual results and estimates are recognized in the period in which the results are known or materialized.

3. **Revenue Recognition :**

   - Income from operations is determined and recognized, based on the percentage of completion method, as the aggregate of the profits earned on the projects completed/under completion and the value of construction work done during the period.

     Profit so recognized in respect of individual projects is adjusted to ensure that it does not exceed the estimated overall profit margin. Loss on projects, if any, is fully provided for.

     Stage of completion of projects in progress is determined on the basis of the proportion of the contract costs incurred, in respect of individual projects for work performed up to the period of the financial statements, bear to the estimated total project cost. Income recognized as contract revenue during the period is based on the lower of stage of completion as determined above and percentage of actual amount received on sale (pursuant to agreements entered into by the company) of the estimated contract value of these projects. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level, which is estimated to be at least 25%.

     The estimates for sale value and contract costs are reviewed by management periodically and the cumulative effect of the changes in these estimates, if any, are recognised in the period in which these changes may be reliably measured.

   - Interest income is recognised on time basis and is determined by the amount outstanding and rate applicable.
   - Dividend income is recognised as and when right to receive payment is established.
   - Rental income / lease rentals are recognised on accrual basis in accordance with the terms of agreement.
   - Differential income arising on account of any charges collected including Deposits and the related expenses incurred are recognized in the year of handing over of the flats to the customers.

4. **Expenditure :**

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

5. **Events occurring after the date of Balance Sheet:**

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

6. Fixed Assets:

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation.

7. Depreciation:

Depreciation in respect of fixed assets, is provided adopting Written Down Value Method at the rates provided under Schedule XIV to the Companies Act, 1956, except,

- On assets held for the purpose of sale, no depreciation is charged.
- On assets leased out depreciation is charged on Straight Line Method over the period of the lease or five years whichever is lower.

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

8. Foreign Currency Translation:

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

9. Valuation of Inventories & construction Work-in-progress :

a) Valuation of Inventories, representing stock of materials at project site, has been done after providing for obsolescence, if any, at lower of cost or net realizable value.

b) The value of construction work-in- progress during the period is determined as follows:

- The aggregate of opening stock, opening work in progress, cost of construction and construction overheads incurred during the year as reduced by cost of completed contract transferred to income and closing stock of materials, if any.
- The value of completed projects intended for immediate sale is considered as an inventory and value of completed projects/units intended to be retained/leased is considered as fixed asset.
- Land held for development is valued at cost.

10. Retirement benefits:

Retirement benefits are provided for / paid to the approved funds maintained on behalf of the Company, as per Statutes / amounts advised by the funds. Liability in respect of leave encashment is provided for on actual basis.

Gratuity cost is accrued based on Actuarial Valuations at the balance sheet date, carried out by an independent actuary. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). Actuarial gains or losses are charged to Profit and Loss Account.

11. Investments

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

12. Impairment of assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard-28 “Impairment of Assets” issued by the Institute of Chartered Accountants of India, where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

13. Earnings per Share:

Basic earning per share is computed by dividing net income by the weighted average number of common stock outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e., the average market value of the outstanding shares). Diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

14. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating; financing and investing activities of the company are segregated.

15. Provision for Taxation:

Deferred tax is recognized, subject to the consideration of prudence, in respect of deferred tax assets or liabilities, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period, and are reversible in one or more subsequent periods.
The provision for taxation is made on Taxes payable method after considering the effect of deduction under Section 80IB of the Income Tax Act, 1961.

16. Provisions:

Provision is recognized when an enterprise has a present obligation as a result of past event and is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made, Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

17. Borrowing costs

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

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

1. Notes on adjustments for restated financial statements:

a) Adjustments relating to prior period taxes:
The 'Restated Standalone Profit and Loss account' has been adjusted for respective years in respect of short/excess provision for income tax, if any, as compared to the tax payable as per the income tax assessments / returns filed by the Company for the respective years.

b) Adjustments relating to prior period expenses/income:
The Company had recorded the prior period expenses/income, if any, during the years of restatement which pertained to earlier years. The effects of these prior period expenses have been adjusted in the period to which they pertain in the 'Restated Standalone Profit and Loss statement'.

c) Other material reclassifications:

- In the audited financial statements for the years ended 31 March 2006 and 2005, land purchased by the Company for future development was classified under Fixed Assets. In the Restated balance sheet of the Company, these balances have been reclassified and shown separately under the head "Land held of development" as part of Inventories in the 'Restated Standalone Balance Sheet'.

- In the audited financial statements for the years ended 31 March 2006, 2005, 2004, and 2003, expenses incurred by the Company for the projects capitalized were shown as part of work-in-progress in the inventory schedule. Considering that these expenses are capitalized, the expenses incurred in the relevant years have been reclassified and shown as Capital Work-in-progress as part of Fixed Assets in the 'Restated Standalone Balance Sheet'.

- In the audited financial statements for the years ended 31 March 2006, 2005, 2004, and 2003, the closing work-in-progress was shown as a separate line next to revenues in the Profit and Loss Account. These amounts have been reclassified and shown as a reduction in Project expenses in the 'Restated Profit and Loss Account'.

2. Share Capital:

Issued, Subscribed and Paid up Capital of 9,42,06,735 Equity shares includes:

- 5,00,000 Equity Shares of Rs.10/- each fully paid-up, issued as Bonus Shares in 1996; 71,77,656 Equity Shares of Rs.10/- each fully paid-up, issued as Bonus Shares during 2004-05 and 1,61,49,726 Equity shares of Rs.10/- each fully paid-up, issued as Bonus shares during 2005-06 and 6,72,90,525 Equity shares of Rs.10/- each fully paid-up, issued as Bonus shares during 2007-08
- 16,22,628 Equity Shares allotted as fully paid up on Amalgamation of the erstwhile Brigade Developers Private Limited with the Company in the year 2001-02.
- 68,400 Equity Shares allotted as fully paid up on Amalgamation of the erstwhile Brigade Investments Private Limited with the Company in the year 2001-02.

3. Related Party Disclosure:

A. Relationships:

Subsidiary Companies	1. Brigade Hospitality Services Private Limited 2. Tetrarch Holdings Private Limited. 3. Brigade Estates and Projects Private Limited 4. Brigade Constructions Private Limited 5. Brigade Properties Private Limited
Associated Companies	1. AEC Infotech Private Limited 2. Tandem Allied Services Pvt. Ltd.
Other related parties where common control exists	• Mysore Holdings • Brigade Foundation
Key managerial personnel (KMP)	1. Mr. M. R. Jaishankar Managing Director 2. Mrs. Githa Shankar Executive Director
Relatives of Key Managerial Personnel	1. Pavitra Shankar (Daughter of M. R. Jaishankar) 2. Nirupa Shankar (Daughter of M. R. Jaishankar) 3. M. R. Shivram (Relative of KMP) 4. M. S. Amar (Relative of KMP) 5. M. K. Shivaraj Harsha (Relative of KMP) 6. Latha Shivram (Relative of KMP)

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

(Rs. in Millions)

Transactions with Subsidiary Companies

Particulars	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	Nil	Nil	Nil	Nil	Nil	Nil
Purchase of material / finished goods / services / Other expenses	0.60	0.08	Nil	Nil	Nil	Nil

Outstanding receivables/ (payables), as at the end of the year	(37.94)	(24.86)	Nil	Nil	52.35	8.10
Investment during the year	0.10	0.10	12.84	1.00	Nil	Nil

Transactions with Associate Companies

Particulars	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	Nil	Nil	Nil	Nil	Nil	Nil
Purchase of material / finished goods / services / Other expenses	20.59	19.65	9.02	5.28	2.48	2.19
Outstanding receivables/ (payables), as at the end of the year	(2.56)	(0.65)	(0.95)	(1.40)	(0.42)	(0.26)
Investments during the year	Nil	Nil	Nil	Nil	Nil	Nil

Transactions with other entities where common control exists

Particulars	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	0.24	Nil	Nil	53.50	Nil	Nil
Purchase of material / finished goods / services / Other expenses	Nil	0.19	0.90	Nil	Nil	Nil
Outstanding receivables/ (payables), as at the end of the year	34.11	28.13	39.24	51.24	Nil	Nil

Transactions with Key Management Personnel

Particulars	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	4.69	3.31	Nil	22.49	Nil	Nil
Purchase of material / finished goods / services / Other expenses	1.25	1.02	Nil	Nil	Nil	Nil
Outstanding receivables/ (payables), as at the end of the year	0.13	(0.59)	1.65	13.17	(5.10)	(4.52)
Salary paid during the year	74.26	56.23	24.67	11.56	5.32	3.13

Transactions with relatives of Key Management Personnel

Particulars	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	6.94	8.63	Nil	Nil	Nil	Nil
Purchase of material / finished goods / services / Other expenses	48.39	0.80	Nil	Nil	Nil	Nil
Outstanding receivables/ (payables), as at the end of the year	0.22	(9.40)	(1.67)	Nil	Nil	Nil

4. Warranty Costs:

The company has not recognized warranty cost relating to sale of unit/property, since such costs, if any, are covered by a corresponding warranty from the company's contractors /vendors. This cost, if any, is recognized as and when incurred by the company.

5. Segmental Reporting

The company's operations predominantly relate to Construction & development, Real Estate development and related activities of leasing/rental of units/properties. Accordingly, real estate development represents a single Primary segment in the financials of the Company and the geographical location of the projects represents the Secondary segment of reporting.

During the current period , the financials of the Company represent a single Primary segment (real estate development). With respect to secondary segment, the Company has its projects in and around Bangalore, which makes it a single segment. Hence, providing of segmental information is not applicable to the Company for the current reporting period.

For **Narayanan, Patil And Ramesh**
Chartered Accountants

L R Narayanan
Partner
Membership No.200/25588

For **Brigade Enterprises Limited**

M R Jaishankar
Chairman & Managing Director

M R Shivram
Director

Place : Bangalore
Date : November 21, 2007

A Anil Kumar
Company Secretary

CONSOLIDATED FINANCIAL INFORMATION OF BRIGADE ENTERPRISES LIMITED

To,
The Board of Directors,
Brigade Enterprises Limited
Pent House, Brigade Towers,
No. 135, Brigade Road,
Bangalore – 560 025.

Dear Sirs,

Ref : CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES AND CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED AND CONSOLIDATED CASH FLOWS, AS RESTATED UNDER INDIAN GAAP AS AT SEPTEMBER 30, 2007 AND FOR THE YEARS ENDED 31ST MARCH, 2007, 2006, 2005, 2004 AND 2003.

We have examined the consolidated financial information of Brigade Enterprises Limited ('the Company') and its subsidiaries and associates (refer Note 25 annexed to this report) (collectively referred to as the 'Group') annexed to this report and initialed by us for identification purposes, which has been prepared in accordance with the requirements of:

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

(b) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the Guidelines') as amended from time to time and related clarifications; and

(c) The terms of reference received from the Company, requesting us to carry out work, proposed to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively, 'the Offer Documents') of the company in connection with its proposed Initial Public Offer ('IPO').

A. Financial information as per consolidated audited financial statements of Brigade Enterprises Limited

We have examined the attached Consolidated Restated Summary Statement of Assets and Liabilities of the company as at September 30, 2007 and March 31, 2007, 2006, 2005, 2004 and 2003, the Consolidated Restated Summary Statement of Profits and Losses and the Consolidated Restated Statement of Cash flows for each of the period/years ended on those dates ('Consolidated Restated Summary Statements') (see Annexure 1, 2 and 3) as prepared by the Company and approved by the Board of Directors. The Consolidated Restated Profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and as more fully described in the notes to the Consolidated Restated Financial Statements appearing in Annexure-25 to this report. We have audited the Consolidated Financial Statements of the company for the period ended September 30, 2007 and years ended 31st March, 2007, 2006, 2005, 2004 and 2003. Based on our examination of the consolidated Restated Summary Statements, we confirm that:

i The 'Consolidated Restated Summary Statements' have to be read in conjunction with the notes given in Annexure-25 to this Report.

ii. The 'Consolidated Restated Summary Statements' of the company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the company as at the period ended September 30, 2007 as stated in the Notes forming part of the Consolidated Restated Summary Statements vide Annexure-25 to this report.

iii. There are no qualifications in the auditors' reports, which require any adjustments to the Consolidated Restated Summary Statements.

iv. The consolidated restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate in the period / year to which they are related as described in Point No. 1 of the notes forming part of the 'Consolidated Restated Summary Statements' appearing in Annexure-25.

v. There are no prior period items which need to be disclosed separately in the Consolidated Restated Summary Statement in the year to which they relate;

B. Other Consolidated Financial Information:

We have examined the following information in respect of the period ended September 30, 2007 and the year ended 31st March, 2007, 2006, 2005, 2004 and 2003 of the Company, proposed to be included in the offer documents, as approved by the Board of Directors and annexed to this report;

1. Statement of Fixed Assets (Annexure –4 & 4A)
2. Statement of Summary of Investments (Annexure – 5)
3. Statement of Inventories (Annexure – 6)
4. Statement of Sundry Debtors (Annexure –7)
5. Statement of Loans and Advances (Annexure –8)
6. Statement of Secured and Unsecured Loans (Annexure –9 and 10)
7. Statement of Current Liabilities and Provisions (Annexure – 11)
8. Statement of Share Capital (Annexure – 12)
9. Statement of Reserves and Surplus (Annexure – 13)
10. Statement of Turnover (Annexure –14)
11. Statement of Other Income (Annexure – 15)
12. Statement of Land and Construction expenses (Annexure –16)
13. Statement of Administrative expenses (Annexure – 17)
14. Statement of Finance charges (Annexure – 18)
15. Statement of Contingent Liabilities (Annexure –19)
16. Statement of Dividend Paid (Annexure – 20)
17. Summary of Accounting Ratios (Annexure – 21)
18. Statement of Capitalisation (Annexure 22)
19. Statement of Tax Shelter (Annexure – 23)
20. Statement of Related Party Disclosure (Annexure – 24)

In our opinion, the 'financial Information as per audited Financial Statements' and other Financial Information mentioned above for the period ended September 30, 2007 and the years ended 31st March, 2007, 2006, 2005, 2004 and 2003 have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

The sufficiency of the procedures as set forth in the above paragraphs, is the sole responsibility of the company and we make no representation regarding the sufficiency of the procedures described above either for the purposes for which this report has been requested or for any other purpose.

This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the Financial Statements referred to herein.

This report is intended solely for your information and for inclusion in offer documents in connection with the proposed IPO of the company and is not to be used, referred to or distributed for any other purpose without our prior written consent in each instance and which consent may be given only after full consideration of the circumstances at that time.

For **Narayanan, Patil and Ramesh**
Chartered Accountants

L. R. Narayanan
Partner
Membership No. 200/25588

Place: Bangalore
Date: November 21, 2007

ANNEXURE 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED AND CONSOLIDATED

Amount in Rs. Millions

PARTICULARS	September 30, 2007	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003
A. Fixed Assets						
Gross Block	1096.55	1,049.29	487.52	427.21	209.70	254.68
Less : Depreciation	260.86	216.48	116.35	58.59	32.36	20.60
Net Block	835.69	832.81	371.17	368.62	177.34	234.08
Capital Work in Progress	607.65	479.32	433.60	232.97	109.01	4.02
Total	**1443.34**	**1,312.13**	**804.77**	**601.59**	**286.35**	**238.10**
B. Investments	**14.56**	**10.64**	**8.20**	**4.43**	**2.56**	**2.81**
C. Deferred Tax Asset	**16.61**	**16.76**	**4.33**	**10.76**	**1.18**	**1.70**
D. Current Assets, Loans & Advances						
Inventories	5398.32	3,986.24	2,681.58	2,128.94	461.12	284.23
Sundry debtors	130.71	177.57	78.01	98.99	30.68	4.01
Cash and bank balances	69.87	224.65	211.69	129.21	53.31	12.48
Loans and advances	1520.54	1,658.11	805.93	560.27	596.49	168.03
Total (D)	**7119.44**	**6,046.56**	**3,777.20**	**2,917.40**	**1,141.61**	**468.74**
TOTAL ASSETS (A + B + C + D) = E	**8593.95**	**7,386.09**	**4,594.49**	**3,534.18**	**1,431.69**	**711.36**
F. Liabilities and Provisions						
Secured loans	2966.71	2,402.03	1,007.31	1,071.60	286.64	114.36
Unsecured loans	121.78	-	17.93	21.10	24.01	32.48
Current liabilities	3229.86	3,174.71	2,696.42	1,961.28	841.03	379.65
Provisions	399.89	356.26	66.59	47.80	21.93	26.13
	6718.24	**5,932.99**	**3,788.24**	**3,101.78**	**1,173.61**	**552.62**
NETWORTH (E – F)	**1875.71**	**1,453.09**	**806.25**	**432.40**	**258.08**	**158.74**
Net worth represented by:						
Share capital	942.07	269.16	269.16	107.66	35.89	35.89
Reserves and Surplus	964.73	1,193.92	537.74	324.73	222.19	122.90
Total	**1906.80**	**1,463.08**	**806.91**	**432.40**	**258.08**	**158.79**
Less: Preliminary Expenses	15.48	0.05	0.02	-	-	0.05
Less: Deferred Revenue Expenses	15.61	9.94	0.63	-	-	-
(To the extent not written off)						
Net Worth	**1875.71**	**1,453.09**	**806.25**	**432.40**	**258.08**	**158.74**

As per our report of even date

For Narayanan, Patil and Ramesh
Chartered Accountants

For Brigade Enterprises Limited

L. R. Narayanan
Partner

M.R.Jaishankar
Chairman & Managing Director

M.R.Shivram
(Director)

Membership No. 200/25588
Place: Bangalore
Date: November 21, 2007.

A. Anil Kumar
(Company Secretary)

ANNEXURE 2

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED AND CONSOLIDATED

Amount in Rs. Millions

PARTICULARS	September 3 2007	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003
Income						
Contract & Other receipts	2287.29	4,112.14	2,038.74	1,641.16	834.44	552.34
Increase / (Decrease) in closing stock	20.18	58.06	(6.42)	(36.13)	(67.89)	251.91
Total	**2307.47**	**4,170.20**	**2,032.32**	**1,605.03**	**766.55**	**804.25**
Expenditure						
Project Expenses	1124.66	2,329.53	1,152.87	1,069.71	480.80	624.08
Personnel Expenses	149.72	182.56	96.99	52.43	32.43	19.74
Administrative and Selling Expenses	151.32	340.12	158.96	158.93	101.15	64.20
Interest & Financial Charges	172.53	165.63	96.57	60.68	18.93	29.34
Depreciation	48.41	100.35	58.39	41.59	11.96	7.49
Total	**1646.64**	**3,118.19**	**1,563.79**	**1,383.33**	**645.26**	**744.84**
Operating Profit Before Tax	660.83	1,052.01	468.53	221.69	121.29	59.41
Less : Provision for taxation - Current taxes	(220.00)	(347.39)	(41.07)	(34.07)	(13.03)	(18.32)
Provision for taxation - Deferred taxes	(0.15)	12.43	(6.43)	9.58	(0.52)	0.73
Fringe Benefit tax	(0.92)	(2.07)	(1.23)	-	-	-
Operating Profit after Tax but before Extra-ordinary items	**439.76**	**714.98**	**419.81**	**197.20**	**107.74**	**41.82**
Less: Dimunition in value of investments	(0.01)	(2.58)	0.02	0.02	0.01	(0.23)
Add: / (Less): Share in Profit /(loss) of associates	3.98	2.58	3.23	1.55	(0.35)	0.31
Restated consolidated Profit after tax	443.73	714.98	423.06	198.77	107.41	41.89
Balance brought forward from previous year	819.05	240.25	305.00	170.15	79.63	58.23
Profit available for Appropriation	1262.78	955.23	728.05	368.92	187.04	100.12
Appropriations						
Towards Proposed / Interim dividends	-	53.83	40.37	21.53	7.18	6.46
Towards Tax on proposed / Interim dividend	-	7.55	5.66	2.92	0.94	0.83
Profit Transferred to General Reserve	-	74.80	280.26	19.74	8.77	13.20
Profit utilised for issue of bonus shares	672.91		161.50	19.74		
Balance Transferred to Profit & Loss account	589.87	819.05	240.25	305.00	170.15	79.63
	1262.78	955.23	728.05	368.92	187.04	100.12

As per our report of even date
For Narayanan, Patil and Ramesh
Chartered Accountants

For Brigade Enterprises Limited

L. R. Narayanan
Partner

M.R.Jaishankar
Chairman & Managing Director

M.R.Shivram
(Director)

Membership No. 200/25588
Place: Bangalore
Date: November 21,2007.

A. Anil Kumar
(Company Secretary)

ANNEXURE 3

STATEMENT OF CASH FLOW, AS RESTATED AND CONSOLIDATED

Amount in Rs. Millions

Particulars	As on 30.09.2007	As on 31.03.2007	As on 31.03.2006	As on 31.03.2005	As on 31.03.2004	As on 31.03.2003
Cash flows from Operating activities						
Net Profit before taxation	660.84	1,052.01	468.55	221.69	121.29	59.41
Adjustments for:						
Depreciation	48.41	100.35	58.39	41.59	11.96	7.49
Profit on sale of Assets	(1.87)	(0.01)	(9.78)	(9.41)	(10.45)	(0.10)
Income from Investments	-	(0.65)	(0.15)	(0.11)	(2.19)	(0.26)
Dimunition in value of investments	-	-	-	-	-	-
Interest Income	(1.74)	(11.59)	(10.19)	(2.27)	(0.90)	(0.86)
Sundry Debtors Written Off	0.07	3.18	0.45	0.05	1.35	1.07
Prelimiany expenses written off	(0.05)	(0.03)	(0.62)	-	0.05	-
Deferred Revenue Expenses	(5.67)	(9.31)	-	-	-	-
Interest paid	163.50	141.23	94.19	53.83	18.75	27.89
Operating Profit before working Capital changes	863.49	1,275.17	600.85	305.39	139.85	94.64
Decrease / (Increase) in Sundry Debtors	46.78	(102.73)	24.14	(68.35)	(28.02)	0.70
Decrease / (Increase) in Inventories	(1,412.08)	(1,304.66)	(552.64)	(1,667.81)	(176.89)	223.59
Decrease / (Increase) in Loans & Advances	(103.00)	(731.93)	(253.39)	89.71	(472.93)	(51.52)
Income taxes paid	(132.83)	(194.66)	(39.19)	(13.78)	(18.31)	(11.59)
Increase / (Decrease) in Current Liabilities	251.85	515.92	745.71	1,068.18	506.10	(60.31)
Net Cash flow from (used in) Operating Activities	**(485.78)**	**(542.88)**	**525.47**	**(286.67)**	**(50.20)**	**195.52**
Cash flows from Investing Activities						
Purchase of Fixed Assets	(183.85)	(607.96)	(300.17)	(416.86)	(136.93)	(133.43)
Sale proceeds of Fixed Assets	5.50	0.25	48.37	69.43	87.19	40.37
Long term Investments	0.02	0.14	(4.37)	(0.31)	(0.08)	(0.61)
Interest received	1.74	11.59	10.19	2.27	0.90	0.86
Income from investments	-	0.65	0.15	0.11	2.19	0.26
Net Cash flow from (used in) Investing Activities	**(176.59)**	**(595.33)**	**(245.82)**	**(345.37)**	**(46.74)**	**(92.55)**
Cash flows from Financing Activities						
Change in Capital						
Interest payment	(163.50)	(141.23)	(94.19)	(53.83)	(18.75)	(27.89)
Dividend paid	-	(84.40)	(35.29)	(20.29)	(7.29)	-
Increase / (Decrease) in secured loans	564.69	1,394.72	(64.30)	784.96	172.28	(62.08)
Increase / (Decrease) in Unsecured loans	121.78	(17.93)	(3.39)	(2.91)	(8.48)	(2.16)
IPO expenses	(15.38)	-	-	-	-	-
Net Cash flow from (used in)	**507.59**	**1,151.17**	**(197.18)**	**707.93**	**137.77**	

financing activities						**(92.13)**
Net increase in cash and cash equivalents	**(154.77)**	**12.96**	**82.48**	**75.90**	**40.83**	**10.83**
Cash and Cash equivalents at the beginning of period	224.65	211.69	129.21	53.31	12.48	1.64
Cash and Cash equivalents at the end of period	**69.87**	**224.65**	**211.69**	**129.21**	**53.31**	**12.48**

<u>Notes:</u>

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Negative figures have been shown in bracket
3. Purchase of Fixed Assets is arrived at as below:

Period	Increase in Fixed Assets	Increase in Capital Work in Process	Total as per audited restated Cash flow
As on March 31, For 2004	31.94	104.99	136.93
As on March 31,2005	292.90	123.96	416.86
As on March 31,2006	99.54	200.63	300.17
As on March 31,2007	562.24	45.72	607.96
As on September 30, 2007	55.52	128.33	183.83

As per our report of even date

For Narayanan, Patil and Ramesh
Chartered Accountants

For Brigade Enterprises Limited

L. R. Narayanan
Partner

M.R.Jaishankar
Chairman & Managing Director

M.R.Shivram
(Director)

Membership No. 200/25588
Place : Bangalore
Date: November 21, 2007.

A. Anil Kumar
(Company Secretary)

ANNEXURE 4

STATEMENT OF FIXED ASSETS, AS CONSOLIDATED AND RESTATED

Rs. In Millions

Particulars	30.09.2007			31.03.2007			31.03.2006			31.03.2005			31.03.2004			31.03.2003		
	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net	Gross	Depn	Net
Land	80.04	-	80.04	66.30	-	66.30	40.30	-	40.30	32.76	-	32.76	40.40	-	40.40	40.40	-	40.40
Building	558.67	58.57	500.09	556.43	43.26	513.17	189.49	18.13	171.36	203.82	6.62	197.20	77.58	0.13	77.45	154.22	0.12	154.10
Office Equipment	133.57	57.83	75.74	122.15	54.35	67.79	80.42	31.68	48.74	59.52	17.16	42.36	33.14	9.59	23.54	25.88	6.28	19.60
Interiors, Furnitures & Fixtures	247.86	104.92	142.94	236.13	85.60	150.53	127.20	43.83	83.36	96.27	20.10	76.17	34.23	13.14	21.10	24.65	8.70	15.96
Computers	33.55	22.16	11.39	30.83	19.34	11.49	24.71	14.01	10.70	17.09	10.15	6.94	15.78	5.95	9.84	3.91	3.16	0.75
Vehicles	42.86	17.38	25.47	37.45	13.93	23.52	25.40	8.69	16.71	17.75	4.57	13.19	8.56	3.55	5.01	5.61	2.34	3.27
Total	**1,096.54**	**260.86**	**835.68**	**1,049.29**	**216.48**	**832.81**	**487.52**	**116.35**	**371.17**	**427.21**	**58.59**	**368.62**	**209.70**	**32.36**	**177.34**	**254.68**	**20.60**	**234.08**

ANNEXURE 4A

STATEMENT OF GROSS BLOCK RECONCILIATION

Rs. In Millions

Particulars	30.09.2007				31.03.2007				31.03.2006				31.03.2005				31.03.2004				31.03.2003			
	Opening balance	Additions	Deletions	Closing Balance	Opening balance	Additions	Deletions	Closing Balance	Opening balance	Additions	Deletions	Closing Balance	Opening balance	Additions	Deletions	Closing Balance	Opening balance	Additions	Deletions	Closing Balance	Opening balance	Addition	Deletions	Closing Balance
Land	66.30	17.26	3.52	80.04	40.30	26.00	-	66.30	32.76	22.26	14.72	40.30	40.40	4.41	12.05	32.76	40.40	-	-	40.40	40.40	-	-	40.40
Building	556.43	2.82		559.26	189.49	366.94	-	556.43	203.82	4.53	18.86	189.49	77.58	160.83	34.60	203.82	154.22	-	76.64	77.58	51.29	102.94	-	154.22
Office Equipment	122.15	15.56		137.71	80.42	41.95	0.21	122.15	59.52	25.43	4.53	80.42	33.14	37.87	11.49	59.52	25.88	7.33	0.08	33.14	48.90	17.25	40.27	25.88
Interiors, Furnitures & Fixtures	236.13	11.74		247.86	127.20	108.96	0.03	236.13	96.27	31.32	0.40	127.20	34.23	77.06	15.02	96.27	24.65	9.58	-	34.23	17.08	7.58	-	24.65

Computers	30.83	2.72		33.55	24.71	6.12	-	30.83	17.09	7.62	-	24.71	15.78	1.36	0.05	17.09	3.91	11.87	-	15.78	3.50	0.41	-	3.91
Vehicles	37.45	5.42		42.86	25.40	12.26	0.21	37.45	17.75	8.38	0.74	25.40	8.56	11.37	2.17	17.75	5.61	3.16	0.21	8.56	4.15	1.47	0.02	5.61
Total	**1,049.29**	**55.52**	**3.52**	**1,096.54**	**487.52**	**562.24**	**0.46**	**1,049.29**	**427.21**	**99.54**	**39.24**	**487.52**	**209.70**	**292.89**	**75.38**	**427.21**	**254.68**	**31.95**	**76.93**	**209.70**	**165.32**	**129.65**	**40.28**	**254.68**

ANNEXURE 5

STATEMENT OF SUMMARY OF INVESTMENTS, AS RESTATED, CONSOLIDATED

Rs. In Million

Particulars		As at March 31,				
	Sep 30, 2007	2007	2006	2005	2004	2003
In Immovable property	-	-	-	-	-	-
Quoted investments	0.05	0.07	0.07	0.05	0.03	0.01
Unquoted Investments:	0.05	0.05	0.15	0.16	0.16	0.16
Government securities	1.24	1.27	1.31	0.78	0.49	0.45
With related parties						
In promoter group companies	-	-	-	-	-	-
In associate companies	13.22	9.25	6.67	3.44	1.89	2.19
In capital with partnership firm		-	-	-	-	-
Total	**14.56**	**10.64**	**8.20**	**4.43**	**2.56**	**2.81**

ANNEXURE 6

STATEMENT OF INVENTORIES, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars		As at March 31,				
	Sep 30, 2007	2007	2006	2005	2004	2003
Stock at site	98.27	1.81	86.16	112.89	35.79	13.11
Land held for Development	1978.22	1,729.89	1,778.70	1,525.59	-	-
Work in Progress	3234.67	2,187.56	777.28	444.60	342.95	115.73
Stock in Trade (Stock of Flats/Shops/TDR)	87.16	66.98	39.43	45.86	82.38	155.39
Total	**5398.32**	**3,986.24**	**2,681.58**	**2,128.94**	**461.12**	**284.23**

ANNEXURE 7

STATEMENT OF SUNDRY DEBTORS, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars		As at March 31,				
	Sep 30, 2007	2007	2006	2005	2004	2003
Debts outstanding for the period exceeding 6 months						
From persons related to Directors / Promoters	28.21	27.90	40.64	53.21	-	-
From Others	82.56	1.77	32.13	31.35	7.61	1.35
Other debts						
From persons related to Directors / Promoters	-	-	-	14.44	0.18	-
From Others	19.94	147.90	4.94	-	22.89	2.66
Total	130.71	177.57	78.01	98.99	30.68	4.01

ANNEXURE 8

STATEMENT OF LOANS AND ADVANCES, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars		As at March 31,				
	Sep 30, 2007	2007	2006	2005	2004	2003
Receivable from promoter/ promoter group companies:	0.14	-	1.65	13.17	-	-
Loans to subsidiaries	-	-	-	-	-	-
Loans to body corporate	-	-	-	-	-	-
Loans to employees	0.69	0.15	0.16	1.63	0.31	0.09
Advances recoverable in cash or in kind or value to be received	1450.03	1,576.92	657.40	411.53	503.19	93.11
Other loans and advances	4.45	29.78	10.17	5.95	21.92	18.32
Deposits	64.88	50.16	136.04	126.18	71.06	52.20
Interest accrued on fixed deposits	0.35	1.09	0.50	0.30	0.02	-
Loan given to others		-	-	1.50	-	4.30
Total	**1520.54**	**1,658.11**	**805.93**	**560.27**	**596.49**	**168.03**

Note :

There has been an increase in the contract and other receipts from Rs 2,038.74mn to Rs 4,112.14mn from FY2005-06 to FY2006-07 thereby implying a 102% increase and the increases in the advances recoverable are commensurate therewith. The details of the above said amounts are as follows.

(Rs. In Millions)

Sl. No.	Particulars	FY 2005-06	FY 2006-07
1	Contract and other receipts	2038.74	4112.14
2	Property Advance	323.08	805.42
3	Advances to Contractors including mobilization advances	221.34	477.08
4	Advance Income Tax / TDS	45.50	198.42
5	Others	100.00	127.02

ANNEXURE 9

STATEMENT OF SECURED LOANS, AS RESTATED

Rs. in Million

Particulars		As at March 31,				
	Sept 30, 2007	**2007**	**2006**	**2005**	**2004**	**2003**
FROM BANKS						
Term Loans						
1. Corporation Bank	1045.44	1152.39	700.00	700.65	150.00	0.00
• Loan to be paid out of rental loan against securitization of lease rent receivables or out of own sources on or before March 31, 2008 or commencement of payment of lease rentals, whichever is earlier. • Continuing charge on the land and building provided as security for the term loan of Rs.700 million sanctioned for the entire Brigade Gateway project • Guarantee for an amount of Rs.1156.9 million by Mr. M R Jaishankar, Mr. M R Shivaram and Mr. M R Krishna Kumar • A demand promissory note for Rs.350 million has been executed by the Company • Repayment of the loan to each lender on a prorate basis, with the first repayment date being December 31, 2009 and the last repayment on March 31, 2015. • Pari passu first charge on all the fixed assets of the Company, both present and future, including equitable mortgage over land and building for Brigade Gateway-North Star. • First charge/assignment of all the operating cash flows, treasury income, revenues/receivables from Northstar and Multilevel Car Parking. • Assignment or charge of all the insurance contracts/insurance proceeds. • First charge on or assignment of the escrow account, and other reserves to be established by the Company in consultation with the lenders. • Personal guarantees of Mr.M.R.Jaishankar, Mr.M.R.Krishnakumar and Mr.M.R.Sivaram. • Repayment in 4 quarterly instalments of Rs.175 million each, starting from September 20, 2007 • Equitable mortgage of portion of property situated at Rajajinagar extension, on which Brigade Gateway Project together with the buildings proposed to be constructed thereon • Joint and several personal guarantees of Mr. M. R. Jaishankar, Mr. M. R.Shivaram and Mr.M.R.Krishnakumar						
2. Karnataka Bank	298.06	350.00	250.00	250.00	-	-
• Repayment in 4 quarterly instalments of Rs.87.5 million each, to commence from September 2007 • Equitable mortgage of portion of property situated at Rajajinagar extension, on which Brigade Gateway Project together with the buildings proposed to be constructed thereon • Personal guarantee of Mr.M.R.Jaishankar, Mr.M.R.Shivram and Mr.M.R.Krishnakumar						
3. Indian Bank	150.00	148.60	-	-	-	-
• Repayment of the loan to each lender on a prorate basis, with the first repayment date being December 31, 2009						

and the last repayment on March 31, 2015. • Pari passu first charge on all the fixed assets of the Company, both present and future, including equitable mortgage over land and building for Brigade Gateway-North Star. • First charge/assignment of all the operating cash flows, treasury income, revenues/receivables from Northstar and Multilevel Car Parking. • Assignment or charge of all the insurance contracts/insurance proceeds. • First charge on or assignment of the escrow account, and other reserves to be established by the Company in consultation with the lenders. • Personal guarantees of Mr.M.R.Jaishankar, Mr.M.R.Krishnakumar and Mr.M.R.Sivaram.						
4. State Bank of Mysore	110.95	-	-	-	-	-
• Repayment of Loan in 28 quarterly instalments starting from March, 2010. • Equitable Mortgage of the land and building of Shopping mall to be constructed at Brigade Gateway on pari-passu charge basis. • Pari-passu first charge on the current assets of the mall project and the hotel project. • Assignment of all the contracts entered into, in connection with the construction of project.						
5. State Bank of Patiala	110.93	-	-	-	-	-
• Repayment of Loan in 28 quarterly instalments starting from March, 2010. • Equitable Mortgage of the land and building of Shopping mall to be constructed at Brigade Gateway on pari-passu charge basis. • Pari-passu first charge on the current assets of the mall project and the hotel project. • Assignment of all the contracts entered into, in connection with the construction of project.						
6. State Bank of India	242.62	-	-	-	-	-
• Repayment of Loan in 28 quarterly instalments starting from March, 2010. • Equitable Mortgage of the land and building of Shopping mall to be constructed at Brigade Gateway on pari-passu charge basis. • Pari-passu first charge on the current assets of the mall project and the hotel project. • Assignment of all the contracts entered into, in connection with the construction of project.						
7. Industrial Development Bank of India	5.04	-	-	-	-	-
• Repayable in four quarterly instalments of Rs.1000 Lakhs each commencing from April 1, 2009. • First equitable mortgage of land and building at Brigade Palmspring. • First exclusive charge on the current assets of the project. • An irrevocable and unconditional guarantee(s) from Mr.M.R.Jaishankar and Mrs.Githa Shankar.						
8. Bank of Maharashtra	108.21	-	-	-	-	-
• Repayable at Rs.5 Crores per month from April 2009 to September 2009 and thereafter at Rs.6.70 crores per month from October 2009 to November 2009 & last instalment in December 2009 of Rs.6.60 crores. • Equitable Mortgage of land and building of Brigade Petunia.						

• Personal guarantee of Mr.M.R.Jaishankar and Mr.M.R.Shivram.						
9. ICICI Bank	101.20	-	-	-	-	-
• Repayable in 78 monthly instalments . • Exclusive mortgage on the Properties together with all building and structures thereon, both present and future. • Personal Guarantee of Sri.M.R.Jaishankar & Shri M.R.Shivram.						
Working capital loan						
Corporation bank - CC A/c	100.92	144.77	-	9.05	31.86	-
• Sanctioned limit is Rs.6.50 Crores • To meet the working capital requirement and cash flow mismatches of the Company • This is a running account repayable on demand subject to Annual renewal						
Rent receivable Loans						
1. Corporation Bank	0.00	0.00	17.67	57.16	104.78	73.58
• Secured by assignment of lease rentals from Brigade Chambers, Brigade Seshmahal and Hulkul Brigade Center (1st, 2nd & 3rd Floor interiors). • First charge on rent receivables.						
2. State Bank of India	86.74	104.80	36.50	50.00		
• Repayable in equal monthly instalments of Rs. 3,320,075 starting from April 2005 • Equitable mortgage of property at Kurubarakunte village belonging to the Company. • Personal guarantee of Mr.M.R.Jaishankar and Mr.M.R.Shivaram • First charge on rent receivables.						
2. From Financial Institutions						
HUDCO	-	-	-	-	-	40.00
• Equitable mortgage of land & building to be constructed thereon, at Puttenahalli (Birgade Millennium-Phase1) • Personal guarantee of Mr. M R Jaishankar and Mr. M R Shivaram						
HDFC	606.02	500.00				
• Repayment in 2 tranches, the first tranche being fully paid by the end of the 11th quarter and the second tranche being fully paid at the end of the 16th quarter. • Mortgage of property being the Company's share in the project land, amounting to 610,000 sq.ft., and built up space thereon. • Personal guarantee of Mr. M. R. Jaishankar. • Any other similar security acceptable to HDFC Bank.						
3. Vehicle Loans						
ICICI Bank Limited	0.59	1.46	3.14	4.74		0.78
• Repayment in equated monthly instalments of Rs.149,850 over a period of 3 years, between January 7, 2005 and December 7, 2007 • The vehicle, has been provided as security for the loan						
Total (I to xi)	**2,966.72**	**2,402.03**	**1,007.31**	**1,071.60**	**286.64**	**114.36**

ANNEXURE 10

STATEMENT OF UNSECURED LOANS, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As at March 31,					
	Sep 30, 2007	**2007**	**2006**	**2005**	**2004**	**2003**
Loans from:						
Directors – (with interest, repayable on demand)	2.50	-	0.50	1.12	2.12	8.56
Group Companies	87.69	-	-	-	-	-
Shareholders (other than directors)	31.59	-	17.43	19.98	21.88	23.92
Other corporate bodies	-	-	-	-	-	-
Total	**121.78**	**-**	**17.93**	**21.10**	**24.01**	**32.48**

ANNEXURE 11

STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As at March 31,					
	Sep 30, 2007	**2007**	**2006**	**2005**	**2004**	**2003**
A : CURRENT LIABILITIES						
Creditors for Goods and Services:						
1) Total outstanding dues of small scale industrial undertaking	-	-	-	-	-	-
2) Total outstanding dues of creditors other than small scale industrial undertaking	-					
Creditors for Contractors and suppliers	860.76	828.26	446.94	145.20	80.07	47.20
Creditors for Expenses	131.65	28.44	62.53	57.14	18.17	15.39
Advances from Customers	2,205.00	2,115.72	2,174.59	1,560.13	666.32	228.21
Other Liabilities	32.45	202.28	5.22	198.57	73.48	83.31
Interest accrued but not due on loans		-	7.13	0.23	2.98	5.53
Total Current Liabilities	**3229.86**	**3,174.71**	**2,696.42**	**1,961.28**	**841.03**	**379.65**
B. PROVISIONS						
Provisions for retirement benefit to the employees	9.79	7.65	2.69	1.54	1.25	0.78
Dividend Payable	-	-	20.19	10.77	7.18	6.46
Tax on distributed profits (dividend tax)	-	-	2.83	1.51	0.94	0.83
Provision for taxation	389.56	348.22	40.72	33.99	12.56	18.06
Provision for fringe benefit tax / net of advance tax	0.54	0.39	0.17	-	-	-
Net Provision for tax	390.10	348.61	40.89	33.99	12.56	18.06
Total Provisions	**399.89**	**356.26**	**66.59**	**47.80**	**21.93**	**26.13**

ANNEXURE 12

STATEMENT OF SHARE CAPITAL, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As at March 31,					
	Sep 30, 2007	2007	2006	2005	2004	2003
Authorised:						
Equity Share of Rs. 10/- each	1500.00	300.00	300.00	200.00	200.00	50.00
Issued, Subscribed and Paid up						
Equity Share of Rs. 10/- each fully paid up	942.07	269.16	269.16	107.66	35.89	35.89

ANNEXURE 13

STATEMENT OF RESERVES AND SURPLUS, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As at March 31,					
	Sep 30, 2007	2007	2006	2005	2004	2003
Share Premium – A						
Balance as per last Balance Sheet	0	-	-	3.26	3.26	3.26
Less: Utilised for issue of fully paid bonus shares	0	-	-	(3.26)	-	-
Total- A	**-**	**-**	**-**	**-**	**3.26**	**3.26**
General Reserve – B						
Balance as per last Balance Sheet	374.87	300.08	19.74	48.78	40.01	40.01
Add: Transfer from Profit and Loss Account	-	74.80	280.26	19.74	8.77	-
Less : Utilised for issue of fully paid bonus shares	-	-	-	(48.78)	-	-
Total- B	**374.87**	**374.88**	**300.00**	**19.74**	**48.78**	**40.01**
Profit and Loss Account – C	589.86	819.05	240.25	305.00	170.15	79.63
Capital Reserve / (Good will) on Consolidation – D	0	-	(2.51)	-	0.00	0.00
Total (A+B+C+D)	**964.73**	**1,193.92**	**537.74**	**324.73**	**222.19**	**122.90**

ANNEXURE 14

STATEMENT OF TURNOVER, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As at March 31,					
	Sep 30, 2007	2007	2006	2005	2004	2003
1. Contract Receipts						
a. Residential Projects	2089.30	3,616.36	1,609.38	1,289.29	641.66	280.80
b. Commercial Projects	48.11	165.34	224.98	242.44	125.86	203.14
2. Rental Income	73.46	120.99	114.55	71.76	37.09	43.84

3. Miscellaneous Receipts	12.50	108.38	23.25	12.45	17.82	23.36
4. Hospitality Income	60.31	88.83	47.35	12.68	-	-
5. Other Income	3.61	12.24	19.23	12.55	12.00	1.22
Total	**2287.29**	**4,112.14**	**2,038.74**	**1,641.16**	**834.44**	**552.34**

ANNEXURE 15

STATEMENT OF OTHER INCOME, AS RESTATED AND CONSOLIDATED

Rs. in Millions

Particulars		For the year ended March 31,				
	Sep 30, 2007	2007	2006	2005	2004	2003
Other Income	-	-	-	-	-	-
Total	-	-	-	-	-	-

ANNEXURE 16

STATEMENT OF LAND AND CONSTRUCTION EXPENSES, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars		For the year ended March 31,				
	Sep 30, 2007	2007	2006	2005	2004	2003
Purchases:						
Land purchases	583.29	715.71	48.41	38.16	72.88	-
TDR purchases		-	-	-	-	-
Tenancy right purchases	-	-	-	-	-	-
Civil materials	611.05	813.98	343.41	454.45	241.79	70.46
Total - (A)	**1194.34**	**1,529.69**	**391.82**	**492.61**	**314.66**	**70.46**
Operating and Other Expenses:						
Civil contract work	864.76	1,781.95	775.23	694.17	365.13	120.37
Other expenses	336.76	493.59	537.93	330.61	147.33	65.76
Total - (B)	**1201.52**	**2,275.54**	**1,313.16**	**1,024.78**	**512.45**	**186.13**
Net changes in Work-in-progress and stock - **(C)**	**(1271.20)**	**(1,475.70)**	**(552.11)**	**(447.67)**	**(346.32)**	**367.48**
Total construction expenses (A) + (B) + (C)	**1124.66**	**2,329.53**	**1,152.87**	**1,069.71**	**480.80**	**624.08**

ANNEXURE 17

STATEMENT OF ADMINISTRATIVE AND SELLING EXPENSES, AS RESTATED AND CONSOLIDATED

Rs. In Million

Particulars	As on Sep 30, 2007	For the Year ended 31st March				
		2007	2006	2005	2004	2003
Advertisement & Sales Promotion	52.37	114.74	54.71	32.38	28.17	24.98
Agency Commission	19.15	34.43	7.56	16.42	7.80	1.92

Bad debts	0.07	3.18	0.45	0.05	1.35	1.07
Communication Expenses	3.90	8.94	5.42	3.43	2.50	1.63
Directors Sitting fee	0.23	0.42	0.43	0.37	0.22	0.11
Discount	2.68	24.96	7.32	5.55	6.17	1.65
Donation	5.38	1.57	3.14	1.55	0.05	0.10
Miscellaneous Expenses	5.38	31.86	6.77	2.25	2.27	2.25
Insurance	5.05	6.63	0.88	2.58	1.62	0.23
Legal, Professional & consultancy charges	5.03	8.01	5.20	4.27	4.49	2.47
Power / Fuel Charges	2.60	10.85	4.79	3.08	1.48	0.96
Printing & Stationery	2.11	4.26	3.37	1.90	1.38	1.15
Rates and taxes	8.73	13.32	9.55	54.57	34.17	20.04
Rent Paid	20.77	41.94	29.32	14.91	4.53	2.35
Repairs and Maintenance	4.93	8.86	5.05	3.35	1.28	1.51
Foreign exchange fluctuation	0.01	0.37	(0.00)	-	-	-
Security Charges	3.35	7.99	3.47	1.79	1.22	0.75
Travelling & Conveyance	9.15	17.13	11.32	10.47	2.41	1.01
Amortisation of Deferred Revenue Expenditure	0.43	0.65	0.21	-	-	-
Preliminary Expenses written off	0	0.02	0.01	-	0.05	-
Total	**151.32**	**340.12**	**158.96**	**158.93**	**101.15**	**64.20**

ANNEXURE 18
STATEMENT OF FINANCE CHARGES, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As on Sep 30, 2007	For the year ended 31st March, 2007	2006	2005	2004	2003
Bank Charges	9.03	24.40	2.38	6.85	0.17	1.45
Interest paid to banks and financial institutions	157.07	138.66	91.74	51.06	15.22	22.51
Interest paid on unsecured loans	6.43	2.56	2.45	2.77	3.53	5.38
Total	**172.53**	**165.63**	**96.57**	**60.68**	**18.93**	**29.34**

ANNEXURE 19
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	Sep 30, 2007	For the year ended March 31, 2007	2006	2005	2004	2003
Towards counter guarantee to bank for issuing bank guarantee	15.63	11.67	0.09	-	0.37	0.18
Claims against the company from Government departments not acknowledged as debts	13.07	29.59	1.55	-	-	-
Capital commitments not provided in the books	2778.35	2,904.37				
Total	**2807.05**	**2,945.63**	**1.64**	**-**	**0.37**	**0.18**

ANNEXURE 20
STATEMENT OF DIVIDEND PAID, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As on Sep 30, 2007	For the year ended 31st March, 2007	2006	2005	2004	2003
No. of Equity Shares	94,206,735	26,916,210	26,916,210	10,766,484	3,588,828	3,588,828
Face Value per Share	10.00	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	-	20.00%	7.50%	10.00%	20.00%	18.00%
Dividend declared (Both interim and final)	-	53.83	40.37	21.53	7.18	6.46
Tax on Dividend	-	7.55	5.66	2.92	0.94	0.83
Total Dividend	**-**	**61.38**	**46.04**	**24.45**	**8.12**	**7.29**

ANNEXURE 21

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED AND CONSOLIDATED

Rs. in Million

PARTICULARS	As on Sep 30, 2007	For the year ended March 31,				
		2007	2006	2005	2004	2003
Earnings per share						
Net Profit after Tax (As Adjusted)	443.73	714.98	423.06	198.77	107.41	41.89
No. of equity shares	94,206,735	26,916,210	26,916,210	10,766,484	3,588,828	3,588,828
Restated Weighted Average Number of Equity Shares	94,206,735	94,206,735	94,206,735	94,206,735	94,206,735	94,206,735
Net EPS Basic / diluted (Rs.)	4.71	7.59	4.49	2.11	1.14	0.44
Net Assets Value (NAV)						
Net Assets	1875.71	1,453.09	806.25	432.40	258.08	158.74
No. of equity shares	94,206,735	26,916,210	26,916,210	10,766,484	3,588,828	3,588,828
Restated Weighted Average Number of Equity Shares	94,206,735	94,206,735	94,206,735	94,206,735	94,206,735	94,206,735
N A V per share (Rs.)	19.91	15.42	8.56	4.59	2.74	1.69
Return on Net Worth						
Net Profit after Tax (As Adjusted)	443.73	714.98	423.06	198.77	107.41	41.89
Net Worth	1875.71	1,453.09	806.25	432.40	258.08	158.74
Return on Net Worth (%)	23.66%	49.20%	52.47%	45.97%	41.62%	26.39%

Notes:

a) These ratios have been computed as follows

Earnings Per Share (Rs.)	Net Profit after Tax, as Restated attributable to equity shareholders
	Weighted average number of equity shares outstanding during the year
Net Annual Value per Share (Rs.)	Net worth, as Restated at the end of the year or period Weighted average number of equity shares outstanding during the year

b) Net profit or loss, as restated, as appearing in the statements of profit and losses, as restated of the respective years, has been considered for the purpose of computing the above ratios

c) Earnings Per Share has been computed in accordance with Accountings Standard - 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In accordance with paragraph 24 of AS-20, in case of bonus issue and a share split, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous periods have been considered accordingly.

d) Net worth represents Equity Share capital and Reserves & Surplus less Miscellaneous Expenditure not written off or adjusted

ANNEXURE 22

STATEMENT OF CAPITALISATION, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	Pre-issue as at Sep 30, 2007	Adjusted for Present Issue
Borrowings		
Short Term Debts	928.85	
Long Term Debts (a)	2037.86	
Total Debts	**2,966.71**	
Shareholders funds		
Share Capital	942.07	
Reserves and Surplus	933.64	
Total Shareholders funds	**1875.71**	
Long Term Debt / Equity Ratio (b)	**1.09**	

Note:

a) Short Term debts or debts maturing within the next one year from the date of above statement and interest accrued and due on these and other overdraft loans

b) Total Long Term Debt / Total Shareholders funds

ANNEXURE 23

STATEMENT OF TAX SHELTER, AS RESTATED AND CONSOLIDATED

Rs. in Million

Particulars	As on Sep 30, 2007	For the Year ended 31st March				
		2007	2006	2005	2004	2003
Profit before tax (See Notes below) (A)	660.83	1,052.01	468.53	221.69	121.29	59.41
Tax thereon – Rate	33.99	33.66	33.66	36.59	35.88	36.75
Tax at the above Rate (B)	224.62	354.11	157.71	81.12	43.52	21.83
Adjustments:						
Permanent Differences:						
Dividend Received	-	(0.65)	(0.15)	(0.11)	(0.06)	-
Donations after 80G Deduction	2.85	0.79	2.15	1.05	0.02	0.10
Net effect of 80IB	(45.95)	(113.09)	(329.63)	(154.44)	(61.28)	(8.22)
Others	(1.01)	(2.03)	(2.54)	(8.89)	(4.23)	(4.67)
Total Permanent Difference (C)	(44.12)	(114.98)	(330.17)	(162.39)	(65.46)	(12.79)
Timing Differences:						
Difference on account of Depreciation	2.59	20.04	16.76	(3.93)	(0.99)	1.08
Profits or Losses on sale of Fixed	(1.79)	(0.00)	(8.88)	(0.21)	0.01	(0.10)

Assets						
Provision for gratuity and leave encashment	2.57	4.97	2.70	0.41	0.95	0.17
Others	(5.40)	(8.42)	(32.09)	31.94	(20.01)	0.08
Total Timing Differences (D)	(2.04)	16.59	(21.52)	28.21	(20.03)	1.23
Net Adjustment (E) = (D+C)	(46.16)	(98.38)	(351.69)	(134.18)	(85.59)	(11.56)
Tax Expenses / (Saving) thereon (F)	(15.69)	(33.12)	(118.38)	(49.10)	(30.71)	(4.25)
Taxable Income / Loss (G) = (A+E)	614.67	953.62	116.84	87.51	35.71	47.85
Interest U/s 234A, 234B & 234C	4.37	17.76	0.39	0.29	-	0.57
Net tax paid as per Return	**217.09**	**329.69**	**39.72**	**31.30**	**12.63**	**17.59**

Notes:

a) The Information pertaining to the year ended 31st March, 2003 to 31st March, 2007 are as per the Returns of Income filed by the Company. The effects of assessment/appellate orders have not been considered.

b) Information pertaining to the period ended September 30, 2007 is as per draft computation prepared by the Management of the Company, as return of Income is not yet due for filing.

ANNEXURE 24

DETAILS OF RELATED PARTY TRANSACTIONS

Amt in Millions

Particulars	Name of the related party	Nature of Relationship	Sep 30, 2007	As on March 31, 2007	2006	2005	2004	2003
Director Remuneration	M. R. Jaishankar	Managing Director (KMP)	37.13	56.23	24.67	11.56	5.32	3.13
	Githa Shankar	Executive Director	37.13					
Sale of materials / finished goods/ services	Tandem	Associated Company	-	-	-	-	-	-
	M. R. Jaishankar	Managing Director (KMP)	2.10	3.31	-	22.49	-	-
	Gita Shankar	Relative of KMP	2.59	1.30				
	Pavitra Shankar	Relative of KMP	3.47	4.89				
	Nirupa Shankar	Relative of KMP	3.47	2.44				
	Brigade Foundation	Relative of KMP has interest	0.24	-	-	53.50		
Purchase of goods and Contractual Services	AEC	Associated Company	7.39	4.61	3.08	2.08	1.02	0.32
	Tandem	Associated Company	13.59	17.00	7.59	3.63	1.46	1.87
	M. R. Jaishankar	Managing Director (KMP)	0.82	1.02	-	-	-	-
	Gita Shankar	Relative of KMP	0.43	0.27	-	-	-	-
	Pavitra Shankar	Relative of KMP	0.84	0.27	-	-	-	-
	Nirupa Shankar	Relative of KMP	0.84	0.27	-	-	-	-
	Latha Shivram	Relative of	46.71	-	-	-	-	-

		KMP						
	Mysore Holdings	Firm wherein KMP has substantial interest	-	-	0.16	-	-	-
	Brigade Foundation	Relative of KMP has interest	-	0.19	0.74	-	-	-
Outstanding receivables/ (payables), as at the end of the year	AEC	Associated Company	(1.61)	(0.50)	0.38	(0.27)	(0.04)	0.09
	Tandem	Associated Company	(0.96)	(0.32)	(1.33)	(1.25)	(0.37)	(0.34)
	M. R. Jaishankar	Managing Director (KMP)	0.10	(0.59)	1.65	13.17	(5.10)	(4.52)
	Gita Shankar	Relative of KMP	0.03	(2.51)	(0.47)	-	-	-
	Pavitra Shankar	Relative of KMP	0.01	(4.76)	(0.60)	-	-	-
	Nirupa Shankar	Relative of KMP	0.01	(2.13)	(0.60)	-	-	-
	Shivraj Harsha	Relative of KMP	0.11	-	-	-	-	-
	M S Amar	Relative of KMP	0.01	-	-	-	-	-
	M R Shivram	Relative of KMP	0.08	-	-	-	-	-
	Mysore Holdings	Firm wherein KMP has substantial interest	5.91	0.24	-			
	Brigade Foundation	Relative of KMP has interest	28.20	27.89	39.24	51.24		

Annexure 25

Schedule for Notes to Accounts for the restated Consolidated Financials for the years March 31 2003 to September 30, 2007

I. Background:

Brigade Enterprises Limited (referred to as "BEL" or "the Company") was incorporated in 1995. The Company is carrying on the business of real estate development. BEL has following subsidiaries and associates as on September 30, 2007:

- Brigade Hospitality Services Private Limited (referred to as "BHSPL"), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of running and managing clubs, service apartments, and convention centres.

- Brigade Estates and Projects Private Limited (referred to as "Brigade Estates"), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of real estate development.
- Tetrarch Holdings Private Limited (referred to as "Tetrarch"), a company incorporated in India, is a 100% subsidiary of the Company and is carrying on the business of real estate development.
- Tandem Allied Services Private Limited (referred to as "Tandem"), a company incorporated in India, is an associate company wherein 37% of its shares are held by the Company and is carrying on the business of Realty, Property Management Services and related financial services
- AEC Infotech Private Limited (referred to as "AEC"), a company incorporated in India, is an associate company wherein 24.74% of its share are held by the Company and is carrying on the business of Software and Project Engineering Products and Services.
- Brigade Constructions Private Limited (referred to as "BCPL") a company incorporated in India, was a 100% subsidiary of the Company and is carrying on the business of real estate development. This company was merged into BEPL with effect from 1st April 2004, in terms of Scheme of Amalgamation approved by Hon'ble High Court of Karnataka.

The Company together with its subsidiaries and associates are hereinafter referred to as "Brigade Group".

II. Principles of Consolidation:

The Consolidated Restated Financial Statements of the Group have been prepared in accordance with Accounting Standard (AS 21) on "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI) and "Guidelines on Contents of Offer Documents" issued by the Securities and Exchange Board of India (SEBI).

Consolidated financial statements normally include Consolidated Balance Sheet, Consolidated statement of Profit and Loss, and Notes, other statements and explanatory material that form an integral part thereof. "Consolidated cash flow statement" is presented in case a parent presents its own cash flow statement. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for its separate financial statements.

The consolidated financial statements include the financial statements of the Company and all its subsidiaries which are more than 50 per cent owned or controlled as at September 30, 2007. Investments in entities that were not more than 50 per cent owned or controlled as at September 30, 2007 have been accounted for in accordance with the provisions of Accounting Standard 13 "Accounting for Investments", or Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the ICAI, as applicable.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entities consolidated. Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate.

Minority interest, if any, represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

III. Significant Accounting Policies:

1. **Basis of Accounting:**

The Financial statements are prepared under the historical cost convention, on accrual basis, in accordance with generally accepted accounting principles and applicable provisions of the Companies Act, 1956, and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 issued by Securities and Exchange Board of India.

2. **Use of Estimates:**

Preparation of financial statements in conformity with Generally Accepted Accounting Principles requires company management to make estimates and assumptions that affect reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as of the date of Financials and reported amounts of income & expenses during the period. Examples of such estimate include profits expected to be earned on projects carried on by the company, contract costs expected to be incurred to completion of project, provision for doubtful debts, income taxes, etc. Actual results could differ from these estimates. Differences, if any, between the actual results and estimates are recognized in the period in which the results are known or materialized.

3. **Revenue Recognition :**

- Income from operations is determined and recognized, based on the percentage of completion method, as the aggregate of the profits earned on the projects completed/under completion and the value of construction work done during the period.
  Profit so recognized in respect of individual projects is adjusted to ensure that it does not exceed the estimated overall profit margin. Loss on projects, if any, is fully provided for.
  Stage of completion of projects in progress is determined on the basis of the proportion of the contract costs incurred, in respect of individual projects for work performed up to the period of the financial statements, bear to the estimated total project cost. Income recognized as contract revenue during the period is based on the lower of stage of completion as determined above and percentage of actual amount received on sale (pursuant to agreements entered into by the company) of the estimated contract value of these projects. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level, which is estimated to be at least 25%.
  The estimates for sale value and contract costs are reviewed by management periodically and the cumulative effect of the changes in these estimates, if any, are recognised in the period in which these changes may be reliably measured.
- Interest income is recognised on time basis and is determined by the amount outstanding and rate applicable.
- Dividend income is recognised as and when right to receive payment is established.
- Rental income / lease rentals are recognised on accrual basis in accordance with the terms of agreement.
- Differential income arising on account of any charges collected including Deposits and the related expenses incurred are recognized in the year of handing over of the flats to the customers.
- BHSPL earns its revenue from letting out leased apartments and rooms to its clients
  Income from room rent is recognized when the guest checks out the apartment or room on a completed contract basis. Revenue in respect of club facilities is recognized on the utilization of facilities and the amount accrued thereon.
  Membership fees received from members of club are apportioned on the tenure of the membership. In case of life memberships the membership fees is amortised over the period as estimated by the company.

4. **Expenditure :**

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

5. **Fixed Assets:**

Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation.

6. **Depreciation:**

Depreciation in respect of fixed assets, is provided adopting Written Down Value Method at the rates provided under Schedule XIV to the Companies Act, 1956, except,

- On assets held for the purpose of sale, no depreciation is charged.
- On assets leased out depreciation is charged on Straight Line Method over the period of the lease or five years whichever is lower.

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

7. **Foreign Currency Translation:**

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

8. **Valuation of Inventories & construction Work-in-progress :**

c) Valuation of Inventories, representing stock of materials at project site, has been done after providing for obsolescence, if any, at lower of cost or net realizable value.

d) The value of construction work-in- progress during the period is determined as follows:

- The aggregate of opening stock, opening work in progress, cost of construction and construction overheads incurred during the year as reduced by cost of completed contract transferred to income and closing stock of materials, if any.
- The value of completed projects intended for immediate sale is considered as an inventory and value of completed projects/units intended to be retained/leased is considered as fixed asset.
- Land held for development is valued at cost.

9. **Retirement benefits:**

Retirement benefits are provided for / paid to the approved funds maintained on behalf of the Company, as per Statutes / amounts advised by the funds. Liability in respect of leave encashment is provided for on actual basis.

Gratuity cost is accrued based on Actuarial Valuations at the balance sheet date, carried out by an independent actuary. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). Actuarial gains or losses are charged to Profit and Loss Account.

10. **Investments**

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

11. **Impairment of assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard-28 “Impairment of Assets” issued by the Institute of Chartered Accountants of India, where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

12. Earnings per Share:

Basic earning per share is computed by dividing net income by the weighted average number of common stock outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e., the average market value of the outstanding shares). Diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

13. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating; financing and investing activities of the company are segregated.

14. Provision for Taxation:

Deferred tax is recognized, subject to the consideration of prudence, in respect of deferred tax assets or liabilities, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period, and are reversible in one or more subsequent periods.

15. **Borrowing costs**

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

IV. Notes On Accounts (forming an integral part of accounts)

1. Notes on adjustments for restated consolidated financial statements:

d) Adjustments relating to prior period taxes:

The 'Restated Consolidated Profit and Loss account' has been adjusted for respective years in respect of short/excess provision for income tax ,if any, as compared to the tax payable as per the income tax assessments / returns filed by the Company for the respective years.

e) Adjustments relating to prior period expenses/income:
The Company had recorded during the relevant years the prior period expenses/income, which pertained to earlier years. The effects of these prior period expenses, if any, have been adjusted in the respective period of origination in the 'Restated Consolidated Profit and Loss statement'.

f) Other material reclassifications:

- In the audited financial statements for the years ended 31 March 2006 and 2005, certain lands purchased by the Company for future development were classified under Fixed Assets. In the Restated balance sheet of the Group, these balances have been reclassified and shown separately under the head "Land held for development" as part of Inventories in the 'Restated Consolidated Balance Sheet'.
- In the audited financial statements for the years ended 31 March 2006, 2005, 2004, and 2003, costs incurred by the Company towards projects capitalized were classified as work-in-progress in the inventory schedule. Considering that these expenses are capitalized, the expenses incurred in the relevant years have been reclassified and shown as Capital Work-in-progress as part of Fixed Assets in the 'Restated Consolidated Balance Sheet'.
- In the audited financial statements for the years ended 31 March 2006, 2005, 2004, and 2003, the closing work-in-progress was shown as a separate line item below revenues in

the Profit and Loss Account. These amounts have been reclassified and shown as a reduction in Project expenses in the 'Restated Profit and Loss Account'.

2. Share Capital:

Issued, Subscribed and Paid up Capital of 9,42,06,735 Equity shares includes:

- 5,00,000 Equity Shares of Rs.10/- each fully paid-up, issued as Bonus Shares in 1996; 71,77,656 Equity Shares of Rs.10/- each fully paid-up, issued as Bonus Shares during 2004-05; 1,61,49,726 Equity shares of Rs.10/- each fully paid-up, issued as Bonus shares during 2005-06 and 6,72, 90, 525 Equity shares of Rs.10/- each fully paid-up, issued as Bonus shares during 2007-08
- 16,22,628 Equity Shares allotted as fully paid up on Amalgamation of the erstwhile Brigade Developers Private Limited with the Company in the year 2001-02.
- 68,400 Equity Shares allotted as fully paid up on Amalgamation of the erstwhile Brigade Investments Private Limited with the Company in the year 2001-02.

3. Related Party Disclosure :

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

A. Relationships:

Associated Companies	3. AEC Infotech Private Limited 4. Tandem Property Management Services Pvt. Ltd.
Other related parties where common control exists	• Mysore Holdings 2. Brigade Foundation
Whole time Directors / Key Managerial Personnel	1. Mr. M. R. Jaishankar Chairman and Managing Director 2. Mrs. Githa Shankar Executive Director
Relatives of Key Managerial Personnel	1. Pavithra Shankar 2. Nirupa Shankar 3. Latha Shivram 4. M. S. Amar 5. M. R. Shivram 6. M. K. Shivraj Harsha

B. Transactions:

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

(Rs. in Millions)

Transactions with associated companies

	As on Sep 30,	**As on March 31,**				
	2007	**2007**	**2006**	**2005**	**2004**	**2003**
Sale of material / finished goods/ services	Nil	Nil	Nil	Nil	Nil	Nil
Purchase of material / finished goods / services / Other expenses	20.98	39.26	25.51	5.71	2.48	2.19
Outstanding receivables/ (payables), as at the end of the period	(2.57)	(0.65)	(0.95)	(3.80)	(0.42)	(0.26)
Investments during the year	Nil	Nil	Nil	Nil	Nil	Nil

Transactions with other entities where common control exists

	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	0.24	Nil	Nil	53.50	Nil	Nil
Purchase of material / finished goods / services / Other expenses	Nil	0.19	0.90	Nil	Nil	Nil
Outstanding receivables/ (payables), as at the end of the period	34.11	28.13	39.24	51.24	Nil	Nil

Transactions with Key Management Personnel

	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	4.69	3.31	Nil	22.49	Nil	Nil
Purchase of material / finished goods / services / Other expenses	1.25	1.02	Nil	Nil	Nil	Nil
Outstanding receivables/ (payables), as at the end of the period	0.13	(0.59)	1.65	13.17	(5.10)	(45.15)
Salary paid during the period	74.26	56.23	24.67	11.56	5.32	3.13

Transactions with relatives of key management personnel

	As on Sep 30,	As on March 31,				
	2007	2007	2006	2005	2004	2003
Sale of material / finished goods/ services	6.94	8.63	Nil	Nil	Nil	Nil
Purchase of material / finished goods / services / Other expenses	48.39	0.80	Nil	Nil	Nil	Nil
Outstanding receivables/ (payables), as at the end of the period	0.22	(9.40)	(1.67)	Nil	Nil	Nil

4. **Warranty Costs:**

The company has not recognized warranty cost relating to sale of unit/property, since such costs, if any, are covered by a corresponding warranty from the company's contractors /vendors. This cost, if any, is recognized as and when incurred by the company.

For **Narayanan, Patil And Ramesh**
Chartered Accountants

For **Brigade Enterprises Private Limited**

L R Narayanan
Partner

M R Jaishankar
Managing Director

M R Shivram
Director

Place : Bangalore
Date : November 21, 2007.

A Anil Kumar
Company Secretary

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based upon, and should be read in conjunction with, our restated consolidated financial statements for the six months ended September 30, 2007 and the fiscal years 2007, 2006, 2005 and 2004, including the schedules, annexures and notes thereto and the reports thereon, beginning on page 134. These financial statements are based on our audited consolidated financial statements and are restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Guidelines. Our audited consolidated financial statements are prepared in accordance with Indian GAAP. Indian GAAP differs in certain material respects with IFRS and U.S. GAAP. See "Risk Factors – Risks Related to India – Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar." Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see "Forward-Looking Statements" and "Risk Factors" beginning on page VIII and page X.

Overview

We are a real estate development company based in Bangalore, primarily focused on the development of residential, commercial and hospitality properties in South India. Our residential properties include integrated lifestyle enclaves and apartment buildings targeted towards middle income and high income customers. Our integrated lifestyle enclaves are conceptualised as self-contained, gated communities, which generally include a combination of apartment complexes, commercial and retail space, recreational clubs, parks, schools, convention centres and car parking and which historically have ranged from 1.62 million sq. ft to 7.23 million sq. ft. of Developable Area. Our commercial properties include commercial office space, software and IT parks, schools, hospitals and retail malls with entertainment facilities, such as multiplexes. Our properties in the hospitality sector include serviced residences, hotels, resorts, spas, recreational clubs and convention centres in Bangalore and other parts of South India.

Since our inception in 1990, we have concentrated our business within the Bangalore region and other nearby areas such as Mysore. We have an in-house, fully integrated property development team consisting of 210 engineers and architects who oversee the development of properties from inception to completion. Our dedicated marketing and sales teams comprising of 46 individuals, regularly interacts with our customers to enable an educated, user-friendly purchasing or leasing experience.

We were originally formed as a partnership firm by Mr. M. R. Jaishankar, and his wife Ms. Githa Shankar, our Promoters, in 1990. We were converted into a private limited company in 1995, and recently converted into a public limited company. Our Promoters have over 20 years of experience in the real estate industry. For further details on our Promoters, see the section 'Our Promoters' on page 123.

Some of our completed landmark properties include Brigade Millennium, an integrated lifestyle enclave, consisting of Saleable Area and Developable Area of approximately 1.83 million sq. ft. We are currently developing 16 properties, including Brigade Gateway and Brigade Metropolis, which are integrated lifestyle enclaves and that comprise of a combined Saleable Area of approximately 10.83 million sq. ft. and a combined Developable Area of approximately 11.89 million sq. ft.

We are also involved in the hospitality business with 'Brigade Homestead', our serviced residences with, as of November 23, 2007, 89 operational Keys ("Keys" is an industry term referring to a room or a serviced residence) and our Woodrose Club with 26 operational Keys. We have approximately 223 Keys under development in serviced residences across two locations in Bangalore. We are also developing three hotels with approximately 700 Keys and three resorts with approximately 196 Keys in South India. We intend to operate these serviced residences, hotels and resorts ourselves and through arrangements with international hotel operators, such as Starwood, InterContinental, Banyan Tree and Accor.

Some of our developed commercial properties in the main business areas of Bangalore include 'Brigade Software Park', 'Brigade South Parade' and 'Brigade Techpark'. We developed these properties with an emphasis towards providing modern and high quality facilities for our domestic and multinational clients. Some of our prominent clients who occupy these premises include Cisco Systems India Private Limited, Digi Captions India Private Limited, Mahindra Engineering Design & Development Company Limited, Mindtree Consulting Limited, Spice Communications Limited, Tata Coffee Limited and TTK Prestige Limited.

As of November 23, 2007, we have completed a total of 67 properties, comprising of 41 residential properties, 21 commercial properties and five hospitality properties, aggregating to approximately 5.67 million sq. ft. of Saleable Area and approximately 6.74 million sq. ft. of Developable Area. As of November 23, 2007, we are developing two integrated lifestyle enclaves, 12 residential properties and two hospitality properties, aggregating to approximately 12.53 million sq. ft. of Saleable Area and approximately 13.84 million sq. ft. of Developable Area (our "Ongoing Properties"). As of November 23, 2007, our forthcoming properties (properties that are in planning stage, where approvals are in the process of being obtained but construction has not yet begun) include four integrated lifestyle enclaves, 16 residential properties, nine commercial properties and five hospitality properties, aggregating to approximately 23.14 million sq. ft. of Saleable Area and approximately 30.32 million sq. ft. of Developable Area (our "Forthcoming Properties").

Our Land Reserves may be broadly classified into lands for Ongoing Properties and lands for Forthcoming Properties. 'Developable Area' refers to the total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as 'super built-up' area and has historically ranged from 28% to 175% of the carpet area of the property**.** 'Saleable Area' refers to the part of the Developable Area relating to our economic interest in such property.

As of November 23, 2007, our Land Reserves were:

	Land Area		**Developable Area***		**Saleable Area***	
City	*In million sq. ft.**	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*
Bangalore	9.94	56.54	33.41	75.66	26.30	73.73
Mysore	3.28	18.66	6.96	15.76	6.07	17.02
Mangalore	1.31	7.45	3.04	6.88	2.78	7.79
Chennai	0.06	0.34	0.29	0.66	0.14	0.39
Hyderabad	0.06	0.34	0.16	0.36	0.08	0.22
Chickmagalur	2.14	12.17	0.20	0.45	0.20	0.56
Kottayam (in Kerala)	0.79	4.50	0.10	0.23	0.10	0.29
Total	**17.58**	**100.00**	**44.16**	**100.00**	**35.67**	**100.00**

** Area here refers to only to the share of our Company.*

For more information on our Land Reserves, see "Our Business-Our Land Reserves" on page 64. Our Land Reserves aggregate to approximately 44.16 million sq. ft. of Developable Area, of which approximately 11.21 million sq. ft. of Developable Area is owned by us directly and approximately 2.99 million sq. ft. of Developable Area is owned by us through our nominees. Our Land Reserves also include (a) land taken on lease by us for which we hold the sole development rights, which aggregates to approximately 4.83 million sq. ft. of Developable Area; (b) land in relation to which we have executed memoranda of understanding or agreements to acquire, which aggregates to approximately 16.38 million sq. ft of Developable Area; and (c) land for which we have joint development rights, which aggregates to approximately 8.75 million sq. ft. of Developable Area.

Basis of Preparation

In accordance with Accounting Standard AS 21 – Consolidated Financial Statements ("AS – 21"), our restated consolidated financial statements for the fiscal year 2007, consolidate the financial results of our wholly-owned subsidiaries, Brigade Hospitality Services Private Limited ("Brigade Hospitality"), Brigade Estates and Projects Private Limited ("Brigade Estates") and Tetrarch Holdings Private Limited ("Tetrarch

Holdings"). Our restated consolidated financial statements for the fiscal year 2006, consolidate the financial results of then our wholly-owned subsidiaries, Brigade Hospitality and Tetrarch Holdings. Our restated consolidated financial statements for the fiscal year 2005, consolidate the financial results of then our wholly-owned subsidiary, Brigade Hospitality. Our restated consolidated financial statements for the fiscal year 2004, consolidate the financial results of then our wholly-owned subsidiary, Brigade Constructions Private Limited, which merged with and into our Company as of April 1, 2004. In addition, we currently hold 37.00% of equity interest of Tandem Allied Services Private Limited ("Tandem Allied"), and 25.06% of equity interest of AEC Infotech Private Limited ("AEC Infotech"), each of which are provided in our restated consolidated financial statements as investments in accordance with AS – 23. While our subsidiary, Brigade Hospitality provides services such as managing recreational clubs, serviced residences and convention centres in our developments, Tandem Allied provides real estate management services and related financial services, and AEC Infotech provides software development and product engineering services. Our subsidiaries, Brigade Estates and Tetrarch Holdings do not conduct any business. Our financial results are prepared and presented in one business segment, real estate development.

Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

General Economic Condition and the Condition and Performance of the Real Estate Market of India

The economic condition of India, particularly in and around Bangalore and Mysore, has a direct impact on our income as most of our operations are located in these cities. We believe that the success of our developments is dependant on the general economic conditions in India. Growth in the GDP and per capita income of Indians generally results in increased demand for real estate developments and as such, an increase in our income. The real estate development industry has shown an increase in demand in the past few years in all types of developments, including housing, IT parks, hotels, serviced residences, resorts and shopping malls. Rising disposable incomes in the middle and higher income groups have resulted in an increase in demand for improved residential housing, as well as higher quality retail space. The growth in the Indian economy, and specifically the success of the Indian IT and other industries, has also led to increased demand for high quality space. In short, developments in the real estate sector are driven by:

- demand for more housing in cities and towns due to the growing urbanisation of Indian populace, an expanding middle class, increased disposable income, trend towards nuclear families and the easy availability of housing finance and tax incentives;
- demand for office premises from the growing IT, ITES and other industries;
- demand for shopping malls and entertainment venues;
- demand for serviced residences, hotels and resorts due to increasing business travel and tourism and mobility of workforce;
- demand for the development of special economic zones driven by government incentives; and
- the development of infrastructure, including roads, airports and intra-city connectivity.

Supply of Land and its Cost of Acquisition

Our operations are dependent on the availability of land at appropriate locations for our developments as well as the cost of acquisition of land and, in case of joint developments, the terms of sharing of revenues . Our growth is directly linked to the availability of land in areas where we can develop properties that are marketable. Any government regulations, policies or other developments that restrict the acquisition of land or increase competition for land may therefore affect our operations. Land used in a specific project is assigned to such project and included in the cost of construction and development of such project. Such costs of land, together with costs of construction and development, are capitalized for projects where we retain ownership of the property and expensed for projects which we sell. Cost of land for the properties we sold was 30.72%, 4.20%, 3.57% and 15.16% of our total project expenses in the fiscal years 2007, 2006, 2005 and 2004, respectively.

The cost of acquisition of freehold or leasehold land and the effective cost of development rights in case of joint developments are significant factors for real estate developers, including us. Our practice has been to either acquire the land we intend to develop or enter into joint developments instead of acquiring the freehold or leasehold interest in the land. The practice of entering into joint developments significantly reduces the costs of acquiring such land and, as such, also reduces our total project financing costs, though requires us to share revenues generated from such joint developments with the land owners. In such developments, we obtain the right to construct and develop the property from the owner of such land in exchange for the land-owner either sharing a pre-determined portion of developed property or revenues generated from such development. For such joint developments, we generally incur all of the construction and development costs.

Costs of Construction

The cost of construction primarily comprise of cost of steel, cement, flooring products, hardware, doors and windows, bathroom fixtures and other interior fittings, wood and other materials as well as labour. In most instances, we undertake the procurement of these construction materials ourselves and look to sub-contractors only for labour. We generally procure construction materials from high quality and reliable suppliers and in wholesale amounts or prices to effectively manage our construction costs, time schedules and quality. However, for certain developments, we sub-contract the construction as well as the procurement of materials to sub-contractors, and such costs are accounted for under construction expenses. Our costs of construction, provided as project expenses in our restated consolidated financial statements are the most significant portion of our total expenditure. Our project expenses comprised 55.86%, 56.73%, 66.65% and 62.72% of our total income in the fiscal years 2007, 2006, 2005 and 2004, respectively.

Our project expenses for our completed developments, Brigade Gardenia and Brigade Millennium were Rs. 914.00 per square foot and Rs. 1,144.00 per square foot, respectively. Currently, a substantial majority of our aggregate Developable Area is subcontracted from three sub-contractors, B.E. Billimoria & Company Limited, Simplex Infrastructures (India) Limited and Ahluwalia Contracts India Limited. As such, we are dependent upon such sub-contractors for our developments, and a material portion of our requirements of cement and steel are satisfied by a limited group of cement and steel producers, who vary from year to year.

Government Regulations and Policies, Including Taxes and Duties

Government regulations, policies and incentives for real estate development directly affect our results of operations. For example, the provisions of Section 80-IB of the Income Tax Act provide for exemption on payment of income tax on residential properties approved before March 31, 2007, provided that the area of each dwelling unit is not more than 1,000 square feet in metropolitan cities of New Delhi and Mumbai and 1,500 square feet in rest of India, including Bangalore and Mysore. Certain of our developments are customized, where feasible, to take benefit of such provisions. The total amount of benefit derived on profits exempt under Section 80-IB of the Income Tax Act was Rs. 113.09 million, Rs. 329.63 million, Rs. 154.44 million and Rs. 61.28 million in the fiscal years 2007, 2006, 2005 and 2004, respectively, which amounted to 10.75%, 70.35%, 69.66% and 50.52% of our profit before tax, respectively.

In addition, a factor contributing to the growth of residential property is income tax benefits on housing loans. Currently, income tax deduction is available on the interest component of up to Rs. 0.15 million on housing loans for self-occupied property and a rebate of Rs. 0.10 million is available on the repayment of principal.

Availability and Cost of Financing

Availability and cost of financing is a material cost for us as we require significant capital to acquire land and develop properties. Our total outstanding indebtedness, on a consolidated basis, was Rs. 2,402.03 million, Rs. 1,025.23 million, Rs. 1,092.70 million and Rs. 310.65 million as of March 31, 2007, 2006, 2005 and 2004, respectively, and our total interest and financial charges were Rs. 165.63 million, Rs. 96.57 million, Rs. 60.68 million and Rs. 18.93 million for the fiscal years 2007, 2006, 2005 and 2004, respectively.

Residential properties, which include integrated lifestyle enclaves and apartment buildings, accounted for Rs. 3,616.36 million, Rs. 1,609.38 million, Rs. 1,289.28 million and Rs. 641.66 million of our total income in the fiscal years 2007, 2006, 2005 and 2004, respectively, which was 86.72%, 79.19%, 80.33% and 83.71% of our total income for such periods. One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. Interest rates have substantially declined in the last decade. As a result, the amount of housing loans disbursed in India has been increasing consistently. However, the rates of interest for housing and other loans have increased in India over the past three fiscal years.

Focus on Integrated Lifestyle Enclaves

Our residential properties projects include the development of integrated lifestyle enclaves and apartment buildings targeted towards the middle income and high income demographic groups. Our integrated lifestyle enclaves are conceptualized as self contained, gated communities, which generally include apartment complexes, commercial and retail space, recreational clubs, parks, schools, convention centres and car parking. We focus on the development of such enclaves, and have completed the development of Brigade Gardenia and Brigade Millennium and are developing Brigade Gateway and Brigade Metropolis. See "Our Business – Our Residential Properties – Integrated Lifestyle Enclaves". These developments, as a result of their substantial size, generate significant revenues for us. In future, we intend to continue to focus on such integrated lifestyle enclaves.

Diversification into Hospitality

We intend to focus on developing and owning properties in the hospitality sector including serviced residences, hotels and resorts. We have gained experience by developing and managing approximately 115 serviced residences under the brand Brigade Homestead as of November 23, 2007. In addition, we currently are developing five hospitality properties, including three hotels and two resorts. We have entered into agreements or letters of intent with Starwood, InterContinental, Accor and Banyan Tree for the supervision, operation and management of some of the hospitality properties to be developed by us. Subsequent to the completion of these projects, we believe we would, directly or indirectly, own or manage over 1,500 Keys. These properties, we believe, will give us a diversified offering base and increase our total income.

Critical Accounting Policies

Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards prescribed by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act. Certain critical accounting policies that our relevant to our business and operations are described below.

Revenue Recognition

Income from operations is determined and recognized, based on the percentage of completion method, as the aggregate of the profits earned on the projects completed or under completion and the value of construction work done during the period.

Profit so recognized in respect of individual projects is adjusted to ensure that it does not exceed the estimated overall profit margin. Loss on projects, if any, is fully provided for.

Stage of completion of projects in progress is determined on the basis of the proportion of the contract costs incurred, in respect of individual projects for work performed up to the period of the financial statements, bear to the estimated total project cost. Income recognized as contract revenue during the period is based on the lower of stage of completion as determined above and percentage of actual amount received on sale (pursuant to agreements entered into by us) of the estimated contract value of these projects. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level, which is estimated to be at least 25%.

The estimates for sale value and contract costs are reviewed by management periodically and the cumulative effect of the changes in these estimates, if any, are recognised in the period in which these changes may be reliably measured.

Interest income is recognised on time basis and is determined by the amount outstanding and rate applicable.

Dividend income is recognised as and when right to receive payment is established.

Rental income / lease rentals are recognised on accrual basis in accordance with the terms of agreement.

Differential income arising on account of any charges collected including deposits and the related expenses incurred are recognized in the year of handing over of the flats to the customers.

Brigade Hospitality earns its revenue from leasing apartments and rooms to its clients**.** Income from room rent is recognized when the guest checks out the apartment or room on a completed contract basis. Revenue in respect of club facilities is recognized on the utilization of facilities and the amount accrued thereon. Membership fees received from members of club are apportioned on the tenure of the membership. In case of life memberships the membership fees is amortised over the period as estimated by such company.

Depreciation:

Depreciation is provided at the rates calculated using the written-down value method and in accordance with the rates specified under Schedule XIV of the Companies Act, except

- no depreciation is charged on assets held for the purpose of sale;
- depreciation is charged on the straight line method over the period of the lease or five years, whichever is lower, on leased assets; and
- individual assets with a purchase price of less than Rs. 5,000 are fully depreciated in the year of purchase.
- Depreciation is charged on a pro rata basis for assets purchased or sold during a year.

Results of Operations

The following table sets forth select financial data from our restated profit and loss statement for the fiscal years 2007, 2006, 2005 and 2004, the components of which are also expressed as a percentage of total income for such periods.

	Six months ended September 30, 2007		**Fiscal Year 2007**		**Fiscal Year 2006**		**Fiscal Year 2005**		**Fiscal Year 2004**	
	(Rs. in Millions)	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**
Income:										
Contract & Other Receipts	2,287.29	99.13	4,112.14	98.61	2,038.74	100.32	1,641.16	102.25	834.44	108.86
Increase/Decrease in Closing Stock	20.18	0.87	58.06	1.39	(6.42)	(0.32)	(36.13)	(2.25)	(67.89)	(8.86)
Total Income	2,307.47	100.00	**4,170.20**	**100.00**	**2,032.32**	**100.00**	**1,605.03**	**100.00**	**766.55**	**100.00**
Expenditure:										
Project Expenses	1,124.66	48.74	2,329.53	55.86	1,152.87	56.73	1,069.71	66.65	480.80	62.72
Personnel Expenses	149.72	6.49	182.56	4.38	96.99	4.77	52.43	3.27	32.43	4.23
Administrative and Selling Expenses	151.32	6.55	340.12	8.16	158.96	7.82	158.93	9.90	101.15	13.20
Interest & Financial Charges	172.53	7.48	165.63	3.97	96.57	4.75	60.68	3.78	18.93	2.47
Depreciation	48.41	2.10	100.35	2.41	58.39	2.87	41.59	2.59	11.96	1.56
Total Expenditure	1,646.64	71.36	**3,118.19**	**74.77**	**1,563.79**	**76.95**	**1,383.33**	**86.19**	**645.26**	**84.18**
Profit Before Tax	660.83	28.64	1,052.01	25.23	468.53	23.05	221.69	13.81	121.29	15.82
Taxation:										
Current Tax Liability	(220.00)	9.53	347.39	8.33	41.07	2.02	34.07	2.12	13.03	1.70
Deferred Tax Liability/(Asset)	(0.15)	(0.01)	(12.43)	(0.30)	6.43	0.32	(9.58)	(0.60)	0.52	0.07
Fringe Benefit Tax	(0.92)	(0.04)	2.07	0.05	1.23	0.06	-	-	-	-
Extraordinary Items	3.97	0.17	0.00	0.00	3.25	0.16	1.57	0.10	(0.33)	(0.04)

	Six months ended September 30, 2007		Fiscal Year 2007		Fiscal Year 2006		Fiscal Year 2005		Fiscal Year 2004	
Profit After Tax	443.73	19.23	714.98	17.14	423.06	20.82	198.77	12.38	107.41	14.01

Income. We are in the business of development of residential and commercial properties. Our operating income comprises of income from the development and sale of residential and commercial properties. Some of our recently developed and wholly or partially sold residential properties include Komarla Brigade Residency, Brigade Gardenia, Brigade Millennium and Brigade Regency, and commercial properties include Brigade TechPark, Brigade Software Park and Brigade Court. We also generate income from leasing of commercial properties such as Brigade Software Park, Brigade South Parade and Brigade TechPark, daily rentals from the MLR Convention Centre, and from the operations of service residences complexes such as Brigade Homestead, and recreational clubs such as The Woodrose Club and The Augusta Club, in Bangalore. Our other income also includes income generated from dividends received on investments made, income from bank deposits and investments and other miscellaneous income. Increase/decrease in closing stock reflects our fully developed and completed properties which are not yet sold.

Our total income was Rs. 4,170.20 million for the fiscal year 2007 as compared to Rs. 2,032.32 million for the fiscal year 2006 and Rs. 1,605.03 million for the fiscal year 2005, representing fiscal year over fiscal year increases of 105.19%, 26.62% and 109.38%, respectively. The increase in our total income for the fiscal year 2006 was comparatively less than the increases in fiscal years 2007 and 2005 due to the timing of development and completion of 12 properties in fiscal year 2007 and six properties in fiscal year 2005 and our percentage of completion method revenue recognition policy. We attribute the growth in our total income during the fiscal years 2007, 2006 and 2006 to primarily the growth of our real estate development business.

The table below provides our income and percentage of total income from real estate development and leasing and hospitality business for the periods indicated:

	For The Fiscal Year							
	2007		2006		2005		2004	
Activity	**(Rs. in Millions)**	**(% of Total Income)**	**(Rs. in Millions)**	**(% of Total Income)**	**(Rs. in Millions)**	**(% of Total Income)**	**(Rs. in Millions)**	**% of Total Income)**
Real Estate Development Business	3,781.70	90.68	1,834.36	90.26	1,531.72	95.43	767.52	100.13
Leasing and Hospitality Business.........	209.82	5.03	161.90	7.97	84.44	5.26	41.73	5.44
Total(1)	3,991.52	95.71	1,996.26	98.23	1,616.16	100.69	809.25	105.57

(1) Does not include certain income such as dividend income, income from investments, interest income, miscellaneous income and profit from sale of certain properties and assets.

All our completed developments are located in Bangalore and Mysore. However, as we recognize revenue on a percentage of completion basis, we have earned limited income in the fiscal year 2007 from properties under development in cities other than Bangalore and Mysore. The table below provides our contract & other receipts, hospitality income and income from rent receipts and percentage of total income from our business in the cities of Bangalore and Mysore and outside these cities for the periods indicated:

	For The Fiscal Year							
	2007		2006		2005		2004	
	(Rs. in Millions)	**(% of Total Income)**	**(Rs. in Millions)**	**(% of Total Income)**	**(Rs. in Millions)**	**(% of Total Income)**	**(Rs. in Millions)**	**(% of Total Income**
Bangalore	3,855.17	92.45	1,925.79	94.76	1,588.17	98.95	792.40	103.37
Mysore...........	136.35	3.27	70.47	3.47	27.99	1.74	16.85	2.20
Total(1)	3,991.52	95.71	1,996.26	98.23	1,616.16	100.69	809.25	105.57

(1) Does not include certain income such as dividend income, income from investments, interest income, miscellaneous income and profit from sale of certain properties and assets.

The table below provides our contract & other receipts, hospitality income and income from rent receipts and percentage of total income for our real estate development business based on type of development for the periods indicated.

	For The Fiscal Year							
	2007		2006		2005		2004	
Development Type	(Rs. in Millions)	(% of Total Income)	(Rs. in Millions)	(% of Total Income)	(Rs. in Millions)	(% of Total Income)	(Rs. in Millions)	(% of Total Income)
Residential	3,616.36	86.72	1,609.38	79.19	1,289.28	80.33	641.66	83.71
Commercial (other than IT Parks)...............	15.16	0.36	9.99	0.49	116.16	7.24	96.71	12.62
IT Parks	150.17	3.60	214.99	10.58	126.28	7.87	29.15	3.80
Hospitality.......	120.99	2.90	114.55	5.64	71.76	4.47	37.09	4.84
Retail	88.83	2.13	47.35	2.33	12.68	0.79	4.64	0.61
Total(1)	3,991.52	95.71	1,996.26	98.23	1,616.16	100.69	809.25	105.57

(1) Does not include certain income such as dividend income, income from investments, interest income, miscellaneous income and profit from sale of certain properties and assets.

We account for income from sale of constructed properties using the percentage of completion method. Under this method, revenue recognized with respect to a project, is equal to the lower of (a) the percentage of completion of the project and (b) actual amount received on booking or sale of the property as a percentage of total estimated project sales. The percentage of completion of a project is determined on the basis of portion of the actual cost of the project incurred thereon, including cost of land, as against the total estimated cost of the project under execution. If, however, (i) collections from sale or bookings is less than 25% of the total estimated project sales and (ii) the actual project cost incurred is less than 25% of the total estimated project cost, no income or cost is recognized in respect of that project in the relevant period. Estimates of project income as well as project costs are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined. Profits so recognized in respect of individual projects are adjusted to ensure that they do not exceed the estimated overall profit margin. Losses, if any, are fully provided for.

We typically enter into contracts with our customers while the project is still under development. Customers wishing to buy a property in a development are required to make an initial payment at the time of booking and pay the remaining purchase price either in full or in instalments over the period between the date of booking and the date on which the property is to be transferred. Accordingly, amounts received from booking or sale of properties and project cost incurred, determine revenue recognition under the percentage of completion method.

We estimate the total cost of a project, based on similar considerations, prior to its commencement. Our project planning and execution teams have extensive experience of prior projects, which enables them to estimate and monitor project costs. Our project execution teams re-evaluate project costs periodically, particularly when in their opinion there have been significant changes in market conditions, cost of labour and materials and other contingencies. Material re-evaluations will affect our income in the relevant fiscal periods.

Expenditure. Our total expenditure consists of expenses incurred from development of properties, employees' remuneration and welfare expenses, administrative and selling expenses, interests and finance costs and depreciation. Our total expenditure as a percentage of our total income was 74.77%, 76.95%, 86.19% and 84.18% for the fiscal years 2007, 2006, 2005 and 2004, respectively. Expenses allocable to a specific development are provided under project expenses for such development. All incurred expenses which are not specific to a particular project are accounted for separately as personnel expenses, administrative and selling expenses, interest and financial charges or depreciation as general overhead costs.

Project Expenses. Our project expenses consists of costs of our building and finishing materials, such as steel, cement, flooring products, hardware, doors and windows, bathroom fixtures and other interior fittings and wood, costs of acquisition or development rights of land, construction expenses including subcontractor costs and expenses, electrical work and power costs, architects' and consultants' fees, rates and taxes allocable to projects and other miscellaneous construction expenses. These expenses are our most significant expenses and accounted for 55.86%, 56.73%, 66.65% and 62.72% of our total income for the fiscal years 2007, 2006, 2005 and 2004, respectively. Our total expenditure as a percentage of total income for the fiscal year 2006 was comparatively less than such percentage for fiscal years 2007 and 2005, due to the timing of development and completion of four properties in the fiscal year 2006 and the timing of completion and sale of six developments in the fiscal year 2005 and 12 developments in the fiscal year 2007. Costs of acquisition or development rights of land and of steel and cement have increased during the past three fiscal years. However, historically, in our real estate development business, we have been able to price our properties to maintain our margins. We expect our project expenses to continue to be a major portion of our expenditure.

Personnel Expenses. Personnel expenses consist of salaries and wages paid to our officers and employees, training and recruitment expenses, contributions to provident and other funds for the benefit of our officers and employees and other welfare expenses. Personnel expenses also includes compensation paid to our managing director. Annual compensation paid to our managing director includes commission, which is equal to a percentage of our profit before tax determined by our board of directors based upon his performance. Personnel expenses does not include the costs of labour, architects or consultants which are allocable to specific developments and are provided for under project expenses. Personnel expenses accounted for 4.38%, 4.77%, 3.27% and 4.23% of our total income for the fiscal years 2007, 2006, 2005 and 2004.

Administrative and Selling Expenses. Our administrative and selling expenses consist of advertisement and sales promotion expenses, property rental payments, agency commissions, discounts, travelling and conveyance expenses, rates and taxes, power and fuel charges, communication expenses, repairs and maintenance expenses, legal, professional and consultancy fees, security charges, insurance premiums, printing and stationery expenses, bad debts written-off, donations, directors sitting fees, foreign exchange fluctuation costs, amortization of deferred revenue expenditure, preliminary expenses written off and other miscellaneous expenses. Administrative and selling expenses accounted for 8.16%, 7.82%, 9.90% and 13.20% of our total income for the fiscal years 2007, 2006, 2005 and 2004.

Interest and Financial Charges. Interest and financial charges consist of interest paid on term loans and other loans obtained from banks, other financial institutions and other lenders, as well as the related processing charges. Interest and financial charges accounted for 3.97%, 4.75%, 3.78% and 2.47% of our total income for the fiscal years 2007, 2006, 2005 and 2004, respectively. See "– Financial Condition, Liquidity and Capital Resources – Indebtedness" for a summary of our outstanding indebtedness.

Depreciation. Depreciation is provided at the rates calculated using the written-down value method and in accordance with the rates specified under Schedule XIV of the Companies Act, except

- no depreciation is charged on assets held for the purpose of sale;
- depreciation is charged on the straight line method over the period of the lease or five years, whichever is lower, on leased assets; and
- individual assets with a purchase price of less than Rs. 5,000 are fully depreciated in the year of purchase.

Depreciation is charged on a pro rata basis for assets purchased or sold during a year. The following table provides the depreciation rates for our tangible assets as of March 31, 2007:

Assets	**Annual Depreciation Rate**
Plants and Machinery	13.91% - 25.00%
Buildings	4.00% - 7.14%
Office Equipment	13.91%
Electrical Installations	20.00% - 33.33%
Motor Vehicles	25.89%
Interiors, Furniture and Fixtures...........................	18.10% - 33.33%
Computers	40.00%

Taxation. We provide for both current taxes, comprising of income tax, wealth tax and fringe benefit tax, and deferred taxes. Tax on income for the current period is determined on the basis of estimated taxable income and tax credit, if any, and computed in accordance with the provisions of applicable law. Deferred tax arises mainly due to the timing differences between accounting income and the estimated taxable income for the period and is quantified using the tax rates and laws enacted or substantially enacted as on the relevant balance sheet date. Our deferred tax liability is recognized net of deferred tax assets, if any.

Tax rates applicable to us for the fiscal year 2007 are as follows:

Corporate Income Tax on Normal Income	30.00%
Surcharge on Corporate Income Tax	10.00%
Education Cess Corporate Income Tax and Surcharge	2.00%
Effective Tax Rate	33.66%

For a summary of tax benefits available to us, see "Statement of Tax Benefits" on page 42.

The Six Month Period Ending September 30, 2007

Income. Our total income was Rs. 2,307.47 million for the six months ending September 30, 2007. This primarily comprised our contract & other receipts.

Contract & Other Receipts. Our contract & other receipts was Rs. 2,287.29 million for the six months ending September 30, 2007, particularly from revenue recognized as a result of collections and development of residential properties in Brigade Gateway and Brigade Metropolis.

Total Expenditure. Our total expenditure was Rs. 1,646.64 million for the six months ending September 30, 2007.

Project Expenses. Our project expenses were Rs. 1,124.66 million for the six months ending September 30, 2007.

Personnel Expenses. Our personnel expenses were 149.72 million for the six months ending September 30, 2007.

Administrative and Selling Expenses. Our administrative and selling expenses were 151.32 million for the six months ending September 30, 2007, primarily due to advertisement and sales promotion expenses, rental expenses and agency commissions.
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Interest and Financial Charges. Our interest and financial charges were 172.53 million for the six months ending September 30, 2007 primarily due to interest paid to banks and financial institutions.

Depreciation. Our depreciation charge was 48.41 million for the six months ending September 30, 2007.

Taxation. Our provision for taxes was an asset of Rs. 221.07million for the six months ending September 30, 2007.

Restated Profit After Tax. Our restated profit after tax was Rs. 443.73 million for the six months ending September 30, 2007.

Fiscal Year 2007 Compared to Fiscal Year 2006

Our results of operations for the fiscal year 2007 were particularly affected by the following factors:

- the overall growth of our real estate development business, particularly the revenue recognized as a result of the collections and development of residential properties in Brigade Gateway and Brigade Metropolis; and
- the overall growth of our business resulting in corresponding increases in our various expenses.

Income. Our total income increased by 105.19% to Rs. 4,170.20 million for the fiscal year 2007 from Rs. 2,032.32 million for the fiscal year 2006, primarily due to an increase in our contract & other receipts.

Contract & Other Receipts. Our contract & other receipts increased by 106.16% to Rs. 3,781.70 million for the fiscal year 2007 from Rs. 1,834.36 million for the fiscal year 2006, primarily due to the overall growth of our real estate development business and, particularly from revenue recognized as a result of collections and development of residential properties in Brigade Gateway and Brigade Metropolis, which amounted to

Rs. 2,031.23 million and Rs. 595.80 million, respectively. We recognized revenue under percentage of completion method from 23 properties, the average completion of which was 25%, in the fiscal year 2007, as compared to 16 properties, the average completion of which was 43%, in the fiscal year 2006.

Total Expenditure. Our total expenditure increased by 99.40% to Rs. 3,118.19 million for the fiscal year 2007 from Rs. 1,563.78 million for the fiscal year 2006, primarily as a result of an increase in project expenses as a result of the overall growth of our development activities, particularly for our developments, Brigade Gateway and Brigade Metropolis.

Project Expenses. Our project expenses increased by 102.06% to Rs. 2,329.53 million for the fiscal year 2007 from Rs. 1,152.87 million for the fiscal year 2006, primarily due to the overall growth of our development activities resulting in an increase in construction expenses of Rs. 1,006.72 million, costs of steel of Rs. 521.56 million as well as use of land of Rs. 667.30 million, partially offset by a decrease in certain other project expenses.

Personnel Expenses. Our personnel expenses increased by 88.23% to Rs. 182.56 million for the fiscal year 2007 from Rs. 96.99 million for the fiscal year 2006, primarily due to an increase in the number of employees from 225 as of March 31, 2006, to 274 as of March 31, 2007, and a substantial increase in the salaries, bonuses and ex-gratia paid to our officers and employees as well as an increase in compensation paid to our managing director. The annual compensation paid to our managing director was equal to 5.0% of our profit before tax for the fiscal years 2007 and 2006.

Administrative and Selling Expenses. Our administrative and selling expenses increased by 113.96% to Rs. 340.12 million for the fiscal year 2007 from Rs. 158.96 million for the fiscal year 2006, primarily due to an increase in advertisement & sales promotion expenses of Rs. 60.03 million, agency commissions of Rs. 26.87 million, discounts of Rs. 17.64 million and miscellaneous expenses of Rs. 25.09 million.

Interest and Financial Charges. Our interest and financial charges increased by 71.51% to Rs. 165.63 million for the fiscal year 2007 from Rs. 96.57 million for the fiscal year 2006, due to an increase in the interest payment on borrowings from banks, financial institutions and other lenders of Rs. 47.04 million as a result of increased average total outstanding indebtedness as well as related charges of Rs. 22.02 million.

Depreciation. Our depreciation charge increased by 71.85% to Rs. 100.35 million for the fiscal year 2007 from Rs. 58.39 million for the fiscal year 2006. The increase was due to addition of Rs. 562.24 million of completed properties, such as Brigade Homestead, the MLR Convention Centre, The Woodrose Club and the Augusta Club.

Taxation. Our provision for taxes increased by 591.70% to Rs. 337.03 million for the fiscal year 2007 from Rs. 48.73 million for the fiscal year 2006. The primary component of this increase was an increase in our current tax liability to Rs. 347.39 million in the fiscal year 2007 from Rs. 41.07 million in the fiscal year 2006 corresponding with the increase in our profit before tax and as our development Brigade Gardenia developed and sold in the fiscal year 2006 had tax benefits under Section 80-IB of the Income Tax Act. Our effective tax rate for the fiscal year 2007 was 33.02% as compared to our effective tax rate of 8.76% for the fiscal year 2006.

Restated Profit After Tax. Our restated profit after tax increased by 69.00% to Rs. 714.98 million for the fiscal year 2007 from Rs. 423.06 million for the fiscal year 2006.

Fiscal Year 2006 Compared to Fiscal Year 2005

Our results of operations for the fiscal year 2006 were particularly affected by the following factors:

- the overall growth of our real estate development business, particularly the revenue recognized as a result of collections and development of residential properties in Brigade Gardenia and Brigade Millennium; and
- the overall growth of our business resulting in corresponding increases in certain expenses.

Income. Our total income increased by 26.62% to Rs. 2,032.32 million for the fiscal year 2006 from Rs. 1,605.03 million for the fiscal year 2005, primarily due to increases in our contract & other receipts and other income.

Contract & Other Receipts. Our contract & other receipts increased by 19.76% to Rs. 1,834.36 million for the fiscal year 2006 from Rs. 1,531.72 million for the fiscal year 2005, primarily due to the overall growth of our real estate development business and, particularly from revenue recognized as a result of collections and development of residential properties in Brigade Gardenia and Brigade Millennium, which amounted to Rs. 958.77 million and Rs. 431.88 million, respectively. We recognized revenue under percentage of completion method from 16 properties, the average completion of which was 43%, in the fiscal year 2006, as compared to 22 properties, the average completion of which was 32%, in the fiscal year 2005.

Total Expenditure. Our total expenditure increased by 13.04% to Rs. 1,563.78 million for the fiscal year 2006 from Rs. 1,383.33 million for the fiscal year 2005, primarily as a result of an increase in project expenses as a result of the overall growth of our development activities, particularly for our developments, Brigade Gardenia and Brigade Millennium.

Project Expenses. Our project expenses increased by 7.77% to Rs. 1,152.87 million for the fiscal year 2006 from Rs. 1,069.71 million for the fiscal year 2005, primarily due to the overall growth of our development activities resulting in an increase in electrical work and power charges of Rs. 90.52 million, construction expenses of Rs. 81.06 million, architects' and consultants' fees of Rs. 46.94 million partially offset by a decrease in cost of steel of Rs. 109.79 million.

Personnel Expenses. Our personnel expenses increased by 84.99% to Rs. 96.99 million for the fiscal year 2006 from Rs. 52.43 million for the fiscal year 2005, primarily due to an increase in the number of employees from 167 as of March 31, 2005, to 225 as of March 31, 2006, and an increase in the salaries, bonuses and ex-gratia paid to our officers and employees as well as an increase in compensation paid to our managing director.

Administrative and Selling Expenses. Our administrative and selling expenses increased marginally to Rs. 158.96 million for the fiscal year 2006 from Rs. 158.93 million for the fiscal year 2005, primarily due to an increase in advertisement & sales promotion expenses of Rs. 22.33 million and rental expenses of Rs. 14.41 million, offset by a decrease in rates and taxes of Rs. 45.02 million.

Interest and Financial Charges. Our interest and financial charges increased by 59.16% to Rs. 96.57 million for the fiscal year 2006 from Rs. 60.68 million for the fiscal year 2005, due to an increase in the interest payment on borrowings from banks, financial institutions and other lenders of Rs. 40.36 million as a result of increased average total outstanding indebtedness partially offset by a decrease in related charges of Rs. 4.47 million.

Depreciation. Our depreciation charge increased by 40.41% to Rs. 58.39 million for the fiscal year 2006 from Rs. 41.59 million for the fiscal year 2005. The increase was due to addition of Rs. 99.54 million of completed properties such as Brigade South Parade.

Taxation. Our provision for taxes increased by 98.92% to Rs. 48.73 million for the fiscal year 2006 from Rs. 24.49 million for the fiscal year 2005. The components of this increase were increases in our current tax liability to Rs. 41.07 million in the fiscal year 2006 from Rs. 34.07 million in the fiscal year 2005 and our deferred tax liability to Rs. 6.43 million in the fiscal year 2006 from a deferred tax asset of Rs. 9.58 million in the fiscal year 2005, corresponding with the increase in our profit before tax. Our effective tax rate for the fiscal year 2006 was 8.76% as compared to our effective tax rate of 15.37% for the fiscal year 2005. Our development Brigade Gardenia had tax benefits under Section 80-IB of the Income Tax Act which affected our taxable income from such project.

Profit After Tax. Our profit after tax increased by 112.84% to Rs. 423.06 million for the fiscal year 2006 from Rs. 198.77 million for the fiscal year 2005.

Fiscal Year 2005 Compared to Fiscal Year 2004

Our results of operations for the fiscal year 2005 was particularly affected by the overall growth of our real estate development business, particularly the revenue recognized as a result of collections and development of residential properties in Brigade Gardenia and Brigade Millennium.

Income. Our total income increased by 109.38% to Rs. 1,605.03 million for the fiscal year 2005 from Rs. 766.55 million for the fiscal year 2004, primarily due to an increase in our contract & other receipts.

Contract & Other Receipts. Our contract & other receipts increased by 99.57% to Rs. 1,531.72 million for the fiscal year 2005 from Rs. 767.52 million for the fiscal year 2004, primarily due to the overall growth of our real estate development business and, particularly from revenue recognized as a result of collections and development of residential properties in Brigade Gardenia and Brigade Millennium, which amounted to Rs. 488.32 million and Rs. 586.18 million, respectively. We recognized revenue under percentage of completion method from 22 properties, the average completion of which was 32%, in the fiscal year 2005, as compared to 14 properties, the average completion of which was 34%, in the fiscal year 2004.

Total Expenditure. Our total expenditure increased by 114.38% to Rs. 1,383.33 million for the fiscal year 2005 from Rs. 645.26 million for the fiscal year 2004, primarily as a result of an increase in project expenses as a result of the overall growth of our development activities, particularly for our development, Brigade Gardenia.

Project Expenses. Our project expenses increased by 122.49% to Rs. 1,069.71 million for the fiscal year 2005 from Rs. 480.80 million for the fiscal year 2004, primarily due to the overall growth of our development activities resulting in an increase in construction expenses of Rs. 329.04 million and costs of steel and cement of Rs. 98.64 million and Rs. 49.32 million, respectively.

Personnel Expenses. Our personnel expenses increased by 61.69% to Rs. 52.43 million for the fiscal year 2005 from Rs. 32.43 million for the fiscal year 2004, primarily due to an increase in the number of employees from 135 as of March 31, 2004, to 167 as of March 31, 2005, and an increase in the salaries, bonuses and ex-gratia paid to our officers and employees as well as an increase in compensation paid to our managing director.

Administrative and Selling Expenses. Our administrative and selling expenses increased by 57.11% to Rs. 158.93 million for the fiscal year 2005 from Rs. 101.15 million for the fiscal year 2004, primarily due to an increase in rates and taxes of Rs. 20.40 million, travelling and conveyance expenses of Rs. 8.06 million and agency commissions of Rs. 8.62 million.

Interest and Financial Charges. Our interest and financial charges increased by 220.61% to Rs. 60.68 million for the fiscal year 2005 from Rs. 18.93 million for the fiscal year 2004, due to an increase in the interest payment on borrowings from banks, financial institutions and other lenders of Rs. 35.08 million as a result of increased average total outstanding indebtedness as well as related charges of Rs. 6.68 million.

Depreciation. Our depreciation charge increased by 247.83% to Rs. 41.59 million for the fiscal year 2005 from Rs. 11.96 million for the fiscal year 2004. The increase was due to addition of Rs. 292.89 million of completed properties such as Brigade Court and Hulkul Brigade Centre.

Taxation. Our provision for taxes increased by 80.74% to Rs. 24.49 million for the fiscal year 2005 from Rs. 13.55 million for the fiscal year 2004. The component of this increase was an increase in our current tax liability to Rs. 34.07 million in the fiscal year 2005 from Rs. 13.03 million in the fiscal year 2004, partially offset by the increased in our deferred tax assets to Rs. 9.58 million in the fiscal year 2005 from deferred tax liability of Rs. 0.52 million in the fiscal year 2004, corresponding with our increase in our profit before tax. Our effective tax rate for the fiscal year 2005 was 15.37% as compared to our effective tax rate of 10.74% for the fiscal year 2004.
Restated Profit After Tax. Our restated profit after tax increased by 85.06% to Rs. 198.77 million for the fiscal year 2005 from Rs. 107.41 million for the fiscal year 2004.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.
We have historically financed our capital requirements primarily through funds generated from our operations and financing from banks and other financial institutions in the form of term loans. Our primary capital requirements have been to finance purchases of land and developments of our properties as well as working capital requirements. We believe that we will have sufficient capital resources from our

operations, net proceeds of this offering of equity shares and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarises our cash flows for the six months ended September 30, 2007 and the fiscal years 2007, 2006, 2005 and 2004:

(Rs. in Millions)	Six months ended September 30, 2007	Fiscal Year			
		2007	2006	2005	2004
Net cash generated from / (used in) operating activities..................................	(485.78)	(542.88)	525.47	(286.67)	(50.20)
Net cash generated from / (used in) investing activities	(176.59)	(595.33)	(245.82)	(345.37)	(46.74)
Net cash generated from / (used in) financing activities..................................	507.59	1,151.17	(197.18)	707.93	137.77
Cash and cash equivalents at the end of the period	69.87	224.65	211.69	129.21	53.31

Cash and cash equivalents was Rs. 69.87 million as of September 30, 2007.

Cash and cash equivalents increased to Rs. 224.65 million as of March 31, 2007 from Rs. 211.69 million as of March 31, 2006. Cash in form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents.

Operating Activities. Net cash used in operating activities was Rs. 485.78 million for the six months ended September 30, 2007, and consisted of net profit before taxation of Rs. 660.84 million, as adjusted for a number of non-case items, primarily depreciation of Rs. 48.41 million, and other items, primarily interest payments of Rs. 163.50 million, and changes in working capital, such as increase in inventory of Rs. 1,412.08 million, decrease in current liability of Rs. 160.60 million and income tax payment of Rs. 132.83 million. Net cash used in operating activities was Rs. 542.88 million for the fiscal year 2007, and consisted of net profit before taxation of Rs. 1,052.01 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 100.35 million, and other items, primarily interest payments of Rs. 141.23 million, and changes in working capital, such as increases in inventory, loans and advances, current liabilities and sundry debtors of Rs. 1,304.66 million, Rs. 731.93 million, Rs. 515.92 million and Rs. 102.73 million, respectively, and income tax payment of Rs. 194.66 million.

Net cash generated from operating activities was Rs. 525.47 million for the fiscal year 2006, and consisted of net profit before taxation of Rs. 468.53 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 58.39 million, and other items, primarily interest payments of Rs. 94.19 million, and changes in working capital, primarily increases in current liabilities, inventory and loans and advances of Rs. 745.71 million, Rs. 552.64 million and Rs. 253.39 million, respectively, and income tax payment of Rs. 39.19 million.

Net cash used in operating activities was Rs. 286.67 million for the fiscal year 2005, and consisted of net profit before taxation of Rs. 221.69 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 41.59 million, and other items, primarily interest payments of Rs. 53.83 million, and changes in working capital, primarily increases in inventory, current liabilities and sundry debtors of Rs. 1,667.81 million, Rs. 1,068.18 million and Rs. 68.35 million, respectively, and decrease in loans and advances of Rs. 89.71 million.

Investing Activities. Net cash used in investing activities was Rs. 176.59 million for the six months ended September 30, 2007, primarily as a result of purchases of fixed assets of Rs. 183.85 million. Net cash used in investing activities was Rs. 595.33 million for the fiscal year 2007, primarily as a result of purchases of fixed assets of Rs. 607.96 million, capitalisation of buildings including the MLR Convention Centre, Woodrose Club, Augusta Club and Homestead serviced residences.

Net cash used in investing activities was Rs. 245.82 million for the fiscal year 2006, primarily as a result of purchases of fixed assets of Rs. 300.17 million, including purchase of land at Bangalore and Mysore.

Net cash used in investing activities was Rs. 345.37 million for the fiscal year 2005, primarily as a result of purchases of fixed assets of Rs. 416.86 million, including capitalisation of buildings including Brigade South Parade, Brigade Court, the interior works at Hulkul Brigade Centre and the purchase of land for the Brigade Gateway Project.

Financing Activities. Net cash generated from financing activities was Rs. 522.59 million for the six months ended September 30, 2007, primarily as a result of incurrence of secured and unsecured indebtedness of Rs. 564.69 million and Rs. 136.78 million, respectively, partially offset by an increase in interest payment costs. Net cash generated from financing activities was Rs. 1,151.17 million for the fiscal year 2007, primarily as a result of incurrence of secured indebtedness of Rs. 1,394.72 million partially offset by interest payments of Rs. 141.23 million and dividend payments of Rs. 84.40 million.

Net cash used in financing activities was Rs. 197.18 million for the fiscal year 2006, primarily as a result of interest payments of Rs. 94.19 million, repayments of secured indebtedness of Rs. 64.30 million and dividend payments of Rs. 35.29 million.

Net cash generated from financing activities was Rs. 707.93 million for the fiscal year 2005, primarily as a result of incurrence of secured indebtedness of Rs. 784.96 million partially offset by interest payments of Rs. 53.83 million and dividend payments of Rs. 20.29 million.

Investments

We have invested in government securities and hold equity shares in companies, including associate companies. Our total investments were Rs. 10.64 million, Rs. 8.20 million, Rs. 4.43 million and Rs. 2.56 million as at March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004, respectively.

Indebtedness

As of September 30, 2007, we had Rs. 3,103.50 million of aggregate principal amount of indebtedness outstanding.

The following table provides certain characteristics of our outstanding indebtedness as at September 30, 2007:

Lender	Loan Type	Amount Outstanding (as of September 30, 2007) (Rs. in millions)	Total Amount of Credit Facility (Rs. in millions)	Interest rate as of September 30, 2007 (%)	Repayment Schedule
Corporation Bank	Loan for Brigade Gateway land	589.31	700.00	10.50	Four quarterly installments from September 2007
Corporation Bank	Loan for Brigade Gateway Hospital Block	202.10	350.00	12.00	On or before March 31, 2008
Corporation Bank	Loan for Brigade Gateway North Star	254.03	1,100.00	12.00	22 quarterly installments from September 2007
Corporation Bank	Overdraft facility	100.92	65.00	12.50	Immediate
Karnataka Bank Limited	Loan for Brigade Gateway land	298.06	350.00	9.50	Four quarterly installments from September 2007
Indian Bank	Loan for Brigade Gateway North Star	150.00	650.00	11.50	22 quarterly installments from 2009
HDFC Bank Ltd	Loan for Brigade Metropolis	606.02	1,000.00	10.50	Over 48 months from October 2008
State Bank of India	Loan for Brigade South Parade	86.74	150.00	11.00	Monthly beginning from April 2005

Lender	Loan Type	Amount Outstanding (as of September 30, 2007) (Rs. in millions)	Total Amount of Credit Facility (Rs. in millions)	Interest rate as of September 30, 2007 (%)	Repayment Schedule
ICICI Bank Ltd	Vehicle Loan	0.59	5.00	5.00	Monthly over 36 months beginning from February 2005
State Bank of Mysore	Loan for Brigade Gateway Hotel & Mall	110.95	625.00	13.25	28 quarterly installments strating from March 2010
State Bank of Patiala	Loan for Brigade Gateway Hotel & Mall	110.93	625.00	13.25	28 quarterly installments strating from March 2010
State Bank of India	Loan for Brigade Gateway Hotel & Mall	242.62	1,500.00	13.25	28 quarterly installments strating from March 2010
Industrial Development Bank of India	Loan for Brigade Palmspring	5.04	400.00	12.75	Four quarterly installments of Rs. 10 million each commencing from April 1, 2009
Bank of Maharashtra	Loan for Brigade Petunia	108.21	500.00	13.25	Rs. 50 million per month from April 2009 to September 2009 and thereafter at the rate of 67 million per month from October 2009 to November 2009 and last installments in December 2009 of Rs. 66 million
ICICI Bank	Loan for Brigade Homestead II	101.20	100.00	2.75% per annum below the ICICI Bank Benchmark Advance Rate	78 monthly installments commencing from October 15, 2007
Unsecured Loan	Business Loan	136.78	NA	12	

** The interest rates provided are the average interest rates for the year ending September 30, 2007.*

Debt Service

We expect to service our indebtedness primarily from cash generated from our operations. For the fiscal years 2007, 2006, 2005 and 2004, 11.07%, 15.68%, 17.63% and 13.41%, respectively, of our cash generated from operations was applied to cover financing costs.

Contractual Obligations and Commercial Commitments

The following table summarises our contractual obligations and commercial commitments as of September 30, 2007 and the effect such obligations and commitments are expected to have on our liquidity and cash flows in future periods.

Contractual Obligations (Rs. in millions)	As of September 30, 2007, 2007	Less than 1 year	1–3 years	3–5 years	More than 5 years
	(Rs. in millions)				
Indebtedness....................................	2,966.71	1,434.57	1,633.45	1,211.40	-

Contractual Obligations (Rs. in millions)	As of September 30, 2007, 2007	Less than 1 year	1–3 years	3–5 years	More than 5 years
Purchase and other obligations relating to acquisition of land or its development rights or lease payments for land............................	5.37	5.66	23.46	25.77	369.98
Other purchase and other obligations (1)...................................	9.28	6.49	14.99	1.47	-

(1) Our other purchase and other obligations include our capital expenditure obligations and other obligations and commitments other than for land, but including rental and lease payments. We define a purchase obligation as an arrangement to purchase goods or services that is enforceable and legally binding on us.

Contingent Liabilities

The following table provides our contingent liabilities as of September 30, 2007:

Particulars	(Rs. in millions)
Claims from Government not acknowledged as debts	Nil
Bank guarantees	15.63
Capital commitments not provided for in the books	2,778.35

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, lease of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see Note IV (3) of Schedule 24 of our restated consolidated financial statements beginning on page 164.

Seasonality

Our operations may be adversely affected by difficult working conditions during monsoons that restrict our ability to carry on construction activities and fully utilize our resources. Otherwise, we generally do not believe that our business is seasonal.

Off Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss related to adverse charges in market prices, including interest rate risk and commodities risk. We are exposed to commodity risk, interest rate risk and credit risk in the normal course of our business.

Risk Management Procedures

The objective of market risk management is to avoid excessive exposure of our income and equity to loss. We generally manage our market risk through our treasury operations.

Interest Rate Risk

We currently have floating rate indebtedness and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. As of September 30, 2007, Rs. 2,966.72million of our indebtedness consisted of floating rate indebtedness. Upward fluctuations in interest rates increase the cost of both existing and new debts. It is likely that in the current fiscal year and in future periods our borrowings will rise substantially given our planned expenditures. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

Commodity Risk

We are exposed to market risk with respect to the prices of raw materials and components used in our developments. These commodities primarily are steel and cement. The costs of these raw materials and components are subject to fluctuation based on commodity prices. The cost of components and various small parts sourced from outside manufacturers may also fluctuate based on their availability from suppliers. In the normal course of business, we purchase these raw materials and components either on a purchase order basis or pursuant to supply agreements. We currently do not have any hedging mechanism in place in respect of any of the commodities we purchase.

Credit Risk

We are exposed to credit risk on rental receivables owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Effect of New Accounting Pronouncement

Accounting for Provisions, Contingent Liabilities and Contingent Assets

The ICAI issued Accounting Standard 29 ("AS 29") for Provisions, Contingent Liabilities and Contingent Assets, which prescribes appropriate recognition criteria and measurement bases to be applied for Provisions and Contingent Liabilities. AS 29 requires that an enterprise should disclose sufficient information to enable users to understand their nature, timing and amount. AS 29 came into effect for the fiscal year beginning April 1, 2004 and became mandatory for us from that date. We do not believe that adoption of AS 29 has had a material impact on our financial statements and results of operations.

Known Trends or Uncertainties

Other than as described in the section titled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages IX and 193, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations

Future Relationship between Costs and Income

Other than as described in the section entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages IX and 193, to our knowledge there are no future relationship between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

Inflation

In recent years, although India has experienced minor fluctuation in inflation rates, inflation has not had material impact on our business and results of operations.

New Products or Business Segment

Other than as described in this Red Herring Prospectus, we do not have any new products or business segments.

Competitive Conditions

We expect competition in the real estate development sector from existing and potential competitors to intensify. For further details please refer to the discussions of our competitive conditions in the sections entitled "Risk Factors" and "Business" beginning on pages IX and 193, respectively.

Significant Developments after March 31, 2007 that may affect our Future Results of Operations

In compliance with AS 4, to our knowledge no circumstances other than as disclosed in this Red Herring Prospectus have arisen since the date of the last consolidated financial statements contained in the Red

Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

As on November 23, 2007, the details of our secured indebtedness is as follows:

I. Secured Loans

1. Term Loan Agreement dated August 25, 2006 with Corporation Bank

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 350 million	Rs. 200.00 million	12.75	• Loan to be paid out of rental loan against securitization of lease rent receivables or out of own sources on or before March 31, 2008 or commencement of payment of lease rentals, whichever is earlier • Continuing charge on the land and building provided as security for the term loan of Rs.700 million sanctioned for the entire Brigade Gateway project • Guarantee for an amount of Rs.1156.9 million by Mr. M. R. Jaishankar, Mr. M. R. Shivram and Mr. M. R. Krishna Kumar • A demand promissory note for Rs.350 million has been executed by the Company

2. Term Loan Facility Agreement dated March 9, 2007 with Corporation Bank and Indian Bank

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 1,750 million	Rs. 520.00 million	12.75	• Repayment of the loan to each lender on a prorate basis, with the first repayment date being December 31, 2009 and the last repayment on March 31, 2015 • Pari passu first charge on all the fixed assets of the Company, both present and future, including equitable mortgage over land and building for Brigade Gateway-North Star • First charge/assignment of all the operating cash flows, treasury income, revenues/receivables from Northstar and Multilevel Car Parking. • Assignment or charge of all the insurance contracts/insurance proceeds • First charge on or assignment of the escrow account, and other reserves to be established by the Company in consultation with the lenders • Personal guarantees of Mr.M.R.Jaishankar, Mr. M. R. Krishnakumar and Mr. M. R. Shivram

3. Facility Agreement dated March 26, 2007, with ICICI Bank

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 100 million	Rs. 96.60 million	2.75% per annum below the ICICI Bank Benchmark Advance Rate	• Repayment of the term loan in 78 monthly instalments, starting on October 15, 2007 and the date of last repayment being January 15, 2011 • Exclusive mortgage on the property for Brigade Homestead II together with all buildings and structures thereon, present and future • Exclusive charge on the insurance proceeds, present and future • Exclusive mortgage/charge/assignment by way of security of all right, title, interest, claims, benefits and demands under the project documents • Personal guarantee of Mr. M.R. Jaishankar M.R. Shivram

4. Line of credit loan agreement dated September 27, 2006 with HDFC Bank

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 1000 million	Rs. 700.00 million	13.00	• Repayment in 2 tranches, the first tranche being fully paid by the end of the 11th quarter and the second tranche being fully paid at the end of the 16th quarter • Mortgage of property being the Company's share in the project land, amounting to 610,000 sq.ft., and built up space thereon • Personal guarantee of Mr. M. R. Jaishankar • Any other similar security acceptable to HDFC Bank

5. Loan agreement dated March 3, 2005 with State Bank of India

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 150 million	Rs. 83.48 million	11.00	• Repayable in equal monthly instalments of Rs. 4,117,225 starting from April 2005 • Equitable mortgage of property at Kurubarakunte village belonging to the Company • Personal guarantee of Mr.M.R.Jaishankar and Mr.M.R.Shivaram • First charge on rent receivables

6. Vehicle Loan cum Hypothecation Agreement dated November 26, 2004 with ICICI Bank

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 5 million	Rs. 0.30 million	5% per annum	• Repayment in equated monthly instalments of Rs.149,850 over a period of 3 years, between January 7, 2005 and December 7, 2007 • The vehicle, has been hypothecated as security for the loan

7. Term Loan Agreement with Karnataka Bank dated March 28, 2005

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 350 million	Rs. 219.00 million	13.00	• Repayment in 4 quarterly instalments of Rs. 87.5 million each, to commence from September 2007 • Equitable mortgage of 39.735 acres which is to be purchased at an estimated cost of Rs.1520 million from the proceeds of this loan and building to be constructed thereon, on a pari passu basis with Corporation Bank • Personal guarantee of Mr.M.R.Jaishankar, Mr.M.R.Shivram and Mr.M.R.Krishnakumar

8. Term Loan Agreement dated March 28, 2005 with Corporation Bank

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs.700 million	Rs. 435.00 million	11.50	• Repayment in 4 quarterly instalments of Rs.175 million each, starting from September 20, 2007 • Equitable mortgage of property at Rajajinagar extension, on which Brigade gateway Project Phase I is proposed to be built, and the buildings proposed to be constructed thereon • Personal guarantees of Mr. M. R. Jaishankar, Mr. M. R.Shivram and Mr.M.R.Krishnakumar

In addition to the above loan agreements, our Company has also entered into a consortium loan arrangement with State Bank of India, State Bank of Mysore and State Bank of Patiala.

9. Agreement of loan for overall limit dated June 21, 2007 from State Bank of Patiala

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 625 million	Rs. 132.50 million	13.25	• The Rs.250 million borrowed for the hotel to be repaid in 28 quarterly instalments starting from March 2010. The Rs. 375 million borrowed for the shopping mall to be repaid in 31 quarterly instalments starting from June 2009 • First pari passu charge with other lenders to the project on the 185,122.50 sq.ft. of land on which the shopping mall and the 52,151.26 sq.ft of land on which the five star hotel is to be built • Collateral security over the current assets of the mall and hotel projects

10. Loan Agreement dated June 27, 2007 with Bank of Maharashtra

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 500 million	Rs. 106.87 million	12.50	• Moratorium of 21 months, i.e., upto March 31, 2009 • Loan to be repaid at the rate of Rs. 50 million per month from April 2009 to September 2009 and thereafter at the rate of 67 million per month from October 2009 to November 2009 and last instalment in December 2009 of Rs. 66 million • Interest to be serviced separately as and when applied, even during the moratorium period • Equitable mortgage of land and building amounting to Rs. 745.1 million • Personal guarantee of Mr. M. R. Jaishankar and Mr. M. R. Shivram

11. Agreement of loan for overall limit dated June 21, 2007 from State Bank of Mysore

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 625 million	Rs. 132.55 million	13.25	• The Rs.250 million borrowed for the hotel to be repaid in 28 quarterly instalments starting from March 2010. The Rs.375 million borrowed for the shopping mall to be repaid in 31 quarterly instalments starting from June 2009 • Pari passu charge with other lenders to the project on the 185,122.50 sq.ft. of land on which the shopping mall and the 52,151.26 sq.ft of land on which the 5 star hotel is to be built • Collateral security over the current assets of the mall and hotel projects • Assignment of all the contracts entered into in connection with the construction of the project

12. Loan Agreement dated April 12, 2007 with State Bank of India

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 1,500 million	Rs. 285.00 million	12.75	• The Rs.681.8 million taken for hotel construction would be paid back in 28 quarterly instalments starting from March 2010 • The Rs.812.8 million taken for the construction of the shopping mall would be repaid in 31 quarterly instalments starting from June 2009 • Equitable mortgage on the 185,122.50 sq.ft. of land on which the shopping mall and the 52,151.26 sq.ft. of land on which the 5 star hotel is to be built • Collateral security of first pari passu charge on the current assets of the mall project and the hotel project • Assignment of all the contracts entered into in connection with the construction of the project • Personal guarantee of the promoter directors

13. Loan/ Facility Agreement and Agreement of Hypothecation of Goods and Assets for overall limit dated August 23, 2007 with Industrial Development Bank of India Limited

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 400 million	45.72	13.25	• Four quarterly instalments of Rs. 10 million each commencing from April 1, 2009 • Interest to be paid monthly • The last date of drawal shall be June 30, 2009 unless the bank extends the date in writing; any undrwan portion of the financial assistance shall automatically stand cancelled • A first equitable mortgage of land and building of the project to the extent of undivided share of our Company i.e 64%. At the time of sale of flats, NOC will be issued to our Company subject to value of security not being less than 100% of term loan exposure • First exclusive chanrge on the current assets of the project • An irrevocable and unconditional guarantee(s) from Mr. M.R. Jaishankar and Ms. Githa Shankar. No guarantee commission shall be payable by the guarantors

14. Sanction letter dated October 15, 2007 from Punjab National Bank for short term loan to meet the mismatch in cash flow for two projects viz. Brigade Metropolis and Brigade Gateway

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 500 million	Rs. 250 million	12.50	• In one or more instalments in March 2008 • The company to submit post dated cheques for the repayment

Some of the corporate actions for which we need the prior written consent of our lenders include the following:

- to avail of credit facilities from other banks or financial institutions, further expansion of business, taking up new business activities or setting up or investing in a subsidiary whether in the same business line or unrelated business;
- to transfer/ invest its funds in whatsoever manner in any other concern;
- to borrowing or invest in programs having an adverse effect on the cash flow, i.e. those effecting liquidity of the Company;
- to effect any change in capital structure, declare dividends for any year, if the accounts of the Company with the bank is running irregular or if any of the terms are not complied with;
- to sell, assign, mortgage, alienate or otherwise dispose of any of its assets or those charged with the Bank;
- to permit any transfer of the controlling interest or make any drastic change in the management set up;
- to make any amendment to its constitutional documents;
- to make any material modifications to the project;
- to create, grant or extend any charge, lien or encumbrance over its assets;
- to create any uncalled capital or new shares;
- to make any loan, grant any credit or give any guarantee or indemnity or make any investment to or for the benefit of any person, including the promoters;
- to enter into or carry on any business not directly related to its present business;
- to invest in the form of shares or acquire any subsidiary or lend/ advance funds to or place deposits with any concern;
- to repurchase, cancel or redeem any of its share capital or issue any new shares (preference or otherwise) or alter rights attached to shares;
- to issue debenture or create security interest over its assets;
- to declare dividends for any year except out of profits of that year;
- to transfer controlling interest from the promoters and
- to engage in any business or activities other than those which it is engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or other similar arrangement whereby borrower’s income or profits are or might be shared with any other person.

II. *Unsecured Loans*

The details of the unsecured loans which have been borrowed during the current financial year are provided below. A rate of interest of 12% is payable on these unsecured loans.

Sl.No	Name of the lender	Amount outstanding (in Rupees million)
1.	Mr. A.A. Ramesh Kumar	2.00
2.	Mr. Adinarayana Gupta	1.00
3.	Mr. A.M. Skanada	0.25
4.	Mr. A.M. Sparsha	0.05
5.	Ms. A.R. Rukmini	0.90
6.	Brigade Hospitality Services Private Limited	15.00
7.	Ms. Latha Shivram	0.50
8.	Ms. Sucheta Mahesh	2.50
9.	Ms. M.G. Sujatha Devi	1.00
10.	Ms. M.G. Suraj	2.00
11.	Ms. M.K. Smitha	0.20
12.	Mr. M.R. Gurumurthy	2.00
13.	Mr. M.R. Krishna Kumar	4.00
14.	Mr. M.S. Amar	2.68
15.	Ms. Aarthi	0.50
16.	Ms. M.V. Jayashree	0.20
17.	Ms. M.V. Susheela	1.40
18.	Mysore Holdings Private Limited	87.69
19.	Ms. Sumana Sanjeevanath	1.60
20.	Ms. Sumathi Nagesh	2.50
	TOTAL	**136.78**

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Associate Companies and there are no defaults, non- payment of statutory dues, overdues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debentures, bonds or fixed deposits or arrears on preference shares issued by our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Associate Companies defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company, the Directors, the Promoters, the Promoter Group and the Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Associate Companies that would result in a material adverse effect on our consolidated business taken as a whole.

Further, except as disclosed hereunder, our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Associate Companies have not been detained as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

For details of contingent liabilities of our Company and our Subsidiaries, please refer to the financial statements of our Company and the Subsidiaries on page 164.

Cases filed against the Company

1. A Revision Petition (No. 721 of 2005) has been filed by Mr. P. Mohan Bhat against our Company before the National Commission, Delhi against the order passed by the State Forum arising out of matter no. 105 of 1999 filed by Mr. P. Mohan Bhatt before the District Consumer Forum. Mr. P. Mohan Bhat had alleged that his apartment does not have the height as prescribed by the Building Bye-laws. Our Company has filed the objection petition and prayed that the matter be set aside on the grounds of limitation and the fact that Mr. P. Mohan Bhatt had signed a declaration on July 1, 1997 saying that he had inspected the flat prior to taking possession and that he had no complaints regarding the same. The matter is posted for arguments and the next date of hearing is not available as the proceeding is as per day to day listing.

2. A suit (O.S.No.131 of 2004) has been filed in the court of the First Civil Judge, Junior Division, Mysore by Mr. P. Mohan Bhatt against the Company, alleging improper declaration has been filed by our Company on January 6, 2003 and the said deed of declaration, required to be submitted under the Karnataka Apartment Ownership Act and Rules, does not mention the 915 sq.ft. of landscaped private garden area that was supposed to be conveyed to the plaintiff along with the land that he had bought at Brigade Retreat. The plaintiff has prayed that the said deed of declaration be declared null and void and that a fresh deed of declaration be filed by the Company. Our Company has said that only right of usage over the said garden area was passed on and no ownership or title over the said garden area was passed to the plaintiff through the original sale deed. The court has framed issues to lead evidence from both sides. The case was posted on November 28, 2007 for further plaintiff evidence and the next date of hearing was not granted.

3. A suit (O.S.No.5279 of 1996) has been filed in the court of the City Civil Judge, Bangalore, by Udumala Builders Private Limited, against Syed Murtuza and our Company, claiming specific performance of the joint development agreement wich they had entered into with the first defendant. Our Company and the first defendant had entered into a joint development agreement to develop a residential complex within the property owned by the first defendant. In the meanwhile, the plaintiff has filed the suit for the specific performance, praying that the first defendant be directed to execute the sale deed in favour of the plaintiff. Company is only a pro

forma defendant in the case and no relief has been claimed against the Company. In the meanwhile, all the three parties entered into compromise, whereunder, first defendant agreed to hand over two apartments to the Udumala Builders and accordingly the Company has handed over physical possession of the two apartments as agreed by the first defendant to Udumala Builders. In fact, the Company has completed the project and sold its share. However the execution of the sale deeds by the first defendant in favour of Udumala Builders/their nominees is yet to be completed. Objections to the main petition have been filed, issues have been framed by the court, and plaintiff is to lead the evidence. The next date of hearing of the matter is December 17, 2007.

4. A suit (O.S.No.47 of 2002) has been filed in the court of the City Civil Judge, Senior Division, Mysore, by Mr. K.W. Bopaya against our Company and others. The plaintiffs had entered into an agreement with our Company to purchase a plot of land on which our Company had agreed to build a flat, for a total consideration of Rs. 1,287,500. It has been alleged that an excess amount of Rs. 78,000 has been collected by the Company, and the suit has been filed for the rendition of proper accounts by the Company. The defendant has filed a written statement claiming that only Rs. 16,999 was due to the plaintiff which has already been paid. Presently, the Court has framed issues and the last date of hearing for plaintiff evidence was on November 29, 2007. The court has not granted the next date of hearing.

5. A suit (O.S.10185 of 1990) has been filed by Ms. Naseemunnisa and others against Syed Murtuza, the brother of the plaintiff (the first defendant), our Company and others before the Mayo Hall Court, Bangalore. The plaintiffs and the first defendant are the siblings of the original owner of property which is the subject matter of the dispute. The plaintiff has asked for a partition of the property which has devolved upon them from their parents. Our Company has filed a written statement stating that it had entered into a joint development agreement dated March 31, 2001 with the first defendant, who is the son of the original owners of the property, and in pursuance of the same has constructed a residential complex, and has sold its share. Our Company has stated that it had given the public notice calling for objections for the proposed development before entering into the joint development agreement but the plaintiffs had raised no objections at that stage. The matter is posted on December 15 , 2007 for hearing on the interlocutory application.

6. A suit (O.S.No.3671 of 1988) has been filed before the City Civil Judge, Bangalore by a member of the joint family, Mr. K. N. Eshwara Rao, against K.H. Shama Rao and Sons and others (being the family members) and the Company, for a partition of the property to ensure that the plaintiff receives 1/20th of the property as his share after partition. Our Company has been included only as a pro forma defendant and no relief has been claimed against the Company in the said suit. Our Company has filed a written statement stating that they had entered into an agreement to sell with K.H. Shama Rao and Sons and others and the agreement to sell had been made by the *karta* of the joint family and the plaintiff would thus have to prove that the offer to sell was not made due to legal necessity and to pay off the debts of the family, before the agreement to sell can be held to be invalid so far as share of the plaintiff is concerned. The next date of hearing of the matter is January 10, 2008.

7. An original suit (O.S.No.3296 of 2007) has been filed before the City Civil Judge, Bangalore by the May Flower Owners' Association against the Magnolia and Cassia Owners' Associations (all three being associations formed by residents of residential blocks at Brigade Millenium building complex, J.P.Nagar, Bangalore) and our Company. Our Company has been included only as a pro forma defendant and no relief is claimed against us. The residents of May Flower had been prevented from accessing the driveways running around the 5 blocks in the building complex on the pretext that usage of the driveways by May Flower residents is causing a maintenance problem and affecting the safety of the residents of the Magnolia and Cassia. The City Civil Judge, Bangalore has passed an ex-parte order preventing the blockading of the driveways. The last date of hearing of the matter was on November 28, 2007 and the court has not granted the next date of hearing.

8. A civil suit (O.S.No.3712 of 2007) has been filed by Mr.Vajrappa and Mr. M. Nanda against Mr.K. Nanjappa, our Company and others before the Court of Additional City Civil and Sessions Judge (CCH7) at Bangalore. The matter relates to a dispute pertaining to the partition and possession of the land bearing Sy.No.24/1B measuring 36 guntas, which forms a portion of the larger property which is being developed by our Company on joint development basis. In the said suit, the petitioners have also sought interim injunction restraining the defendants from alienating

or otherwise creating any charge on the property. However, the Court refused to give any ex-parte order of interim injunction and the matter is now posted for objections and hearing of the interlocutary application on December 4, 2007.

9. A civil suit (O.S.No.1402 of 2007) has been filed by Mr. Raghavan Rajagopal against our Company before the City Civil Judge, Bangalore. The matter has been initiated for specific performance on grounds of alleged wrongful cancellation of allotment of three flats by our Company, which were previously reserved by the petitioner. The matter is posted for plaintiff's evidence on September 12, 2007. The Company has already sold one out of the three flats and subsequently, an injunction order has been passed restraining the Company from selling the flats. The next date of hearing is January 10, 2007 for hearing the interlocutary applications.

10. A suit (O.S.No.6849 of 2003) has been filed before the Court of the City Civil judge, Bangalore, by Ms. Girijamma and others against Mr. Janardhana Reddy, our Company and others. The dispute is on the ground of an alleged illegal construction work by the defendants within the property allegedly owned by the petitioners as they have claimed possession of half of the said property after partition. In the written statement, the Company has stated that the said property had been acquired by the Bangalore Development Authority and reconveyed back to the vendors, who in turn, entered into a joint development agreement with the Company to develop the area. A residential complex by the name 'Jacarnda' has been put up by the Company on this property and the Company has already sold out its share. The matter has been posted on January 8, 2007 for framing of the issues.

11. A suit (O.S.No.7496 of 1999) has been filed by Bangalore Nirmapaka Kempegowda Kendra Samithi and others against Ramayya and the Company, before the City Civil Judge, Bangalore. The plaintiffs have alleged that the Company has constructed a building on a plot of land which is attached to a religious monument and has prayed that it be demolished by mandatory injunction, and has also prayed for permanent injunction for preventing the developed building from being registered. The Company has filed a written statement stating that the land which it has developed and the land named in the plaint as a religious site are different sites. Moreover, the Company averred that Project Brigade Hill View is completed and it has sold the same completely. The next date of hearing of the matter is on November 30, 2007.

12. A suit (426 of 2002) has been filed against Brigade Developers Private Limited (which was subsequently merged with our Company) before the 2nd Additional Civil Judge Senior Division, Mysore by Mr. Mohan Bhatt. The plaintiff has claimed the copies of the proper and correct accounts in relation to the deposits or amounts that have been collected from him by the Company. These deposits have been collected towards the charges payable to Karnataka Electricity Board, Karnataka Urban Water Sewage and Supply Board, property assessment and khata transfer and legal and registration charges. Our Company has filed its written statement in relation to the same and has stated that the required information has been made available to the extent possible. The matter is currently posted for evidence of the plaintiff. The next date of hearing was on November 29, 2007 and the next date of hearing has not been granted.

13. Our Company has received a notice from the IV Additional District Consumer Disputes Redressal Forum, Bangalore Urban District, Bangalore in relation to a complaint bearing No.2019/2007 filed by Mr. B. Kannan against us. The complainant had made a payment of Rs. 989,500 towards the booking charges for an apartment in Brigade Gateway project. The matter relates to the disputed cancellation charges amounting to Rs. 98,500 deducted by our Company on account of cancellation of the said booking. We were directed to make appearance and representation on November 29, 2007.

14. Our Company has received a notice from the Karnataka State Consumer Disputes Redressal Commission, Bangalore in relation to a complaint bearing No.76/2007 filed by Mr. B. Chittu Babu against our Company. The complainant had made a payment of Rs. 1,102,040 towards the booking charges for an apartment and club membership in Brigade Gateway project. The matter relates to the disputed cancellation charges deducted by our Company on account of cancellation of the said booking. We have been directed to make appearance and representation on December 13, 2007.

Cases filed by the Company

15. A suit (O.S.No.458 of 2000) has been filed by our Company against Mr. B. H. Jayaram and others before the City Civil Judge, Bangalore. The defendants are the owners of the property which is the subject matter of the suit. Our Company had made an advance payment of Rs.700,000 for the joint development of the property. Since the defendants did not comply with the conditions precedent for entering into the joint development agreement (such as Court permission to sell minor's interest, sorting out tenancy issues etc), the Company was forced to terminate the agreement. The suit is for the recovery of this amount in addition to an interest calculated at the rate of 18% per annum from the date of receipt of the original sum till the date of repayment of the amount, on the ground that the defendants have not fulfilled their obligations under the agreement. The last date of hearing on interlocutory application is on November 26, 2007 and the next date of hearing is has not been made given.

16. A suit (O.S.No.6575 of 1991) has been filed by our Company against M/s. K.H.Shama Rao and Sons and others, before the City Civil Judge, Bangalore. Our Company and the defendants had entered into an agreement to sell dated February 11, 1988 for a sum of Rs. 9,801,150. A sum of Rs. 2,500,000 was paid in advance to the defendants for the sale of the said property. The suit has been filed by our Company for the specific performance of the agreement to sell the property, and for a decree of permanent injunction restraining the defendants from alienating the property. In the alternative, the refund of the advance paid has been prayed for. The parties have filed the evidence by way of affidavit and the cross examination of plaintiff and defendants have been concluded. The suit for specific performance is decreed in favour of our Company on November 6, 2007.

17. A writ petition (No. 735 of 2007) has been filed by our Company against the Government of Karnataka, before the High Court of Karnataka, challenging the constitutional validity of the amendment to the Schedule of the Karnataka Stamp Act, 1957, by way of Section 3(1) of the Karnataka Stamp (Amendment) Act, 2006, which states that any letter, note or memorandum, made in relation to the deposit of title deeds, even if made before the actual deposit of such deeds and whether relating to security for a loan, would be deemed to be a document evidencing the deposit of title deeds, and would be stamped as such. Our Company has contended that the amendment brings within the ambit of stamp duty, documents which are not ordinarily subject to the same. The petitioner has prayed for a declaration that the said amendment is unconstitutional and in the interim, has asked for the stoppage of the operation of the amendment. As per the said amendment, our Company was required to pay Rs. 2,750,000 towards the stamp duty, however, a stay has been granted against the implementation of the same on the Company. The next date of hearing is not available as the proceeding is as per day to day listing.

18. A suit (O.S.No 15778 of 2006) has been filed by our Company and others against Bala Bhavan Education Trust and its Chairwoman Dr. Y.G. Parthasarati before the City Civil Judge, Bangalore, alleging that an advertisement published in several newspapers by the defendants contain statements defamatory to our Company`s reputation. Our Company had entered into an agreement with the defendants for trademark sharing and education consultancy services to run the Brigade School within one of the apartment complexes built by the plaintiffs. However the agreement was later terminated by the Company, after which the advertisement was published. The plaintiffs have asked for a compensation of Rs.10,000,000 as well as interest at the rate of 18% per annum with costs of the suit. The defendant has filed an interim application stating that the dispute be referred to arbitration to which our Company has filed statement of objections stating that the defamation is outside the scope of arbitration in the original agreement between the plaintiff and the defendant. The parties are being heard on the interim application. The next date of hearing in the matter is January 22, 2008.

19. A suit (O.S.No.6247 of 2005) has been filed by our Company before the City Civil Judge, Bangalore, against Hotel Brigade Palace. Our Company has alleged that it is the registered owner of the registered trade mark, "BRIGADE", which is associated synonymously with the products and services of the Company. Our Company has asked for permanent injunction restraining the defendants from further usage of the registered trademark "BRIGADE" and the deceptively similar name "HOTEL BRIGADE PALACE". Our Company has also claimed for Rs.1,000,000 as damages and true accounts of the profits made by the defendants in using the name "BRIGADE". An interim application has been filed claiming for a relief of ex parte temporary injunction restraining the defendant from further infringing the trademark. The defendant has filed a written

statement pleading irreparable injury if the injunction were to be granted and the matter is posted for framing of the issues. The next date of hearing in the matter is December 12, 2007.

20. A writ petition bearing W.P. No. 8538 of 2006 has been filed before the High Court of Karnataka by our Company against the Bangalore Development Authority. The matter relates to the cancellation of allotment to our Company for the development of C.A.Site No.36, 24th Main Road, J.P.Nagar, Bangalore. The next date of hearing is not available as the proceeding is as per day to day listing. .

21. A writ petition (W.P.No.3254 of 2005) has been filed before the High Court of Karnataka by our Company against the BDA challenging its demand for surrender of 12% of Built up area. A stay has been granted on the demand made by the BDA. The matter relates to the Brigade Millenium project at Sy.Nos. 44, 45 and 51/1, Puttenahalli Village. The said land was earlier notified for formation of layout called Jayaprakash Nagar (J.P. Nagar) VII stage and subsequently, on November17, 1995, the Government of Karnataka issued an order bearing No. HUD/341/MNX/95/Bangalore, dated November 17, 1995, relating to the Group Housing Projects wherein 12% of built up area was to be surrendered to the BDA free of charge. However, the High Court of Karnataka passed an Order dated July 8, 2002 in Writ Petition No.3334/2000 holding that the said Government Order is illegal and invalid. Subsequently, the Government of Karnataka issued a Notification dated February 23, 2004 and a Gazette Publication dated March 6, 2004 that the Final Notification dated November 25, 1995 relating to the acquisition of lands for formation of `Jayaprakash Nagar VII Stage has been withdrawn and the lands are de-notified. The petition is pending disposal and the next date of hearing is not available as the proceeding is as per day to day listing.

22. Our Company has filed a writ petition (W.P.No.10820 of 2006) before the High Court of Karnataka against the BDA challenging the demand made by them. Our Company has developed a project called Brigade Gardenia under group housing project in Sy.Nos.112, 113 and 114 at Kothanur Village. The said land was earlier notified for formation of layout called J.P. Nagar VIII stage and subsequently, on November 17, 1995, the Government of Karnataka issued an order bearing No. HUD/341/MNX/95/Bangalore dated November 17, 1995, relating to Group Housing Projects wherein 12% of built up area was to be surrendered to BDA free of charge. The High Court of Karnataka has passed an Order dated June 8, 2002 in Writ Petition No.3334 of 2000 holding that the Government Order No.HUD/341/MNX/95/ Bangalore dated November 17, 1995 is illegal and invalid. Accordingly our Company refuted the demand made by the BDA for surrender of 12% of Built up area. A stay has been granted in favour of our Company on the demand made by BDA. The petition is pending disposal and the next date of hearing is not available as the proceeding is as per day to day listing.

Tax Related Disputes

1. The Assistant Commissioner of Commercial Taxes, LVo-10, Bangalore had issued a show cause notice to the Company, as to why penalty should not be imposed on our Company for failure to pay Value Added Tax within the stipulated time period. Our Company has filed a reply citing various authorities as to why the delay should be pardoned. However, by an order dated July, 28, 2006, the Assistant Commissioner of Commercial Taxes has imposed a penalty of Rs.895,327 on the Company. The Company has filed a writ petition in the High Court of Karnataka vide W.P. No. 14926/2006 dated October 21, 2006 challenging the said order. A stay has been granted by the Court on October 30, 2006 and our Company has been ordered to deposit 25% of the penalty amount and the same has been complied with.

Show cause notice

1. Our Company has received a notice dated July 17, 2007 received from the Registrar of Companies, in relation to the balance sheet of our Company. The said letter has specified certain violations of the provisions of the Companies Act, 1956. It has been specified in the letter that in the event that the reply is not filed by our Company within seven days of the receipt of the notice prosecution shall be launched against the Company, without any further notice. Certain of these violations as specified in the notice include (a) violation of AS 15 by not disclosing the details of the gratuity payment (b)non compliance with the requirement of AS 20 read with clause 48 as far as disclosure of EPS calculation is concerned (c) non compliance with Part II of schedule VI by

not giving details of remuneration paid to the managing director and (d) not giving details the quantitative details, sales and the details required under 3, 4C and 4D of the Part –II of Schedule VI of the Companies Act. We have filed a reply to the said notice through our letter dated August 13, 2007.

2. A show cause notice bearing C.No.IV/16/157/2006 ST Adjn., SCN No. CAU/760.Dn.II.Gr.IV dated September 12, 2006 was issued to our Company by the Commissioner of Service Tax No.16/1, S.P Complex, Lalbagh Road, Bangalore. It has been alleged that we received taxable services viz. Architects Services provided by M/s HOK Inc. USA, the Architect, who was a non-resident not having any office in India, but paid no Service Tax on the value of the taxable services received from the said foreign architect., payable in terms of Rule 2(1)(d)(iv) of the Service Tax Rules, 1994. The service tax liability imposed on our Company through the notice is Rs. 4,113,473 inclusive of education cess, for the period from July, 2004 to February, 2006 under the provisions of section 73(1) of the Architects Act, 1972. Moreover, an interest and penalty in terms of sections 73, 76, 77 and 78 of the said Act have also been claimed through the notice.

Cases involving our Subsidiaries

Brigade Hospitality Services Private Limited

Cases filed by or against Brigade Hospitality Services Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Tetrarch Holdings Private Limited

Cases filed by or against Tetrarch Holdings Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Brigade Estates and Projects Private Limited

Cases filed by or against Brigade Estates and Projects Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Brigade Properties Private Limited

Cases filed by or against Brigade Properties Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Cases involving our Associate Companies

Tandem Allied Services Private Limited

Cases filed by or against Tandem Allied Services Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

AEC Infotech Private Limited

Cases filed by or against AEC Infotech Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Cases involving our Promoters

M.R. Jaishankar

Suits filed against Mr. M.R. Jaishankar

1. A suit (O.S.No.56 of 2004) has been filed in the court of the Civil Judge Senior Division, Bangalore by Mr.Narayanaswamy against Mr. M.R.Jaishankar. The suit is in relation to a title dispute regarding the property bearing survey number 5, Kurubara Kunte Village, Kasaba Hobli, Devenahalli Taluk measuring about one Acre 20 Guntas. The plaintiff has alleged that the defendant has tried to disturb the peaceful possession of the property, and has prayed for a permanent injunction restraining the defendant from further disturbing his possession of the property. The defendant has filed a written statement denying the allegations on the ground that he is the absolute owner of the property based on the sale deed got executed in his favour. An additional written statement has been filed by the defendant on March 22, 2007 saying that the court has no territorial jurisdiction and that sale deed dated January 20, 1995 cannot be cancelled since it would be barred by limitation. The plaintiff has led evidence. In the meanwhile, Interlocutory Application has been filed to bring the Vendor of Mr. M.R. Jaishankar, on record. The notice is ordered and the matter has been posted on December 12, 2007 awaiting service of notice.

2. Ms. Chaya and Ms. Chandrika D S claiming to be the daughters of Ms. Kanakalakshmamma filed a suit (O.S.No. 163 of 1995) against their sister Ms. Saraswathi and M.R.Jaishankar for a declaratory relief declaring that the sale deed dated August 25, 1994 is null and void. Mr. M.R. Jaishankar had purchased the immovable property bearing Sy.No.47 measuring 02 acres 17 guntas located at Udayagiri Village, under Anneshwara Group Panchayat, Kasaba Hobli, Devanahalli Taluk, Bangalore from Smt.Kanakalakshmamma (wife of late Sri Subramaniah), her children D.S.Venkatarama Sharma, D.S.Venkatasubba Rao, D.S.Umesh Sharma and Ms.Saraswathi through the registered sale deed dated August 25, 1994. In the said suit they have also claimed preferential right to purchase share of Ms. Saraswathi (i.e., 1/7th share) in the schedule property. Moreover, they also filed case O.S.No. 164 of 1995 against M.R. Jaishankar and the sellers, claiming 1/7th share each in the schedule property and seeking partition and separate possession of their 2/7th share in the schedule property. Both the cases were dismissed for non prosecution by the court and above parties have filed Miscellaneous cases No.113 of 2003 and 114 of 2003 against the said order for restoration and the same are pending for consideration. The cases have now been posted to February 6, 2007 for plaintiff evidence.

3. A civil suit bearing O.S No.1002 of 2007 has been filed by Ms. D.S.Sandya and Ms. D.S. Neelaveni against their family members and Mr. M.R.Jaishankar before the Court of the Civil

Judge (Senior Division) at Devanahalli for a partition of the disputed property and declaration of title. The dispute relates to the sale of a portion of the joint family property to Mr. M.R. Jaishankar, measuring 2 acres 17 guntas situated at Udaygiri village, Devanahalli Taluk, Bangalore. The plaintiffs have sought for partition of the said joint family property and for a declaration that the sale deed executed by the other members of the family in favour of Mr. M.R.Jaishankar be not binding upon them. The Court has issued a notice to Mr. M.R.Jaishankar to make an appearance on January 29, 2008.

Suits filed by Mr. M.R. Jaishankar

4. A plaint (O.S.No.1432 of 2004 renumbered as O.S.No. 603/06) has been filed by Mr. M.R.Jaishankar against Mr. M.Narayana Swamy before the City Civil Court, Bangalore Rural, alleging that the defendant is interfering in his right to peaceful possession and enjoyment of the property bearing survey number 5, Kurubara Kunte Village, Kasaba Hobli, Devanahalli Taluk, which is his property. The plaintiff has prayed that a permanent injunction be passed restraining the defendant from disturbing the plaintiff in the peaceful possession of the said property. Evidence has been led in the case. The next date of hearing of the matter is on December 10, 2007 for evidence.

5. A writ petition (W.P.14768-69 of 2002) has been filed before the High Court of Karnataka by Ms. Pavitra Shankar and Ms.Nirupa Shankar, through their General Power of Attorney holder, Mr. M.R. Jaishankar, against Commissioner, City Municipal Council, Bangalore and the Bangalore Development Authority challenging the levy of various fees and charges by the respondents. The respondents have charged the fees as a precondition for changing the name in the khata in relation to a property bequeathed by the petitioner's grandmother. The petitioners have prayed that a writ be issued declaring that the collection of such fees and charges by the respondents is illegal and arbitrary, and that the amount paid as advance by the petitioners under protest, Rs. 532,660 be refunded with 18% per annum interest, and also that sanction of the building plans on the property be granted without any additional fees. The next date of hearing is not available as the proceeding is as per day to day listing.

Cases involving entities forming part of our Promoter Group

I. Corporate Entities

Capronics Private Limited

Cases filed by Capronics Private Limited

1. A suit (O.S. No. 5483 of 2005) has been filed by Capronics Private Limited against M/s. G.G. Tronics India Private Limited before the XIV Additional City Civil Judge, Bangalore (CCH28) for recovery of the amount due under credit supply of Electronics Printed Circuits Boards. The amount claimed in the said suit is Rs. 118,140.81. The matter has been posted for evidence on November 30, 2007.

2. An execution petition bearing number 855 of 2005 has been filed by Capronics Private Limited against M/s. Namtech Systems Limited before the City Civil Judge, Bangalore (CCH31) for recovery of the suit claim decreed in O.S. No. 3195 of 2001. The amount claimed in the suit is Rs. 24,568.15 and the matter has been posted on November 30, 2007. Currently, the matter is awaiting movable warrant.

3. A suit (O.S. No. 4400 of 2004) has been filed by Capronics Private Limited against M/s. M.Bux International Private Limited before the City Civil Judge, Bangalore (CCH28) for recovery of the amount due under credit supply of Electronics Printed Circuits Boards. The amount claimed in the said suit is Rs. 107,113.80. The parties have agreed on amicable settlement of the matter and the hearing is posted on November 30, 2007.

4. An execution petition bearing number 1146 of 2007 has been filed by Capronics Private Limited against M/s. IQ Infotech Limited before the City Civil Judge, Bangalore (CCH31) for recovery of the suit claim decreed in O.S. No. 4399 of 2004. The amount claimed in the suit is Rs. 60,240 and the matter has been posted on December 11, 2007 for attachment warrant of movables.

5. An execution petition bearing number 1145 of 2007 has been filed by Capronics Private Limited against M/s. Digicon India Private Limited before the City Civil Judge, Bangalore (CCH31) for recovery of the suit claim decreed in O.S. No. 4683 of 1997. The amount claimed in the suit is Rs. 52,237.14 and the matter has been posted on December 17, 2007.

6. A suit (O.S. No. 467 of 2002) has been filed by Capronics Private Limited against M/s. Opto Circuits (I) Private Limited before the City Civil Judge, Bangalore (CCH31) for recovery of the amount due under credit supply of Electronics Printed Circuits Boards. The amount claimed in the said suit is Rs. 39,132.76. The matter has been posted for further evidence of plaintiff on November 30, 2007.

7. A suit (O.S. No. 7976 of 2007) has been filed by Capronics Private Limited against M/s. Mygeri Electronics Private Limited before the City Civil Judge, Bangalore (CCH31) for recovery of the amount due under credit supply of Electronics Printed Circuits Boards. The amount claimed in the said suit is Rs. 221,088.46. The matter has been posted for November 29, 2007 for issue of suit summons on the defendants

8. A suit (O.S. No. 7977 of 2007) has been filed by Capronics Private Limited against M/s. Annapurna Enterprises before the City Civil Judge, Bangalore (CCH28) for recovery of the amount due under credit supply of Electronics Printed Circuits Boards. The amount claimed in the said suit is Rs. 105,571. The matter has been posted for January 9, 2008 for issue of suit summons on the defendants.

Cases filed against Capronics Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Mysore Holdings Private Limited

Cases filed by or against Mysore Holdings Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Mercury Premises Leasing Private Limited

Cases filed by or against Mercury Premises Leasing Private Limited

Nil

Contingent Liability as of March 31, 2006

Nil

Brigade Infrastructure Private Limited

Cases filed by or against Brigade Infrastructure Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Tetrarch Equity Research and Analysis Private Limited

Cases filed by or against Tetrarch Equity Research and Analysis Private Limited

Nil

Contingent Liability as of March 31, 2006

Nil

II. Partnerships

Plantation Management Company

Cases filed by or against Plantation Management Company

Nil

Contingent Liability

Nil

The Plantation Caretakers

Cases filed by or against The Plantation Caretakers

Nil

Contingent Liability

Nil

Estate Management Company

Cases filed by or against Estate Management Company

Nil

Contingent Liability

Nil

Slimline Circuits

Cases filed by or against Slimline Circuits

Nil

Contingent Liability as of March 31, 2007

Nil

The Cash Pharmacy

Cases filed by or against The Cash Pharmacy

Nil

Contingent Liability as of March 31, 2006

Nil

III. Sole proprietorship concerns

PCB Inc

Cases filed by PCB Inc

A suit (O.S. No. 1063 of 2002) has been filed by PCB Inc against M/s. Tata Telecom before the City Civil Judge, Bangalore (CCH31) for recovery of the amount due under credit supply of Electronics Printed Circuits Boards. The amount claimed in the said suit is Rs. 192,368.28. The matter has been posted for further evidence to regarding jurisdiction on November 28, 2007.

Cases filed against PCB Inc

Nil

Contingent Liability as of March 31, 2007

Nil

IV. HUF

M. R. Gurumurthy (Smaller HUF)

Cases filed by or against M R Gurumurthy (Smaller HUF)

Nil

Contingent Liability

Nil

M. R. Shivram (HUF)

Cases filed by or against M R Shivram HUF

Nil

Contingent Liability

Nil

M.R. Jaishankar (HUF)

Cases filed by or against M.R. Jaishankar (HUF)

Nil

Contingent Liability

Nil

V. Trust

Brigade Foundation

Cases filed by Brigade Foundation

Nil

Cases filed against Brigade Foundation

Nil

Contingent Liability as of March 31, 2006

Nil

Cases involving our Directors

For in relation to the litigation against Mr. M.R. Jaishankar, see above 'Cases involving our Promoter-Mr. M.R. Jaishankar'.

Cases involving people forming part of the Promoter group

Nil

Details of past penalties imposed on our Company or any of our Directors

Nil

Details of pending proceedings initiated for economic offences against our Company or any of our Directors

Nil

Details of past penalties imposed on our Promoters or the companies forming part of our Promoter Group

There have been no instances in the past of any penalties that has been imposed on our Promoters or on any company forming part of our promoter group by any statutory authorities.

Amounts owed to Small Scale Undertakings (to whom we owe a sum exceeding Rs. One lakh and which is outstanding more than 30 days)

Nil

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 193.

GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

Approvals related to the Issue

1. In principle approval from the National Stock Exchange dated October 9, 2007

2. In principle approval from the Bombay Stock Exchange dated October 10, 2007

3. The RBI by its letters dated October 30, 2007 and November 22, 2007 has clarified that 'FIIs may subscribe in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. It has also provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide press note 2 (2005 series).

   The office of the RBI at Bangalore has vide its letter dated November 23, 2007 stated that FIIs may invest in a particular issue of an Indian Company, either under Schedule 1 (Foreign Direct Investment Scheme) or Schedule 2 (Portfolio Investment Scheme) of Notification No. FEMA 20/2000-RB dated May 3, 2000. The letter has also clarified that both routes cannot be availed simultaneously.

   Therefore in light of the above letters, FIIs are permitted to invest in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000.

Approvals to carry on our Business

1. Registration Certificate of Establishment (No. 61/02/1721) dated November 05, 1993 issued by the Office of Inspector, under the Karnataka Shops and Commercial Establishments Act, 1961. for our Bangalore office which has been renewed on a yearly basis and is valid till December 31, 2008.

2. Registration Certificate of Establishment (No. SLS-4/19/CE-98/05) issued by the Office of Inspector, under the Karnataka Shops and Commercial Establishments Act, 1961 for our Mysore office.

3. Certificate dated March 31, 2000 providing our Company with its Importer – Exporter Code (IEC) issued by Ministry of Commerce, GoI. The allotted number is IEC No.0799016411.

4. Certificate of Provisional Value Added Tax Registration under the Karnataka Value Added Tax Act, 2003 dated April 1, 2003 bearing Tax Identification Number 29110089531 subject to confirmation when the law comes into force.

5. Certificate of registration under the Karnataka Sales Tax Act, dated September 17, 1993 evidencing the registration of our Company with a principal place of business located at Brigade Enterprises, Brigade Towers, No.135, Brigade Road, Bangalore 560 025, as dealers under the said enactment and the grant of KST No. 00509784 to us.

6. Certificate of registration under the Central Sales Tax (Registration and Turnover) Rules, 1957 dated September 17, 1993 evidencing the registration of our Company with a principal place of business located at Brigade Enterprises, Brigade Towers, No.135, Brigade Road, Bangalore 560 025, as dealers under the said enactment and the grant of CST No. 00559787 to us.

7. Letter bearing reference number ACIT(COMP)/TAN/9495 dated January 9, 1996 issued by the Deputy Commissioner of Income Tax, allotting Tax Deduction Account Number B0957F(I) to our Company.

8. Letter bearing reference number 456484/41 dated March 3, 1999 issued by the Deputy Commissioner of Income Tax (Computers), Bangalore, allotting Permanent Account Number AAACB7459F to our Company.

9. Certificate of registration dated December 3, 2004 issued by the Service Tax Commissarate, Bangalore, allotting registration number (CCS)(REA)/AAACB7459F ST001 and Service Tax Code number AAACB7459F ST001 to our Company for the purposes of payment of service tax on the service being provided by the Company as Real Estate Agent/Consultants and Construction Services. The certificate is valid till the time that the Company carries on the activity for which the certificate has been issued or where the certificate is surrendered by the Central Excise Officer.

10. Certificate of registration of trade mark (No. 568898) dated October 21, 2003 issued by Registrar of Trademark on October 13, 2004 and published in J. No. 1335(S-I) in respect of building, construction, repair, installation services in Class 37 under No. 1244837.

11. Certificate of Approval (No. 181487) dated December 12, 2005 awarded by Bureau Veritas Quality International certifying that the quality management system as quality standards ISO 9001:2000 for design, development, construction and marketing of residential, commercial and industrial buildings which is valid till November 30, 2008.

12. Certificate of registration (Ker. Inspn.53-23678-90) dated January 9, 2007 issued by the Employee's State Insurance Corporation, Bangalore, extending the applicability of the Employees State Insurance Act, 1948 to our Company.

13. Certificate of registration (No. KN/PF/Enf-II/BD-IV/499/96) dated November 6, 1996 issued by the Office of the Regional Provident Fund Commissioner, Bangalore, extending the applicability of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The date of coverage of our Company within the purview of the said Act was confirmed as October 1, 1995 by letter (No. KN/PF/Enf II/BD-IV/628/96) dated December 12, 1996 from the Regional Provident Fund Commissioner.

Applications made

1. Application made by the Company under the Karnataka Shops and Commercial Establishments Act, 1961 in relation to our office at Lavelle Road, Bangalore.

2. Application dated July 4, 2007 made by our Company for approval to set up a sector specific Special Economic Zone for Information Technology and Information Technology Enabled Services at Mangalore, Karnataka.

Project specific approvals

Some of the important approvals received by us in relation to our Ongoing Projects are as follows:

S. No.	Name of the Project	Approvals
1.	Brigade Metropolis	1. Letter No.T-413/42-A-12 dated January 30, 2004 from the Survey Department of India providing the details of the height in meters above mean sea level. 2. NOC (No. DE(S)/S-6/2004-05/19) dated July 29, 2004 issued by BSNL in relation to the proposed integrated multipurpose complex. 3. NOC (No.CEM/ACE(M)-I/TA-4/142/2004-05)dated April 6, 2005 issued by the BWSSB for the project 4. NOC (No.CGM/BMAZ/DGM(T)/AGM(T)-2/F-242/11305-08) dated October 20, 2004 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 5. Approval No.AAI/20012/1267/2004 – ARI (NOC) dated January 12, 2005, bearing Case number BG-386 from the AAI 6. NOC (GBC(1)695/2004) dated November 14, 2005 (previous dated

S. No.	Name of the Project	Approvals
		February 16, 2005) issued by the office of the Karnataka State Fire and Emergency Services. 7. Consent for establishment (no. CFE-EIA/BEPL/EIA-304/2005-2006/113) dated September 29, 2005 issued by the KSPCB under the Water and Air Act for establishment of residential apartments, commercial complex and software park, valid for a period of five years. 8. EIA (MOEF) Clearance from Ministry of Environment & Forests No.J-12011/39/2005-IA(CIE) dated March 3, 2006 9. Change of Land Use bearing No.BDA/TPM/CLU/ 05/ 2004 – 05 / 3949 dated March 21, 2005. 10. Work Order for development of Group Housing Project issued by BDA bearing No.BDA/CLU/G.H.03/05-06/2019:2005: 06 dated August 30, 2005. 11. Plan sanction letter for the residential use of land complex No.NM/AS/AA-3/TS-2/P/57/05-06 dated October 6, 2005 issued by the BMP for 12 Blocks (A,B,C,D,E, F, G, H, I, J, K, L). 12. Plan sanction letter for the commercial use of land complex No.NM/AS/AA-3/TS-2/P/55/05-06 dated October 1, 2005 issued by the BMP for Tower A & B. 13. Commencement Certificate No.BDA/EM/EO-III/TA-2/CC/T-40/06-07 dated June 28,2006 for Residential Blocks – A, C & D. 14. Commencement Certificate No.BDA/EM/EO-III/TA-2/CC/T-352/06-07 dated September 30, 2006 for Residential Block – B. 15. Commencement Certificate No.BDA/EM/EO-III/TA-2/CC/T-195/06-07 dated June 19, 2006 for Residential Blocks – E, F & G. 16. Commencement Certificate No.BDA/EM/EO-III/TA-2/CC/T-29/06-07 dated April 13, 2007 for Residential Blocks – H, I, J & K. 17. Commencement Certificate No.BDA/EM/EO-III/TA-2/CC/T-351/06-07 dated September 30, 2006 for Commercial Block (Tower – A) 18. Commencement Certificate No.BDA/EM/EO-III/TA-2/CC/T-676/06-07 dated February 15, 2007 for Commercial Block (Tower – B) Application made 19. Application for issue of Commencement Certificate for Residential Block (Block – L) dated September 17, 2007 made by BEL to BDA.
2.	Brigade Palmsprings	1. Letter dated December 16, 2004 from the Survey of India providing the details of the height in meters above mean sea level 2. NOC (No.DE(S)/S-6/2004-05/165) dated March 23, 2005 issued by BSNL in relation to the proposed complex. 3. NOC (No.CE(M)ACE(M)-I/TA-9/3535/2004-05) dated July 25, 2005, issued by the BWSSB for the project 4. NOC (No.CGM/BMAZ/DGM/AGM-3/F-240/3619-22) dated June 14, 2005 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 5. Approval (No.AAI/20012/602/2005-ARI(NOC) dated August 12, 2005, bearing Case number BG-056/05 from the AAI 6. Letter (No. GBC(1)435/2005) dated July 29, 2005 from the Director of Fire and Emergency Services and Director to the Police of the BDA for requesting grant of NOC for single building with 2 towers, with club house, with basement, ground and sixteen upper floors issued by the BDA. 7. Consent for establishment (No. CFE-EIA/BEPL/EIA-408/2006-2007/104) dated July 5, 2006 issued by the KSPCB under the Water and Air Act for establishment of residential apartments with 232 flats, valid for a period of 5 years. 8. Plan sanction letter No.PS/EM/EO-I/TA-II/S/45/06-07 dated October 17, 2006 issued by BDA ***Application made*** 9. Application for issue of Environmental Clearance dated February 21, 2007 made by BEL to Ministry of Environment & Forest. 10. Application for issue of Commencement Certificate dated July 13, 2007 made by BEL to BBMP
3.	Brigade Gateway Sheraton Hotel	1. Project approval (No. KUM/SLSWCC-33/AD/180/2007-08) dated June 14, 2007 issued by the Karnataka Udyog Mitra ***Application made*** 1. Application for issue of Commencement Certificate dated October 10,

S. No.	Name of the Project	Approvals
		2007 made by BEL to Bruhat Bangalore Mahanagara Palike
4.	Brigade Lakeview	1. Letter No.T-3002/42-A-12 dated December 8, 2004 from the Survey Department of India providing the details of the height in meters above mean sea level. 2. NOC (No.DE(S)/S-6/2004-05/76) dated December 24, 2004 issued by BSNL in relation to the proposed complex. 3. NOC (No.CE(M)ACE(M)/TA-9/10043/2004-05) dated February 8, 2005, issued by the BWSSB for the project 4. NOC (No.GM/C(O&M)/DGM(O)/AGM-3/04-05/20719-20) dated February 3, 2005 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 5. Approval (No.AAI-NAD/M/0-23/NCC) dated May 19, 2005, bearing Case number 118/05(BG.01/05) from the AAI 6. Letter (No. GBC(1)32/2005) dated March, 2005 from the Director of Fire and Emergency Services and Director to the Police for single building ground and eight upper floors issued to the Commissioner, BDA. 7. Consent for establishment (No.117/KSPCB/CFE/EOBNG-SR1/DEO/AEO-2/INR NO.144219/2004-2005/4068) dated January 11, 2005 issued by the KSPCB under the Water and Air Act for establishment of residential apartments consisting of 21 plots, valid for a period of two years. 8. Plan sanction letter No.035226 dated August 10, 2005 issued by the Bangalore Mahanagara Palike vide L.P No.12/05-06 9. Commencement certificate (No. LP/12/05-06) dated October 30, 2006 issued by the Bangalore Mahanagar Palike.
5.	Brigade Harmony	1. Change of Land Use: No.BDA/TPM/CLU/178/03-04:3007/2003-04 dated. February 21, 2004 and No.BDA/TPM/CLU/251/02-03:972/2003-04 dated July 22, 2003 2. Letter (No. T-357/42-A-12) dated January 27, 2004 from the Survey of India providing the details of the height in meters above mean sea level. 3. NOC (No.DE(S)/S-6/2004-05/132) dated February 24, 2005 issued by BSNL in relation to the proposed complex. 4. NOC (No.BWSSB/CE(M)/ACE(M)/TA-4/1576/2003-04) dated May 28, 2004, issued by the BWSSB for the project. 5. NOC (No.GM/C(O&M)/DGM(O)/AGM-3/2618-20) dated May 22, 2004 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 6. Approval (No.AAI/20012/661/2004-ARI) dated September 8, 2004, bearing Case number BG-322 from the AAI 7. Letter (No. GBC(1)311/2004) dated March 2, 2005 from the Director of Fire and Emergency Services and Director to the Police of the BDA for requesting grant of NOC for single building, basement, ground and seven upper floors issued by the BDA.(earlier NOC dated 23/06/2004) 8. KSPCB NOC No.125/KSPCB/CFE/EO-BNG-SR1/DEO/ AEO-1/INR No.144758/2004 – 2005/5223 dated February 22, 2005 9. Plan sanction letter No.NM/AS/TS-3/P/11/05-06 dated April 30, 2005 issued by the Bangalore Development Authority 10. Commencement Certificate No.BDA/EM/EO-III/TA-II/CC/T-21/2005-2006 dated April 10, 2006.
6.	Brigade Tech Park -B	1. NOC (No.DE(S)/S-6/2003-04/58) dated August 11, 2003 issued by BSNL in relation to the proposed complex 2. NOC (No.BWSSB/CE(M)/ACE(M)-I/TA-4/523/2003-04) dated September 10, 2003, issued by the BWSSB for the project 3. NOC (No.CEE/BMAZ/EE(D)/AEE-2/F-243/8925-27) dated September 19, 2003 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 4. Approval (No.AAI-NAD/M/0-23/NCC) dated January 12, 2004, bearing Case number BG-232 from the AAI 5. Letter (No. GBC(1)526/2003) dated October 6, 2003 from the Director of Fire and Emergency Services and Director of the Police to the BDA NOC for single building, basement, ground and nine upper floors issued by the BDA. 6. Plan sanction letter No.NM/AS/TS-3/P/30/04-05 dated July 22, 2004 issued by BDA 7. Commencement certificate [No. BDA/EM/EO-II/TA-3/CC/T-62/2004-05 issued by the BDA. 8. Occupation Certificate (No. BDA/EM/TA-2/OC/T-553/2005-06) dated

S. No.	Name of the Project	Approvals
		February 2, 2006.
7.	Brigade Odyssey	1. Plan sanction license No.41142 dated November 29, 2006 issued by the BMP (L.P No.U.A(P) LP 616/2006-07 dated November 29, 2006 2. Commencement certificate dated March 27, 2007 LP No.616/06-07, issued by the BBMP
8.	Brigade Homestead - 4	1. Plan Sanction issued by Bangalore Mahanagar Palike licence/approval No.28220 dated May 6, 2005 giving license to construct building upto three floors. Validity of license from May 12, 2005 to May 11, 2007. 2. Commencement Certificate (No. DC(S)LP/1274/04-05) dated November 7, 2005 issued by Bangalore Mahanagar Palike. ***Application made*** 3. Application for issue of.Occupancy Certificate dated April 23, 2007 made by BEPL to Bangalore Mahanagar Palike
9.	Brigade Elite 1	1. Plan Sanction (No.CRL/409/05-06) dated January 18, 2006 by the MMP 2. Commencement Certificate (No. No.CRL/CC/409/06 -07) dated January 25, 2007 issued by MMP
10.	Brigade Tiara	1. Plan Sanction (No.CRL/77/2006-07) dated August 16, 2006 by the MMP 2. Commencement Certificate (No.CRL/77/06-07) dated June 21, 2007 issued by MMP
11.	Brigade Citadel	1. Plan sanction dated January 20, 2007 issued by MMP No.CRL/182/2006-07 2. Commencement Certificate (No.CRL/182/2006 – 07 dated August 9, 2007 issued by MMP
23.	Brigade Horizon	1. Plan sanction (No.NRL/145/2006-07) dated February 26, 2007 issued by MMP. 2. Survey of India Letter No.T-1101/42-A-12 specifying the latitude, longitude, height above MSL and distance from Airport, dated April 25, 2007 from the Karnataka Geo Spatial Data Centre 3. NOC (No.DE(S)/S-6/2006-07/34) dated April 25, 2007 issued by BSNL for issuing clearance for construction of Residential building 4. NOC (No.EE(CA&QC)/WC/07-08/140-42) dated September 27, 2007 issued by the CHESCOM for obtaining the sanction for the building plan from the competent authority 5. NOC (No.AAI-/SR/NOC/RHQ) dated September 19, 2007, bearing Case number 747/07(BG:47/07) from the AAI for heinght clearance 6. NOC (No.GBC(1)305/2007) dated October 26, 2007 issued by Karnataka State Fire and Emergency Services for the construction of a high rise residential building ***Application made*** 1. Application for issue of No Objection Certificate dated May 19, 2007 made by our Company to Vani Vilas Water Works
24.	Brigade Solitaire	1. Plan sanction (No.NRL/163/2006-07) dated March 30, 2007, issued by the MMP ***Application made*** 1. Application for issue of.Commencement Certificate dated October 1, 2007 made by BEPL to Mysore Mahanagar Palike
25.	Brigade Habitat	1. Plan sanction (No.KRL/106/05-06) dated January 28, 2006 issued by BMP 2. Commencement Certificate : No.KRL/CC/18/2006-07 dated September 2006 Application made 1. Application for issue of Occupancy Certificate dated April 16, 2007 made by our Company to Mysore Mahanagara Palike
26.	Brigade Paramount	1. Survey of India Letter (No.T-1216/42-A-12) dated March 11, 2004 from the Karnataka Geo Spatial Data Centre specifying the Latitude, Longitude and height above MSL of the location. 2. NOC (No.DE(S)/S-6/2004-05/52) dated September 1,2004 issued by BSNL for issuing clearance for construction of Residential building 3. NOC (No.CE(M)ACE(M)/TA-4/6874/2004-05) dated October 25, 2004 issued by the BWSSB for the project 4. NOC (No.GM/C(O&M)/DGM(O)/AGM-3/04-05/13703-04) dated October 27, 2004 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 5. Approval (No.AAI-NAD/M/0-23/NCC) dated December 16, 2004,

S. No.	Name of the Project	Approvals
		bearing Case number 527/2004 (BG-393) from the AAI 6. NOC (No.GBC(1)694/2004) dated December 6, 2004 issued by Karnataka State Fire and Emergency Services for the construction of a high rise residential building 7. (No.102.INR.NO.142488/KSPCB/RO-BNG-EAST/CFE/ AEO-1/2004-05/2701 NO.144758/2004-2005/ 5223) dated November 17, 2004 issued by the KSPCB under the Water and Air Act clearing the project for setting up Residential Aparments 8. Plan Sanction letter No.003276 dated May 2, 2005 issued by the Bangalore Mahanagara Palike. 9. Commencement Certificate (No. LP/23/04-05) dated February 4, 2006 issued by the Bangalore Mahanagara Palike for the project. 10. Modified Plan Sanction – LP No.(BN) 23/04 – 05 dated August 10, 2006
28.	Brigade Rubix	1. Survey of India Letter No.T-1325/42-A-12 dated June 8, 2006 from the Karnataka Geo Spatial Data Centre specifying the Latitude,Longitude and height above MSL of the location 2. NOC (No.DE(S)/S-6/I/2006-07/35) dated July 13,2006 issued by BSNL for clearance of construction of the Proposed Commercial building 3. NOC (No.BWSSB/CE(M)/ACE(M)-II/TA-8/3288/2006-07) dated October 10, 2006 issued by the BWSSB for providing water supply and underground facilities 4. NOC (No.CGM/BMAZ/DGM/AGM-2/F-245/9142) dated November 09, 2006 issued by BESCOM for the purpose of obtaining sanction for the proposed M.S.building plan from the BDA/BMP/Competent authority. 5. NOC (No.AAI/M/023/NOC)dated December 5, 2006,issued by the AAI specifying the height to which the proposed structure may be erected, valid for a period of three years 6. NOC No.GBC(1)864/2006 dated April 11, 2007 issued by Karnataka State Fire and Emergency Services for the construction of a high rise mixed occupancy building 7. Change of Land Use No.BDA/TPM/CLU/308/06 /2030/ 2007-08 dated November 21, 2007 ***Application made*** 1. Application for issue of Consent for Establishment dated October 17, 2006 made by BEL to Karnataka State Pollution Control Board
29.	Brigade Crescent	1. Survey of India Letter (No.T-656/42-A-12) dated March 10, 2006 from the Karnataka Geo Spatial Data Centre specifying the Latitude, Longitude and height above MSL of the location. 2. NOC (No.DE(S)/S-6/II/2006-07/19) dated October 9, 2006 issued by BSNL for issuing clearance for construction of proposed Residential building 3. NOC (No.CE(M)ACE(M)-I/TA-4/3744/200-07) dated November 8, 2006, issued by the BWSSB for the project 4. NOC (No.GM/C(O&M)/DGM(O)/JEE/06-07/16568-69) dated November 14, 2006 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 5. Approval (No.AAI/M/0-23/NOC) dated January 17, 2007, bearing Case number 28/07(BG:186/06) from the AAI 6. NOC (No.GBC(1)813/2006) dated May 7, 2007 issued by Karnataka State Fire and Emergency Services for the construction of a high rise residential building
30.	Brigade Petunia	1. Change of Land Use No.BDA/TPM/CLU/307/06 /4950/ 2006-07 dated February 23, 2007 2. Plan sanction L.P No.JC(S) LP: 1634/06-07 dated June 20, 2007 issued by BMP
31.	Brigade School Whitefield	1. Change of Land Use No.BDA/TPM/CLU/554/06-07/375 dated April 25, 2007 2. Survey of India Letter (No.T-1902/42-A-12) dated July 27, 2007 from the Karnataka Geo Spatial Data Centre specifying the Latitude, Longitude and height above MSL of the location ***Application made*** 1. Application for issue of Development Plan dated September 17, 2007 made by BEL to Bangalore Development Authority
32.	Brigade Courtyard	1. Plan sanction letter (No.6074) dated March 8, 2007 issued by BMP vide L.P No.JC(W)/1061/Mall/06-07.

S. No.	Name of the Project	Approvals
		2. BWSSB NOC No.BWSSB/CE(M)/ACE(M)-II/TA-8/14/2006-07 dated April 2, 2007 ***Application made*** 1. Application for issue of Environment Clearance dated May 30, 2007 made by BEPL to Ministry of Environment & Forest, Government of India
33.	Brigade Homestead 3	1. Change of Land use a. BDA/TPM/CLU/283:2003-04: 3950:2004 – 2005 dated March 21, 2005 b. BDA/TPM/CLU/254:2004-05: 3951:2004 – 2005 dated March 21, 2005 2. Survey of India Letter (No.T-357/42-A-12) dated January 27, 2004 from the Karnataka Geo Spatial Data Centre specifying the Latitude, Longitude and height above MSL of the location 3. NOC (No.DE(S)/S-6/2003-04/39) dated March 4, 2004 issued by BSNL for issuing clearance for construction of Transit Home 4. NOC (No.BWSSB/CE(M)/ACE(M)/TA-9/12188/2003-04) dated March 26, 2004 issued by the BWSSB for the project 5. NOC (No. SEE/BC-S/EEE(O)/AEE-3/19949-51) dated March 8, 2004 issued by the BESCOM for obtaining the sanction for the building plan from the competent authority. 6. Approval dated (No.AAI-NAD/M/0-23/NCC) June 11, 2004 bearing Case number 176/2004(BG-295) from the AAI 7. NOC (No.GBC(1)144/2004) dated February 17, 2007 issued by Karnataka State Fire and Emergency Services for the construction of a high rise residential building (earlier NOC dated April 6, 2004) 8. NOC (No.76/KSPCB/CFE/EO-BNG-SR1/DEO/AEO-1/INR NO.142203/2004-05/2622) dated November 6, 2004 issued by the KSPCB under the Water and Air Act clearing the project for setting up Residential Apartments 9. Plan sanction letter dated (No.003383) June 6, 2005 by the BMP vide L.P No.SN:01/04-05 10. Modified Plan sanction letter – L.P No.01 / 2004 – 2005 dated August 01, 2007
35.	Brigade Gateway	1. Change of Land Use issued by BDA: a. No.BDA/TPM/CLU/449/2003-04 : 098 dated April 4, 2005 b. No.BDA/TPM/CLU/257/2004-05 : 099 dated April 4, 2005 c. No.BDA/TPM/CLU/258/2004-05 : 100 dated April 4, 2005 2. Survey of India NOC No.T-413/42-A-12 dated January 30, 2004 3. BSNL NOC No.DE(S)/S-6/2004-05/15 dated July 21, 2004 4. BWSSB NOC No.CE(M)/ACE(M)/TA-8/8810/2004-05 dated December 31, 2004 5. BESCOM NOC No.CGM/BMAZ/DGM(T)/AGM(T)-2/F-248/17917-20 dated February 28, 2005 6. Airport Authority of India NOC No.AAI/20012/2005-ARI(NOC) dated April 7, 2005 7. Fire Force NOC No.GBC(1)5/2005 dated May 12, 2005 8. KSPCB NOC No.CFE-EIA/BEPL/EIA-308/2005-06/112 dated September 29, 2005 for water & air. 9. Ministry of Environment & Forests No.J-12011/40/2005-IA(CIE) dated March 3, 2006 10. Plan Sanction No.003282 vide L.P No.RN:03/05-06 dated July 15, 2005 issued by Bruhat Bangalore Mahanagara Palike. 11. Commencement Certificate No.LP/03/05-06 dated May 30, 2007 issued by Bruhat Bangalore Mahanagara Palike for Retail Block, Nursing Home, Office Block and Residential Wings – A, B, C, D, E, F, G, H, J, K, L, M & N
36.	Brigade Pinnacle	1. Survey of India Letter (No.T-1588/42-A-12) dated August 8, 2007 from the Karnataka Geo Spatial Data Centre specifying the Latitude, Longitude and height above MSL of the location
37.	Brigade Retail	1. Survey of India Letter (No.T-1178/42-C-4) dated September 6, 2007 from the Karnataka Geo Spatial Data Centre specifying the Latitude, Longitude and height above MSL of the location
38.	Brigade IT Sez, Mangalore	1. Survey of India Letter (No.T-1230/42-C-4) dated September 12, 2007 from the Karnataka Geo Spatial Data Centre specifying the Latitude, Longitude and height above MSL of the location

The Company requires approvals from various governmental and local bodies in relation to all the projects executed or to be executed by it. These approvals are required at various stages of construction and shall be granted to us by these authorities subject to our compliance with the requirements of the local laws. These include no objections certificates from government agencies, plan sanction from the authorities, commencement certificate and occupancy certificate. In addition to the above, we also require the approvals under various environmental legislations for all our projects. We shall apply for these at the relevant stages of the construction.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue and the Green Shoe Option have been authorized by the Board of Directors in their meeting on July 20, 2007, and by the shareholders of our Company at an EGM held on August 17 , 2007.

Prohibition by SEBI

Our Company, our Directors, our Promoters, our subsidiaries, our group companies, associates of our group companies and other companies promoted by our Promoter and companies with which our Company's Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI DIP Guidelines as explained under, with the eligibility criteria calculated in accordance with unconsolidated financial statements under Indian GAAP:

- the Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets;
- the Company has a track record of distributable profits in accordance with Section 205 of Companies Act for at least three of the immediately preceding five years;
- the Company has a net worth of at least Rs. 10 million in each of the three preceding full years;
- the aggregate of the proposed Issue size and all previous issues made in the same financial year in terms of size (i.e. offer through the offer document + firm allotment + promoter's contribution through the offer document) is not expected to exceed five times the pre-Issue net worth of the Company as per the audited balance sheet for the financial year ended March 31, 2007; and
- the Company has not changed its name within the last one year.

The net profit, dividend, net worth, net tangible assets and monetary assets derived from the Restated Financial Statements included in this Red Herring Prospectus under the section "Financial Statements" for the last five fiscal years ended March 31, 2007, 2006, 2005, 2004 and 2003 is set forth below:

(Rs. million)

	For the year ended March 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Distributable Profits (1)	729.04	419.86	196.03	107.69	41.59
Net Worth (2)	1,471.89	804.24	430.42	258.79	159.21
Net Tangible Assets (3)	3,873.92	1,829.47	1,523.13	569.44	306.05
Monetary Assets (4)	175.04	196.25	127.31	14.06	12.39
Monetary Assets as a % of Net Tangible Assets	4.52%	10.73%	8.36%	2.47%	4.05%

(1) Distributable Profits have been defined under Section 205 of the Companies Act, 1956;
(2) Net Worth has been defined as the aggregate of the equity share capital and reserves, excluding miscellaneous reserves, if any as per the audited financials of the Company;
(3) Net Tangible Assets mean the sum of all net assets of the Company, excluding intangible assets as defined under Accounting Standard 26 issued by the Institute of Chartered Accountants of India;
(4) Monetary Assets comprise cash and bank balances.

For a complete explanation of the above figures please refer to the section titled "Financial Statements" on page 134.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, JP MORGAN INDIA PRIVATE LIMITED, ENAM SECURITIES PRIVATE LIMITED AND ICICI SECURITIES LIMITED AND HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS, JP MORGAN INDIA PRIVATE LIMITED AND ENAM SECURITIES PRIVATE LIMITED AND ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 14, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

(i) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**

(ii) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

WE CONFIRM THAT:

(A) **THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

(B) **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;**

(D) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID; AND

(E) WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITTERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(F) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

The filing of the Red Herring Prospectus does not, however, absolve the company from any liabilities under section 63 or section 68 of the companies act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus."

The Book Running Lead Managers, and us accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisement or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

All legal requirements pertaining to the issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Karnataka at Bangalore, in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from the Company, GCBRLMs and BRLM

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Caution

Our Company, our Directors, the GCBRLMs and BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.brigadegroup.com, would be doing so at his or her own risk.

The GCBRLMs and BRLM accept no responsibility, save to the limited extent as provided in the MOU entered into between the GCBRLMs, the BRLM and us and the Underwriting Agreement to be entered into between the Underwriters and us.

All information shall be made available by us, the GCBRLMs and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Disclaimer Clause of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, Public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, and to permitted non-residents, FIIs registered with SEBI and Eligible NRIs provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Bangalore, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been submitted to SEBI. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE.

BSE has given vide its letter dated October 10, 2007 permission to our Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. The Exchange does not in any manner;-

(i) warrant , certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or

(ii) warrant that our Company's securities will be listed or will continue to be listed on the BSE; or

(iii) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed that this Red Herring Prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE.

NSE has given by its letter ref: NSE/LIST/57861-D dated October 9, 2007 permission to our Company to use NSE's name in this prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed. NSE has scrutinized this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim again NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus had been filed with SEBI at SEBI Bhavan, C4 –A, G Block, Bandra Kurla Complex, Bandra East Mumbai 400 050.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Karnataka (Bangalore).

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then the Company, and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

Undertaking in relation to our Land Reserves

The Company undertakes to make continuous disclosures on stages of development on the material agreements that have been disclosed in this document to NSE and BSE on a continuous basis for the puposes of public disseminitation.

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, Domestic Legal Advisors to the Underwriters and Domestic Legal Advisors to the Company, Architects to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Narayanan, Patil and Ramesh, Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

ICRA Limited, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent dated October 10, 2007 to act as the IPO Grading Agency and vide letter dated November 27, 2007 given its consent for the inclusion of their report in the form and context in which it has been included in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Designated Stock Exchange.

Expert Opinion

Except the report of ICRA Limited in respect of the IPO grading of this Issue annexed herewith and except as stated in this Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [•] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be borne by our Company.

The estimated Issue expenses are as under:

(Rs.in million)

Activity	Expenses *
Lead management, underwriting and selling commission	[•]
Advertising and Marketing expenses	[•]
Printing and stationery	[•]
Others (Monitoring agency fees, Registrars fee, legal fee, listing fee, IPO Grading Agency fees etc.)	[•]
Total estimated Issue expenses	[•]

**To be completed after finalization of issue price*

Fees Payable to the GCBRLMs, BRLM and the Syndicate Members

The total fees payable to the Book Running Lead Managers, and the Syndicate Members will be as per the letter of appointment dated [•], 2007 with the GCBRLMs and BRLM issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MOU between us and the Registrar to the Issue dated [•], 2007.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 25, our Company has not made any previous issues of shares for consideration otherwise than for cash.

Companies under the Same Management

We do not have any companies under the same management within the meaning of section 370(1) (B) of the Companies Act, which has made any capital issue during the last three years.

Promise v/s performance

Our Company nor any Group or associate companies has made any previous rights and public issues.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds as of the date of this Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public issue of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by the Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. A. Anil Kumar, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post Issue related problems, at the following address:

'Pent House', Brigade towers,
135, Brigade Road,
Bangalore 560 025
India
Tel: (91 80) 4137 9200
Fax: (91 80) 2221 0784
Email: investors@brigadegroup.com

Change in Auditors

Since our inception, Narayanan, Patil and Ramesh, Chartered Accountants have been our Auditor.

Capitalization of Reserves or Profits

Our Company has not capitalized our reserves or profits during the last five years, except as disclosed in this Red Herring Prospectus.

Revaluation of Assets

We have not revalued our assets in the last five years.

Payment or benefit to officers of our Company

No officer of our Company is entitled to any benefit other than the statutory benefit upon termination of his employment in our Company or superannuation.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue and the Green Shoe Option have been authorized by the Board of Directors in their meeting on July 20, 2007, and by the shareholders of our Company at an EGM held on August 17, 2007.

The RBI by its letters dated October 30, 2007 and November 22, 2007 has clarified that 'FIIs may subscribe in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. It has also provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide press note 2 (2005 series).

The office of the RBI at Bangalore has vide its letter dated November 23, 2007 stated that FIIs may invest in a particular issue of an Indian Company, either under Schedule 1 (Foreign Direct Investment Scheme) or Schedule 2 (Portfolio Investment Scheme) of Notification No. FEMA 20/2000-RB dated May 3, 2000. The letter has also clarified that both routes cannot be availed simultaneously.

Therefore in light of the above letters, FIIs are permitted to invest in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment.

Mode of Payment of Dividend

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;

- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Our Articles of Association" on page 280.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 16 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Bangalore, Karnataka, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be Allotted will not be less than 1,000.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "Main Provisions of our Articles of Association" on page 280.

ISSUE STRUCTURE

The present Issue of 16,624,720 Equity Shares comprising of a Net Issue of 16,524,720 Equity Shares and an Employee Reservation Portion of up to 100,000 Equity Shares, at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through the Book Building Process. There will also be a Green Shoe Option of up to 2,493,708 Equity Shares for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] million. The Net Issue will constitute 14.91% of the fully diluted post Issue paid up capital of the Company assuming that the Green Shoe Option is not exercised and 16.78% assuming that the Green Shoe Option is exercised in full.

	QIBs	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Eligible Employees/ Employee Reservation Portion**
Number of Equity Shares in the event that the Green Shoe Option is exercised in full*	At least 11,411,057 Equity Shares	Not less than 1,901,843 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 5,705,528 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 100,000 Equity Shares.
Number of Equity Shares in the event that the Green Shoe Option is not exercised *	At least 9,914,832 Equity Shares	Not less than 1,652,472 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 4,957,416 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 100,000 Equity Shares.
Percentage of Issue Size available for allotment/allocation	At least 60% of Net Issue Size being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Net Issue or Net Issue less allocation to QIB and Retail Individual Bidders	Not less than 30% of Net Issue or Net Issue less allocation to QIB Bidders and Non Institutional Bidders.	Up to 0.60% of size of the Issue, in the event that the Green Shoe Option is not exercised.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows, assuming Green Shoe Option is not exercised: (a) 495,742 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 9,419,090 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	16 Equity Shares.	16 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	100,000 Equity Shares

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees/ Employee Reservation Portion
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment Lot	16 Equity Shares in multiples of 16 Equity Shares	16 Equity Shares in multiples of 16 Equity Shares	16 Equity Shares in multiples of 16 Equity Shares	16 Equity Shares in multiples of 16 Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts	All or any of the following: (a) a permanent employee of the Company and/or its Subsidiaries as of three days prior to Bid/Issue Opening Date and based working and present in India as on the date of submission of the Bid cum Application Form. (b) a director of the Company or its Subsidiaries, except any Promoters or members of the promoter group, whether a whole time Director part time Director or otherwise as of three days prior to Bid/Issue Opening Date and based and present in India as on the date of submission of the Bid cum Application Form.
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	At least 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

* *Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19 (2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Under subscription, if any, in the Retail Portion or the Non-Institutional Portion would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLMs and BRLM. Additional Allotment*

to each of these categories would be made on a pro rata basis to the extent of the Green Shoe Option Portion. Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. In case of undersubscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

** *In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

As per Chapter VIIIA of the SEBI Guidelines, we have availed of the Green Shoe Option for stabilising the post-listing price of the Equity Shares. We have appointed Enam Securities Private Limited as the Stabilising Agent. The Green Shoe Option consists of an option to overallot up to 2,493,708 Equity Shares at the Issue Price, aggregating Rs. [•] million.

Withdrawal of the Issue

The Company in consultation with the GCBRLMs and BRLM reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date before allotment, without assigning any reason thereof.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants and dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as a Refund Banker and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**DECEMBER 10, 2007**
BID/ISSUE CLOSES ON	**DECEMBER 13, 2007**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except on the Bid / Issue Closing Date, the Bids shall be accepted between 10 a.m. and 1 p.m. and uploaded until such time as permitted by the BSE and the NSE on the Bid /Issue Closing Date.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for such number of days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the GCBRLMs, BRLM and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital of the Company, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allottment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further, up to 100,000 Equity Shares shall be available for allocation on a proportional basis Eligible Employees, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. International QIB Bids can be procured and submitted only through the GCBRLMs or their affiliates. Domestic QIB Bids can be procured and submitted only through the GCBRLMs and/or their affiliates and BRLM who shall only be responsible for procuring bids from the banks registered under the Banking Regulation Act, 1949 and the ICICI group. In case of QIB Bidders, the Company in consultation with the GCBRLMs and BRLM, as the case may be, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company would have a right to reject the Bids only on technical grounds.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs or FIIs applying on a repatriation basis	Blue
Eligible Employees	Pink

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;

- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable.;
- FIIs registered with SEBI;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Subject to the applicable law, Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and
- Eligible Employees.

Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Note: The GCBRLMs and BRLM shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Managers and Syndicate Members may subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The information below is given for the benefit of the Bidders. The Company, the GCBRLMs and BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. Assuming that the Green Shoe Option is not exercised and in the event that the demand is greater than 495,742 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs

1. Bid cum application forms (blue in colour) have been made available for Eligible NRIs at our registered office, members of the Syndicate of the Registrar to the Issue.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 110,831,455 (assuming Green Shoe Option is not exercised) or 113,325,163 (assuming Green Shoe Option is exercised in full) Equity Shares of Rs. 10 each). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The Company, the GCBRLMs and BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in three newspapers (one each in English, Hindi and Kannada). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX – A of the SEBI DIP guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005.

(c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(d) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate and should approach any of the GCBRLMs or or BRLM or Syndicate Members or their authorized agent(s) to register their Bids.

(e) The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

(g) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in three newspapers (one each in English and Hindi) and one Kannada newspaper, and also by indicating the change on the websites of the GCBRLMs, BRLM and at the terminals of the Syndicate Members.

(h) The Price Band has been fixed at Rs. 351 to Rs. 390 per Equity Share of Rs. 10 each, Rs. 351 being the lower end of the Price Band and Rs. 390 being the higher end of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of Rs. 1.

(i) The Company in consultation with the GCBRLMs and BRLM reserves the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

(j) The Company in consultation with the GCBRLMs and BRLM can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 16 Equity Shares and in multiples of 16 Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 16 Equity Shares thereafter. A Bid cannot be submitted for more than the Net Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Employee Reservation Portion:** The Bid must be for a minimum of 16 Equity Shares and in multiples of 16 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs.100,000 may bid at Cut-off Price. The allotment in the Employee Reservation Portion will be on a proportionate basis. However, the maximum Bid under the Employee Reservation Portion cannot exceed 100,000 Equity Shares.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Method and Process of Bidding

(a) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 256) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(b) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Bids at Different Price Levels and Revision of Bids" on page 256.

(c) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(d) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(e) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 263.

Bids at Different Price Levels and Revision of Bids

(a) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB, Non-Institutional Bidders and Eligible Employees bidding in excess of Rs. 100,000 and such Bids shall be rejected.

(b) Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees under the Employee Reservation Portion bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.

(c) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.

(d) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(e) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 16 Equity Shares irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(f) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(g) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(h) The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(i) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(j) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of international QIB Bidders, the GCBRLMs, and/or their affiliates and in the case of domestic QIB Bidders, the GCBRLMs, and/or their affiliates and the BRLM (in case of banks registered under the Banking Regulation Act, 1949 and the ICICI group) shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(k) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs applying on a repatriation basis and pink colour for Bidders under Employee Reservation portion).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of 16 Equity Shares and in multiples of 16 Equity Shares, thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of 16 Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of 16 Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

(f) Bids by Non Residents, NRIs and FIIs on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(g) For Eligible Employees bidding in the Employee Reservation Portion, the Bid must be for a minimum of 16 Equity Shares in multiples of 16 thereafter, subject to a maximum of up to 100,000 Equity Shares.

(h) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(i) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

(a) a permanent employee of the Company or of its Subsidiaries as of three days prior to Bid/Issue Opening Date and based working and present in India as on the date of submission of the Bid cum Application Form.

(b) a director of the Company, whether a whole time director except any Promoters or members of the promoter group, part time director or otherwise as of three days prior to Bid/Issue Opening Date and based and present in India as on the date of submission of the Bid cum Application Form.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour Form).
- Only Eligible Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder shall be the Eligible Employee as defined above.
- Bids by Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.

- The Bids must be for a minimum of 16 Equity Shares and in multiples of 16 Equity Shares thereafter. The allotment in the Employee Reservation portion will be on a proportional basis.
- Eligible Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off Price. This facility is not available to other Eligible Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum bid under Employee Reservation Portion by an Employee cannot exceed 100,000 Equity Shares.
- Bid/ Application by Eligible Employees can also be made in the "Net Issue" portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 100,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Under-subscription, if any, in the Employee Reservation Portion shall be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. If the aggregate demand in this category is greater than 100,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see "Basis of Allotment" on page 269.
- This is not an issue for sale within the United States of any Equity Shares or any other security of the Company. Securities of the Company, including any offering of its equity shares, may not be offered or sold in the United States in the absence of registration under U.S. securities laws or unless exempt from registration under such laws.

Electronic Registration of Bids

(a) The Members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the GCBRLMs and BRLM on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding /Issue Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund,Employee etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the

Equity Shares shall be allocated/allotment either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of international QIB Bidders, the GCBRLMs and/or their affiliates and in case of domestic QIB Bidders, GCBRLMs and/or their affiliates and the BRLM (in relation to the banks registered under the Banking Regulation Act, 1949 and the ICICI group) have the right to accept the bid or reject the Bids. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, Bids would not be rejected except on the technical grounds listed on page 266.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the GCBRLMs and BRLM are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

(j) Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the GCBRLMs and BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) or the Employee Bid cum application Form (pink in colour) as the case may be;

c) Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialized form only;

d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

g) Mention their Permanent Account Number (PAN) allotted under the IT Act. If you have mentioned "Applied for" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof;

h) Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;

i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders and Eligible Employees bidding in the Employee Reservation Portion for bid amount in excess of Rs. 100,000);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the GCBRLMs, the BRLM or the registrar or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, nor the Registrar, Escrow Collection Bank(s) nor the GCBRLMs nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

a. In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

b. In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

c. In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their

SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

d. In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

e. In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

f. Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the GCBRLMs and BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms.

1. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph titled "Terms of Payment and Payment into the Escrow Account" on page 263) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 248. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

2. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no

later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the GCBRLMs and BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of QIB Bidders: **“**Escrow Account– Brigade Public Issue – QIB – R”
   - In case of Non Resident QIB Bidders: **“**Escrow Account– Brigade Public Issue – QIB – NR”
   - In case of Resident Bidders: **“**Escrow Account– Brigade Public Issue - R”
   - In case of Non Resident Bidders: **“**Escrow Account– Brigade Public Issue - NR”
   - In case of Eligible Employees: “Escrow Account– Brigade Public Issue - Employees”

4. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance, or out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a non repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account or NRO account.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.

7. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

8. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

9. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

10. Incase clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

SUBMISSION OF BID CUM APPLICATION FORMS

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margn Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of members of the Syndicate will acknowledge the receipt of the Bid cum Application Form or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. Bid/ Application by Eligible Employees can be made also in the "Net Issue to the Public" and such bids shall not be treated as multiple bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications are electronically strung on first name, address (1st name) and applicants status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/husbands name to determine if they are multiple applications.
2. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determione if they are multiple applications.
3. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number or PAN

Mention Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. In case the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

Unique Identification Number ("UIN")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

GROUNDS FOR REJECTIONS

In case of international QIB Bidders, the GCBRLMs and/or their affiliates and in case of domestic QIB Bidders, the GCBRLMs and/or their affiliates and the BRLM (in relation to banks registered under the Banking Regulation Act, 1949 and the ICICI group) have the right to reject the Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, and Retail Individual Bidders who bid and bids by Eligible Employees bidding in the Employee Reservation Portion, our the Company has a right to reject Bids based on technical grounds.

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders and Bidders in the Employee Reservation Portion bidding in excess of Rs. 100,000.
- Bids for number of Equity Shares which are not in multiples of 16;

- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the GCBRLMs, the BRLM or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar prior to the finalisation of the basis of allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids which are not accompanied by a PAN number declaration
- Bids by Non-residents such as OCBs, FVCIs, multilateral and bilateral development financial institutions;
- Bids by US persons other than "Qualified Insitutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securiies Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
- Bids not uploaded in the Book would be rejected; and
- Bids or revision thereof by OIB Bidders and Non – Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 5.00 p.m. or any such time as prescribed by Stock Exchange on the Bid / Issue closing Date.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the GCBRLMs and BRLM will analyse the demand generated at various price levels.

(b) The Company in consultation with the GCBRLMs and BRLM shall finalise the "Issue Price".

(c) The allocation to QIBs will be at least 60% of the Net Issue and allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and not less than 30% of the Net Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Under-subscription, if any, in the Non-Institutional category and the Retail Individual category would be met with spill over from any other category at the sole discretion of our Company in consultation with the GCBRLMs and BRLM. However, if the aggregate demand by Mutual Funds is less than 495,742 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, undersubscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLMs, the BRLM and the Designated Stock Exchange.

Under-subscription, if any, in the Employee Reservation Portion shall be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. Under-subscription, if any, in any category, would be met with spill over from other categories at our sole discretion in consultation with the GCBRLMs and BRLM.

(e) Allocation to Eligible NRIs and FIIs applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the RBI, while granting permission for allotment of Equity Shares to them in this Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the GCBRLMs, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s)/ Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

(d) Subject to Section 66 of the Companies Act, 1956 the Company shall after the filing of the Red Herring Prosectus prescribed by the SEBI DIP Guidelines, in three newspapers (one each in English, Hindi and Kannada).

(e) The Company will issue an advertisement after the filing of the Prospectus with the RoC in three newspapers (one each in English, Hindi and Kannada). This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of allotment by the Designated Stock Exchange, the GCBRLMs, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders and Bids from Eligible Employees bidding in the Employee Reservation Portion. However, investors should note that the Company shall ensure that the date of allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The GCBRLMs, BRLM and/or their affialiates would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.

(d) The Issuance of CAN is 'Subject to "Allotment Reconciliation and Revised CANs" as set forth herein under the chapter "Terms of the Issue" of this Red Herring Prospectus.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid Applications received. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. It is not necessary that a revised CAN will be sent. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and allotment of Equity Shares

(a) The Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of allotment.

(b) In accordance with the SEBI Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/allotted to them pursuant to this Issue.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 4,957,416 Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than 4,957,416 Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of 4,957,416 Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 1,652,472 Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 1,652,472 Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 1,652,472 Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For Employee Reservation Portion

a. The Bid must be for a minimum of 16 Equity Shares and in multiples of 16 Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid-at Cut off Price.
b. The maximum Bid under the Employee Rservation Portion cannot exceed 100,000 Equity Shares.
c. Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
d. If the aggregate demand in this category is less than or equal to 100,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
e. If the aggregate demand in this category is greater than 100,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 100,000 Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.
f. Only Eligible Employees are eligible to apply under Employee Reservation Portion.

D. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than 9,914,832 Equity Shares (assuming the Green Shoe Option is not exercised).

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details Of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11,40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 248.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494

   - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 114/494

   - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the GCBRLMs, the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorized according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than 16 Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
   - Each successful Bidder shall be allotted a minimum of 16 Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than 16 but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

PAYMENT OF REFUNDS

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the GCBRLMs or BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refunds would be mandatorily done through ECS for applicants having an account at any of the following fifteen centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving statge hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allocations. Applicants residing at fifteen centers where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, the Company undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date; and

- The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Disposal of applications and application moneys and interest in case of delay

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- The Company shall pay interest at 15% (fifteen) per annum for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- That the certificates of the securities/ refund orders to the eligible non-resident Indians or FIIs shall be despatched within specified time; and
- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all monies utilised out of the funds received from Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- Details of all unutilized monies out of the funds received from the Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutlilised monies have been kept;

- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Withdrawal of the Issue

The Company in consultation with the GCBRLMs and BRLM reserves the right not to proceed with the Issue at anytime including after the Bid/Issue Opening Date without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated November 6, 2007 with NSDL, the Company and the Registrar to the Issue.

b) Agreement dated November 3, 2007 with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment in the Real Estate Sector

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual dated November 2005 ("**FDI Manual**"), the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 **("FEMA Regulations"),** and the relevant Press Notes issued by the **S**ecretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI's:

a. Development of serviced plots and construction of built up residential premises
b. Investment in real estate covering construction of residential and commercial premises including business centres and offices
c. Development of townships
d. City and regional level urban infrastructure facilities, including both roads and bridges
e. Investment in manufacture of building materials, which is also open to FDI
f. Investment in participatory ventures in (a) to (e) above
g. Investment in housing finance institutions, which is also open to FDI as an NBFC.

FEMA Regulations

The FEMA Regulations, state that the investment cap in the real estate on the activities in the 'Housing and Real Estate' is permit investment to the extent of 100% only by NRIs in the following specified areas:

1. Development of serviced plots and construction of built up residential premises
2. Investment in real estate covering construction of residential and commercial premises including business centres and offices
3. Development of townships
4. City and regional level urban infrastructure facilities, including both roads and bridges
5. Investment in manufacture of building materials, which is also open to FDI
6. Investment in participatory ventures in (a) to (c) above
7. Investment in housing finance institutions, which is also open to FDI as an NBFC.

However, all other forms of FDI are prohibited in relation to Housing and Real Estate Business.

Press Note 2 of 2005

The law in relation to investment in the real estate sector has further been modified vide press note 2 of 2005, bearing No. 5(6)/2000-FC dated March 3, 2005. The said press note has also amended certain press notes which have been issued earlier, in the same field.

Under the said press note 2, FDI up to 100% under the automatic route is allowed in 'townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)', subject to the compliance with the following requirements.

a. Minimum area to be developed under each project is as under

1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
2. In case of construction-development projects, a minimum built up area of 50,000 square meters
3. In case of a combination project, anyone of the above two conditions would suffice

b. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.

c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

Therefore applicable law only permits investment by an NRI under the automatic route in the 'Housing and Real Estate' sector upto 100% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100 % FDI in the 'Housing and Real Estate' subject to compliance with the terms provided in press note 2 of 2005.

The RBI by its letters dated October 30, 2007 and November 22, 2007 has clarified that 'FIIs may subscribe in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. It has also provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide press note 2 (2005 series).

The office of the RBI at Bangalore has vide its letter dated November 23, 2007 stated that FIIs may invest in a particular issue of an Indian Company, either under Schedule 1 (Foreign Direct Investment Scheme) or Schedule 2 (Portfolio Investment Scheme) of Notification No. FEMA 20/2000-RB dated May 3, 2000. The letter has also clarified that both routes cannot be availed simultaneously.

Therefore in light of the above letters, FIIs are permitted to invest in the proposed public issue of the Company under the portfolio investment scheme in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000.

Note:

- **As per the existing policy of the Government of India, OCBs cannot participate in this Issue.**
- **Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.**

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of the Company

The regulations contained in Table 'A' of Schedule I to the Companies Act shall be deemed to be incorporated in these Articles and to apply to the Company, in so far as they are not inconsistent with the provisions contained in these Articles.

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association of the Company are detailed below:

1. Authorised Share Capital

The authorized share capital of the Company shall be such amount as is given, in Clause V of the Memorandum of Association.

2. Shares at the Disposal of the Directors:

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Without prejudice to the generality of the forgoing, the Directors shall also be empowered to issue Shares for the purposes of granting stock options to its permanent employees under the terms and conditions of the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 or any other applicable law, as amended from time to time. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

3. Consideration for Allotment:

The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

4. Restriction on Allotment

a) The Directors shall in making the allotments duly observe the provision of the Act;

b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company

5. Increase of Capital

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

6. Reduction of Capital

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

7. Sub-division and Consolidation of Shares:

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

8. New capital part of the existing capital:

Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

9. Power to issue Shares with differential voting rights:

The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

10. Power to issue preference shares:

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

11. Further Issue of Shares:

(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then

a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less that thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, in their sole discretion, fit.

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

(a) To convert such debentures or loans into shares in the Company; or

(b) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(i) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

12. Rights to convert loans into capital

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

13. Allotment on application to be acceptance of shares:

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

14. Returns on allotments to be made or Restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

15. Money due on shares to be a debt to the Company:

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

16. Members or heirs to pay unpaid amounts:

Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

17. a) Every Member entitled to certificate for his shares:

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, atleast one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

b) Joint ownership of shares:

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

c) Director to sign Share Certificates:

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials use for the purpose.

d) Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act. or rules applicable in this behalf.

The provision of these Articles shall mutatis mutandis apply to debentures of the Company.

e) Renewal of Share Certificate:

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No………….. sub-divided/replaced on consolidation of shares.

f) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it,the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

g) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

18. Rules to issue share certificates:

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

19. Responsibilities to maintain records:

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

20. Rights of Joint Holders

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

21. Limitation Of Time For Issue Of Certificates

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of app1ication of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

UNDERWRITING & BROKERAGE

22. Commission for placing shares, debentures, etc:

a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely of conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

23. Company's lien on shares /debentures

The Company shall have a first and paramount lien upon all the shares /debentures (other that fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause.

24. Enforcing lien by sale:

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

25. Application of sale proceeds:

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

26 Board to have right to make calls on shares

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

27 Notice for call:

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

28 Call when made:

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.

29 Liability of joint holders for a call:

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

30 Board to extend time to pay call:

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

31 Calls to carry Interest:

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

32 Dues deemed to be calls:

Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

33 Proof of dues in respect of share

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

34 Partial payment not to preclude forfeiture:

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

35 Payment in anticipation of call may carry interest

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE OF SHARES

36 Board to have right to forfeit shares:

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

37 Notice for forfeiture of shares:

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

38. Effect of forfeiture

If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

39. Notice of forfeiture:

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

40 Forfeited share to be the property of the Company:

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

41 Member to be liable even after forfeiture:

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

42 Claims against the Company to extinguish on forfeiture:

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

43 Evidence of forfeiture:

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

44 Effecting sale of shares:

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

45 Certificate of forfeited shares to be void:

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

46 Board entitled to cancel forfeiture:

The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

47 Register of Transfers

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

48 Endorsement of Transfer:

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

49 Instrument of Transfer:

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

50 Executive transfer instrument:

Every such instrument of transfer shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect same class of shares and should be in the form prescribed under the Act.

51 Closing Register of transfers and of Members:

The Board shall be empowered, on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated, to close the transfer books, the register of members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

52 Directors may refuse to register transfer:

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except when the Company has a lien on the shares.

53 Transfer of partly paid shares:

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

54 Survivor of joint holders recognized:

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

55 Title to shares of deceased members:

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India., Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member

56 Transfers not permitted:

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

57 Transmission of shares:

Subject to the provisions of these presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

58 Rights on Transmission:

A person entitled to a share by transmission shall, subject to the Directors right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

59 Instrument of transfer to be stamped:

Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

60 Share Certificates to be surrendered:

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

61 No fee on Transfer or Transmission:

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

62 Company not liable to notice of equitable rights:

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

NOMINATION FACILITY:

63.(I) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

(II) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.

(III) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(IV) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

a) To be registered himself as holder of the shares or debentures as the case may be, or

b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination..

BUY BACK OF SHARES:

64. The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof.

65 COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of such sum as may be prescribed.

SHARE WARRANTS

66 Rights to issue share warrants:

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act .

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

67 Rights of warrant holders:

(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

68 (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company.

69 Board to make rules:

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

70 Rights to convert shares into stock & vice-versa:

The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

71 Rights of stock holders:

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

GENERAL MEETINGS

72 Annual General Meetings:

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

73 Extraordinary General Meetings:

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

74 Extraordinary Meetings on requisition:

The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

75 Notice for General Meetings:

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

76 Shorter Notice admissible:

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

77 Special and Ordinary Business:

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

78. Quorum for General Meeting:

Five members or such other number of members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

79 Time for quorum and adjournment:

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

80 Chairman of General Meeting

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

81 Election of Chairman:

If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman.

82 Adjournment of Meeting:

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

85 Voting at Meeting:

At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

83 Decision by poll:

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

84 Casting vote of Chairman:

In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.

85 Poll to be immediate:

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

86 Passing resolutions by Postal Ballot

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time.

VOTE OF MEMBERS

87 Voting rights of Members:

a) On a show of hands every member holding equity shares and present in person shall have one vote.

b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

88 Voting by joint-holders:

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

89 No right to vote unless calls are paid:

No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

90 Proxy:

On a poll, votes may be given either personally or by proxy.

91 Instrument of proxy:

The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

92 The form of proxy shall be two way proxy as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

93 Validity of proxy:

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

94 Corporate Members:

Any corporation which is a member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company.

DIRECTOR

95 Number of Directors:

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

96 Share qualification not necessary:

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

97 Director's power to fill-up casual vacancy:

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office upto the date, upto which Director in whose place he is appointed would have office if it has not been vacated as aforesaid

98 Additional Directors:

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office upto the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

99 Alternate Directors:

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months form the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.

100 Remuneration of Directors:

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

101 Remuneration for extra services:

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to our in substitution for any other remuneration to which he may be entitled.

102 Continuing Director may act:

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

103 Vacation of office of Director:

The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act.

104 Equal power to Director:

Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION AND RETIREMENT OF DIRECTOR

105 One-third of Directors to retire every year:

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director, appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

106 Retiring Directors eligible for re-election:

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

107 Which Director to retire:

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

108 Retiring Director to remain in office till successors appointed

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the returning Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting

109 Increase or reduction in the number of Directors:

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

110 Power to remove Director by ordinary resolution:

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

111 Right of persons other than retiring Directors to stand for Directorship:

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as Directors.

112 Subject to the provisions of Section 297, 299, 300, 302 and 314 of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any Company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

113 Directors not liable for retirement:

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

114 Director for subsidiary Company:

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

115 Meetings of the Board:

a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

116 Quorum:

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

117 Questions how decided:

a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

118 Right of continuing Directors when there is no quorum:

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

119 Election of Chairman of Board:

a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to b the Chairman of the Meeting.

120 Delegation of Powers:

a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

121 Election of Chairman of Committee:

a) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee, if the Chairman is not a member thereof, the committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one among themselves to be the Chairman of the Meeting.

b) The quorum of a committee may be fixed by the Board of Directors. ..

122 Questions how determined:

a) A committee may meet and adjourn as it thinks proper.

b) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes as the members present as the case may be and in case of an equality of vote the Chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

123 Validity of acts done by Board or a Committee:

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

124 Resolution by Circulation:

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of he Board or committee duly convened and held.

125 a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specifies purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount upto which moneys may be borrowed by the Board Directors.

b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

126 Assignment of debentures:

Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

127 Terms of Issue of Debentures:

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

128 Debenture Directors:

Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the

Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

129 Nominee Directors:

a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the

Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

130 Register of Charges:

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

131 Subsequent assigns of uncalled capital:

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

132 Charge in favour of Director for Indemnity:

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

133 Powers to be exercised by Board only by Meeting:

a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

(ii) Power to issue debentures;

(iii) Power to borrow money otherwise than on debentures:

(iv) Power to invest the funds of the Company;

(v) Power to make loans.

b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount upto which moneys may be borrowed by the said delegate.

d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, upto which the fund may invested and the nature of the investments which may be made by the delegate.

e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount upto which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

134 a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

e) If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

f) The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

135 Powers and duties of Managing Director or whole-time Director:

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

136 Remuneration of Managing Directors/whole time Directors:

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

137 Reimbursement of expenses:

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

138 Business to be carried on by Managing Directors/ Whole time Directors:

(a) The Managing Directors\whole-time shall have subject to the supervision, control and discretion of the broad, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the

Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generally of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and he shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

CAPITALISATION OF PROFITS

139 Capitalisation of Profits:

a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalizate any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

140 Power of Directors for declaration of bonus issue:

a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

141 Books of Account to be kept:

a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns made upto date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

142 Where Books of accounts to be kept:

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

143 Inspection by Members:

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

144 Boards Report to be attached to Balance Sheet:

a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.

b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

d) The Board shall also give the fullest information and explanation it its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (1) to (3) of this Article are complied with.

SERVICE OF DOCUMENTS AND NOTICE

145 How -Document is to be served on members :

a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him.

b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.

c) *Where a document is sent by post:*

(i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and

(ii) Unless the contrary is provided, such service shall be deemed to have been effected

a. In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and

b. In any other case, at the time at which the letter would be delivered in ordinary course of post.

146 Members to notify address in India:

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place or residence.

147 Service on members having no registered address:

If a member has no registered address in India, and has not supplied to the Company and address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.

148 Service on persons acquiring shares on death or insolvency of members:

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

149 Persons entitled to notice of General Meetings:

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the members of the Company as provided by these presents

(ii) To the persons entitled to a share in consequence of the death or insolvency of a member.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.

150 Notice by advertisement:

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

151 Members bound by document given to previous holders:

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the register, shall have been duly served on or sent to the person from whom he derived his title to such share.

(1) Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

WINDING UP

152 Application of assets:

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

153 Division of assets of the Company in specie among members:

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

154 Director’s and others’ right to indemnity:

a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the

Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court.

155 Not responsible for acts of others:

a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office of in relation thereto, unless the same happens through his own willful act or default.

b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, Karnataka for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letters of appointment dated July 20, 2007 to the GCBRLMs and BRLM from our Company appointing them as the GCBRLMs and BRLM.

2. Memorandum of Understanding amongst our Company and the GCBRLMs and BRLM dated September 10, 2007 and supplemental memorandum of understanding dated November 29, 2007.

3. Stabilisation Agreement between the Company, the Green Shoe Lender and the Stabilising Agent dated as of September 10, 2007

4. Escrow Agreement dated [•], between the Company, the GCBRLMs, the BRLM, the Escrow Banks, and the Registrar to the Issue.

5. Syndicate Agreement dated [•], between the Company, the GCBRLMs, the BRLM and the Syndicate Members.

6. Underwriting Agreement dated [•], between the Company, the GCBRLMs, the BRLM and Syndicate Members.

7. Memorandum of Understanding amongst our Company and the Registrar to the Issue dated August 20, 2007

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.

2. Our certification of incorporation.

3. Board resolutions in relation to the Issue.

4. Shareholders' resolutions in relation to the Issue.

5. Resolutions of the general body for appointment and remuneration of our whole-time Directors.

6. Statement of Tax Benefits from Narayanan, Patil and Ramesh, Chartered Accountants dated August 20, 2007 Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.

7. Certificates dated November 23, 2007 from Narayanan, Patil and Ramesh, Chartered Accountants (regarding objects of the Issue)

8. Copies of annual reports of our Company for the years ended March 31, 2002, 2003, 2004, 2005 and 2006.

9. Consent of Narayanan, Patil and Ramesh, our Auditors for inclusion of their reports on restated financial statements and auditors report on audited financial statements as at and for the each of the

years ended March 31, 2007, 2006, 2005, 2004 and 2003 and for the six months ended September 30, 2007 in the form and context in which they appear in the Red Herring Prospectus.

10. Consents of Bankers to the Company, GCBRLMs, BRLM, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, consents from the Architects, Directors of the Company, Company Secretary and Compliance Officer, IPO Grading Agency and Monitoring Agency as referred to, in their respective capacities.

11. Certificates from the Architects in relation to the Developable and Saleable Area disclosed

12. Initial listing applications dated September 24 2007, and September 24 2007, filed with BSE and NSE respectively.

13. In-principle listing approval dated October 10, 2007, and October 9, 2007, from BSE and NSE respectively

14. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated November 6, 2007

15. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated November 3, 2007

16. Letter dated October 30, 2007, November 22, 2007 and November 23, 2007 from the RBI clarifying that FIIs may subscribe in the proposed public issue of the Company under the portfolio investment scheme.

17. Due diligence certificate dated September 14 2007 to SEBI from the GCBRLMs and BRLM.

18. SEBI observation letter No. CFD/DIL/PB/PN/108909/2007 dated November 20, 2007.

19. Sale deed dated March 28, 2005 between Best Trading and Agencies Limited, Kirloskar Electric Company Limited, Kaytee Switch Gear Limited and our Company

20. Sale deed dated August 30, 2006 between Indo-Americal Hybrid Seeds (India) Private Limited and our Company

21. Allotment letter (No. IADB/16039/3304/07-08) dated June 8, 2007 issued by the KIADB to our Company

22. Deed of lease dated December 15, 2005 between Mr. K.C Ravindra and other and our Company

23. Agreement dated July 1, 2007 between Mr. M.R. Jaishankar and Brigade Hospitality Services Private Limited

24. Memorandum of Understanding dated February 15, 2007 between Devagiri Farms (a partnership firm) and others and our Company

25. Agreement to Sell dated December 12, 2006 between Mr. Hanumappa and others and our Company

26. Agreement dated July 4, 2007 between Mr. Jaishankar and our Company

27. Agreement dated January 8, 2004 between Mr. N.A. Harris and our Company

28. Letter dated December 22, 2005 issued by Dena Bank accepting the the bid made by our Company.

29. IPO Grading Report dated November November 26, 2007

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be, and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with, and that directly or indirectly we hold or have an interest in the Land Reserves. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. M.R. Jaishankar

Ms. Githa Shankar

Mr. M.R. Gurumurthy

Mr. M.R. Shivram

Mr. P.M. Thampi

Mr. P.V.Maiya

Dr. T.N. Subba Rao

Mr. K. Kasturirangan

Signed by the Vice President (Finance) and Company Secretary

Date: November 29, 2007

Place: Bangalore

APPENDIX *A*

EXTRACT OF IPO GRADING REPORT DATED NOVEMBER 26, 2007

IPO Grading

ICRA has assigned **IPO Grade 3**, indicating average fundamentals, to the proposed initial public offering of Brigade Enterprises Ltd (BEL). ICRA assigns IPO gradings on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. An ICRA IPO Grade is a symbolic representation of ICRA's current assessment of the fundamentals of the issuer concerned. The fundamental factors assessed include, *inter alia*, business and competitive position, financial position and prospects, management quality, corporate governance and history of compliance and litigation.

DISCLAIMER: Notwithstanding anything to the contrary: An ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timelines, or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further the ICRA IPO grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such issuer nor can it be considered as an authentication of any of the financial statements of the company and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an "as is" basis, without representations and warranties of any nature.

Strengths

- Experienced promoters having long track record in the real estate Industry.
- Established position in the Bangalore real estate market with a satisfactory track record in development
- of residential, commercial and hospitality projects.
- Strong in-house project management capability coupled with the company's practice of using reputed
- construction entities leads to low execution risk in ongoing projects.
- Healthy bookings in ongoing projects provide revenue visibility in the medium term.

Concerns

Concentration risk arising from operations mainly in the Bangalore area and associated market risks.
The competitive intensity, which is high in the Bangalore real estate market, is expected to further
increase with entry of new players. BEL has relatively lower land bank. This may affect company's profitability going forward as it may need to acquire land at higher cost for replenishing existing land bank.
Ability to tie up the large funding requirements at at competitive rates would be important for future
profitability.

Grading Rationale

The IPO grade assigned by ICRA reflects BEL's established position in the Bangalore real estate market, its healthy booking in its on-going projects and its strong return indicators as reflected by return on capital employed (ROCE) of 36% and return on net worth (RONW) of 49% in FY2007. The grading also favorably factors in the company's experienced promoters and strong management information systems and its track record of timely execution of projects with adequate quality standards. The grading is however constrained by BEL's concentration mainly in Bangalore market, exposing it to single market risk and the comparatively low land bank, which in turn may require BEL to replenish its land bank at a higher cost going forward, which could impact margins and profitability. Moreover, the grading takes into consideration cyclical nature of the real estate industry and increasing funding requirements of the company to meet its commercial construction commitments.

Going forward, though BEL's development plans are significant as compared to what it has executed in the past, the company has taken adequate steps to reduce execution risk through measures like tying-up with reputed contractors and scaling up its manpower resources. Moreover, with healthy bookings in its ongoing projects and quick turnaround arising out of speedy construction, BEL's profitability and return indicators are expected to remain healthy in the medium term.

Entity Profile

BEL was originally set up in 1990 as a partnership firm called Brigade Enterprises. Brigade Enterprises was converted to a Private Ltd Company in 1995. Subsequently, the status of the company was converted to a public company in July 2007. So far BEL has completed and delivered around 67 projects aggregating to around 6.7 million sqft of space comprising residential (71% of total developed area), Commercial (IT Parks/Office Buildings – 26%) and hospitality ventures (3%). BEL has established itself as one of the major diversified real estate developers in Bangalore. Besides Bangalore BEL has taken up few projects in Mysore and has recently initiated some development activities in other parts of South India including Mangalore, Hyderabad, Chennai.

Promoters and Management

BEL was promoted by Mr. M.R.Jaishankar and Ms Githa Shankar as a partnership firm. BEL is closely held with promoters along with their relatives and group companies having 100% shareholding in the company. Mr. M.R. Jaishankar, the Chairman and Managing Director of BEL holds a Master of Business Administration degree and has been engaged in real estate business for the last two decades. BEL has a team of professionals that supports the business and are part of the key managerial team. The team has professionally qualified personnel with experience in their relevant areas. As a developer, BEL draws considerable strength from the reasonably strong in-house team of professionals that it has across various disciplines like engineering, architecture, legal, marketing, finance.

Corporate Governance

In compliance with the requirements of Clause 49 of the listing agreement, company has 2 executive directors and 6 non-executive directors of whom 4 are independent directors on the Board. The independent directors are professionally qualified having considerable experience in banking / financial and technical fields. The company has four committees in place to look after the key matters of the business - the Audit Committee, the Compensation Committee, the Investor Grievance Committee, the IPO Committee.

Compliance and Litigation History

Accounting policy

BEL recognizes revenues on percentage of completion basis. Project revenues on new projects are recognised when the stage of completion of each project reaches a significant level, which is considered to be at least 25%.

Litigation history

BEL has 12 outstanding cases against it. These cases pertain mainly to disputes between family members of landowners (with whom BEL has entered into JDAs) for share of property where BEL is also a party and cases filed by BEL's customers. Besides these there are two property related suits filed against Mr. M.R.Jaishankar, the Chairman and Managing Director of BEL.