

Brigade Enterprises Limited

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



BRIGADE

Building Positive Experiences

Ref: BEL/NSEBSE/NCLT/19082017

19th August, 2017

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

Department of Corporate Services - Listing
BSE Limited
P. J. Towers
Dalal Street,
Mumbai - 400 001

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/Madam,

SUB.: Notice of National Company Law Tribunal convened meetings of Brigade Enterprises Limited, Remote e-voting and Postal Ballot facility

The NCLT convened meetings of the equity shareholders, secured creditors and unsecured creditors of the Company as directed by the Bengaluru Bench of the Hon'ble National Company Law Tribunal ("NCLT") vide its order dated 7th August, 2017 & 11th August, 2017 for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Venuters Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective shareholders are scheduled on Thursday, 21st September, 2017.

The schedule of the NCLT convened meetings are as follows:

SI No.	Class of meetings	Date of meetings	Time	Venue for the Meetings
1	Equity Shareholders	21 st September, 2017	4:30 p.m.	Sheraton Grand Bangalore Hotel, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560 055
2	Secured Creditors		12.00 p.m.	
3	Unsecured Creditors		1.00 p.m.	



Brigade is **Ranked #1** in the Real Estate Industry.

The Company has also provided voting facility through remote e-voting and postal ballot to the equity shareholders of the Company in connection with the resolution proposed in the notice of the NCLT convened meeting of the equity shareholders. The voting for the remote e-voting and postal ballot will commence from Tuesday, 22nd August, 2017 at 9.00 (Indian Standard Time) and ends on Wednesday, 20th September, 2017 at 5.00 p.m. (Indian Standard Time). The cut off date for determining the eligibility to vote is Friday, 11th August, 2017.

The notices of the NCLT convened meetings are being sent by email for all the shareholders for whom the Company has email ids and commenced dispatching of physical copy of the notices to other shareholders, secured and unsecured creditors.

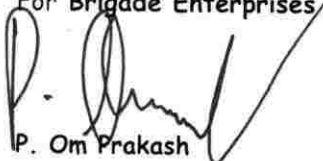
We are enclosing the copy of the notices to NCLT convened meeting of equity shareholders, secured creditors and unsecured creditors of the Company. The same is also uploaded on the website of the Company at www.brigadegroup.com

This is pursuant to Regulation 30, 37 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly request you to take the same on records.

Thanking you,
Yours faithfully,

For Brigade Enterprises Limited



P. Om Prakash
Company Secretary & Compliance Officer

Encl.: a/a



BRIGADE

Brigade Enterprises Limited

CIN: L85110KA1995PLC019126

Regd. Off.: 29th & 30th Floors, World Trade Center
Brigade Gateway Campus, 26/1 Dr. Rajkumar Road
Malleswaram-Rajajinagar, Bangalore - 560055

Phone no. 080 41379200, Fax No. 080 41379321

Website : www.brigadegroup.com, Email Id : investors@brigadegroup.com

NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF BRIGADE ENTERPRISES LIMITED	
Day	Thursday
Date	September 21, 2017
Time	4.30 p.m.
Venue	Sheraton Grand Bangalore Hotel, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560055

POSTAL BALLOT AND E-VOTING	
Commencing on	August 22, 2017 from 9.00 a.m (IST)
Ending on	September 20, 2017 to 5.00 p.m. (IST)

Sr. No	Contents	Page No.
1	Notice of National Company Law Tribunal Convened Meeting of the Equity Shareholders of Brigade Enterprises Limited under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	1
2	Explanatory Statement under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013	6
3	Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited	20
4	Valuation Report submitted by B K Ramadhyani & Co. LLP, Chartered Accountants	41
5	Fairness opinion dated December 6, 2016 issued by Intensive Fiscal Services Private Limited, Merchant Banker	65
6	Copy of the Observation Letters issued by the National Stock Exchange of India Limited on April 7, 2017 and BSE Limited on April 10, 2017	93
7	Copy of the Complaints Report submitted to BSE Limited on February 15, 2017 and the National Stock Exchange of India Limited on March 8, 2017	97
8	Report adopted by the Board of Directors of Brigade Enterprises Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013	101
9	Proxy Form	105
10	Postal Ballot Form with instructions	107
11	Map of the Venue of the Meeting	109
12	Business Reply Envelope	Loose leaf
13	Attendance Slip	Loose leaf



BRIGADE

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT BENGALURU

In the matter of Section 230 to 232 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Ventures Limited,
Brigade Hospitality Services Limited and

Augusta Club Private Limited

Company Application No. CA (CAA)49/BB/2017

Brigade Enterprises Limited
29th and 30th Floor, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore-560 055,
Karnataka

...Applicant Company No. 1/ Transferor Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF BRIGADE ENTERPRISES LIMITED, THE APPLICANT COMPANY ("MEETING")

To,

The Equity Shareholder(s) of Brigade Enterprises Limited (*"the Applicant Company"* or *"the Transferor Company"* or *"BEL"*)

Notice is hereby given that by an Order dated August 7, 2017 and as may be amended, in the above mentioned Company Application No. CA(CAA)49/BB/2017, the Bengaluru Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the Equity Shareholders of Brigade Enterprises Limited, for the purpose of considering and if thought fit, approving with or without modification, the arrangement, proposed in the matter of Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective shareholders ("Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Applicant Company will be held to transact the following special business at Sheraton Grand Bangalore Hotel, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055, on September 21, 2017 at 4.30 P.M. at which time and place, the said Equity Shareholders of the Applicant Company are requested to attend, to consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority :

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (**"Companies Act"**) and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval by the requisite majority of the shareholders and the creditors of the Company, as directed by the National Company Law Tribunal, and subject to the approval of Hon'ble National Company Law Tribunal, Bengaluru Bench and further subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, the approval of the equity shareholders be and is hereby accorded to Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited ("Scheme") as attached to the notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/ or imposed by the National Company Law Tribunal, Bengaluru Bench and/or any other authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Further Notice is hereby given pursuant to the provisions of Section 110 of the Companies Act, 2013 (the Act) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations, if any, as an alternative to casting of votes by electronic voting system at the venue of the meeting, the Company has provided the Equity Shareholders with the facility for casting their votes either by way of Postal Ballot or by way of remote e-voting using facility offered by Karvy Computershare Private Limited (“Karvy”).

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with copy of the Scheme and other annexures including proxy form, attendance slip and postal ballot form are enclosed herewith. Copies of the Scheme and Explanatory Statement under section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company.

Persons entitled to attend and vote at the said meeting, may vote in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Company at 29th and 30th Floor, World Trade Center, 26/1, Brigade Gateway Campus, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560 055, Karnataka, not later than 48 hours before the meeting.

The Tribunal has appointed Shri M R. Jaishankar, Chairman & Managing Director and failing him Shri. P. Om Prakash, Company Secretary & Compliance Officer as Chairperson of the said meeting. The above mentioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

The voting rights of equity shareholders shall be in proportion to their equity shareholding in the Company as on the cut-off date of close of business hours on Friday, August 11, 2017. The shareholders may refer to Notes to this notice for further details on postal ballot and e-voting.

It is clarified that casting of votes by postal ballot or remote e-voting does not disentitle a Shareholder as on the cut-off date from attending the meeting.

M.R. Jaishankar
Chairperson appointed for the meeting

Place: Bengaluru

Date: August 8, 2017

Registered Office:

29th and 30th Floor, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore - 560 055,
Karnataka

CIN - L85110KA1995PLC019126

Notes:

- (1) This Notice is being sent to the equity shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business hours on Friday, August 11, 2017, by email to the Shareholders whose email address is registered with the Company / Depository Participant(s) for communication and in physical mode to other shareholders at their registered address.
- (2) This Notice may also be accessed on Company’s Website www.brigadegroup.com and of Karvy at <https://evoting.karvy.com>.

- (3) An equity shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy form duly completed should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and / or holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- (4) Only registered equity shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under Section 112 and 113 of the Companies Act, 2013) at the equity shareholder's meeting. The authorised representative of a body corporate which is a registered equity shareholder of the company may attend and vote at the meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the registered office of the company not later than 48 hours before the meeting authorising such representative to attend and vote at the equity shareholders' meeting.
- (5) Foreign Institutional Investors (FIIs) who are registered equity shareholders of the Company would be required to deposit certified copies of custodial resolutions/power of attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the registered office of the company not later than 48 hours before the meeting.
- (6) Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Company in respect of such joint holding will be entitled to vote.
- (7) All alterations made in the proxy form should be initialled.
- (8) Shareholders are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signature(s) registered with their respective depositories or with applicant company for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.
- (9) In compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), the Company has also provided the facility to the Shareholders to cast their votes either by way of postal ballot or through remote e-voting facility arranged by Karvy prior to the meeting.
- (10) Shareholders whose names appear on the Register of Members / Record of Depositories as at the close of business hours on Friday, August 11, 2017 ("cut-off date") will be considered for the purpose of voting and the voting rights shall be reckoned based on the equity shareholding as on Friday, August 11, 2017. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date.
- (11) The voting period for postal ballot and remote e-voting shall commence on and from Tuesday, August 22, 2017 at 9.00 a.m. (Indian Standard Time) and end on Wednesday, September 20, 2017 at 5.00 p.m. (Indian Standard Time). During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Friday, August 11, 2017, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of poll, if held at the Meeting.
- (12) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of postal ballot, remote e-voting as well as voting at the meeting. Any person who acquires shares of the Company and becomes the member of the Company after the cut-off date shall not be eligible to vote either through postal ballot, remote e-voting or at the meeting. Any recipient of this notice who has no voting rights as on the cut-off

date should treat the same as intimation only.

- (13) Member(s) can opt only for one mode of voting. If a member has opted for e-voting, then he/she should not vote by postal ballot and vice-versa. However, in case members cast their vote both via postal ballot and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid. It is clarified that votes may be cast by shareholders either by postal ballot or e-voting prior to the meeting or through electronic voting system at the venue of the meeting and casting of votes by postal ballot or e-voting does not disentitle them from attending the meeting. A shareholder after exercising his/her right to vote through postal ballot or e-voting shall not be entitled to cast their vote again at the meeting.
- (14) The facility for voting through electronic voting system shall be available at the venue of the meeting and the members attending the meeting who have not already cast their vote by postal ballot or remote e-voting shall be able to exercise their right at the meeting.
- (15) Shareholders desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed and signed in the enclosed self-addressed business reply envelope addressed to the Scrutinizer so as to reach not later than 5.00 p.m. on Wednesday September 20, 2017 at the registered office of the Company.
- (16) As directed by Hon'ble Tribunal, the scrutiniser for meeting shall be Mr. K. Rajshekar, Practising Company Secretary (Membership No.: 4078, CP No.2468) to scrutinize votes cast either electronically or on postal ballot or through electronic voting system at the venue of the meeting and submitting a report on votes cast to the Chairman of the Meeting within 48 hours from the conclusion of the meeting.
- (17) The result of the voting shall be announced by the Chairman, upon receipt of Scrutinizer's report and the same shall be placed on the Company's website www.brigadegroup.com and on the website of Karvy at <https://evoting.karvy.com> within two days of the passing of the resolution at the Meeting on September 21, 2017 and communicated to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.
- (18) The documents referred to in the accompanying explanatory statement shall be open for inspection by the equity shareholders at the registered office of the applicant company up to 1 (one) day prior to the date of the meeting between 11:00 a.m. and 4:00 p.m. on all working days, except Saturdays, Sundays and public holidays.
- (19) The Route Map of the venue of the Extraordinary General Meeting forms part of this Notice.
- (20) The members shall refer to detailed procedure on remote e-voting and postal ballot given in the e-voting instruction slip and postal ballot form which forms a part of this notice.

INSTRUCTIONS FOR E-VOTING:

- A.** In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company / Depository Participant(s)]
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. **User ID and Password** as provided separately). Your DP ID-Client ID / Folio No. will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, Click on "LOGIN".
 - iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., Brigade Enterprises Limited.

- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - viii. Shareholders holding multiple demat accounts / folios shall choose the voting process separately for each demat accounts / folios.
 - ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: rajarthi.cs@gmail.com with a copy marked to evoting@kavy.com and investors@brigadegroup.com. The scanned image of the above mentioned documents should be in the naming format “Brigade Enterprises Limited, Extra-ordinary General Meeting”.
- B.** In case of Members receiving physical copy of the Extra-ordinary General Meeting Notice by Post [for Members whose email IDs are not registered with the Depository Participant(s) / Company]:
- i. User ID and initial password is provided separately along with the Notice.
 - ii. Please follow all steps from Si. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.



BRIGADE

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT BENGALURU

In the matter of Section 230 to 232 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited,
Brigade Hospitality Services Limited and

Augusta Club Private Limited

Company Application No. CA(CAA)49/BB/2017

Brigade Enterprises Limited
29th and 30th Floor, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore-560 055,
Karnataka

...Applicant Company No. 1/ Transferor Company

EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF BRIGADE ENTERPRISES LIMITED

DIRECTED TO BE CONVENED BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

Details of the Companies or Parties involved in the Scheme:

- 1. Brigade Enterprises Limited** is referred to as "BEL";
- 2. Brigade Hotel Ventures Limited** is referred to as "BHVL";
- 3. Brigade Hospitality Services Limited** is referred to as or "BHSL";
- 4. Augusta Club Private Limited** is referred to as "or "ACPL".

The Scheme of Arrangement between the above Companies and their respective shareholders is referred to as "the Scheme" or "this Scheme" or "Scheme" and the above Companies together are referred to as "the Applicant Companies". Other definitions contained in the enclosed Scheme will apply to this Statement.

- 1.** This is a Statement accompanying the Notice convening the meeting of the equity shareholders of BEL.
- 2.** Pursuant to an order dated August 7, 2017 (as may be amended) passed by the Bengaluru Bench of the National Company Law Tribunal ("Tribunal") in the Company Scheme Application No. CA(CAA)49/BB/2017 referred to herein above, a meeting of the equity shareholders of the Company is being convened and held on September 21, 2017 at Sheraton Grand, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055 at 4:30 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective shareholders ("Scheme").
- 3.** In addition to voting through the electronic voting system at the Tribunal Convened Meeting of the Equity Shareholders of the Applicant Company, approval of the Equity Shareholders of the Applicant Company is also sought by way of Postal Ballot and remote e-Voting facility arranged by Karvy in compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management

and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations').

4. Details of the Companies:

4.1 Brigade Enterprises Limited

- (a) Brigade Enterprises Limited ("*BEL*"), a public limited company, was incorporated on November 8, 1995 under the provisions of Companies Act, 1956. Permanent Account Number of BEL is AAACB7459F
- (b) The registered office of BEL is situated at 29th and 30th Floor, World Trade Center, 26/1, Brigade Gateway Campus, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BEL are set out in the Memorandum of Association. They are briefly as under:-
- i. *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.*
 - ii. *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.*
 - iii. *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.*
 - iv. *To general, 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.*
- (d) BEL is engaged in carrying on the business of 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.
- (e) There has been no change in the name, registered office and objects of BEL during the last five years.
- (f) The equity shares of BEL are listed on the National Stock Exchange of India Limited and BSE Limited.
- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of BEL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹135,69,05,610/- divided into 13,56,90,561 equity shares of ₹10/- each, fully paid up.

- (h) The details of the promoters and present directors of BEL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052

Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052
3	Mr. M. R. Gurumurthy	'Sundaralakshmi', Spencer Road, Chickmagalur 577 101, Karnataka
4	Mr. M. R. Shivram	3009/2-3, 18 th A Cross, 2 nd Main, BSK 2 nd Stage, Bangalore – 560 070, Karnataka
5	Mr. P.V. Maiya	Flat No. 106, Sowmya Springs, Opposite. M.N. Krishna Rao Park Diwan Madhav Rao Road, Basavanagudi, Bangalore 560 004, Karnataka
6	Dr. K. R. S. Murthy	355, 1 st E Cross, 6 th Block, 2 nd Phase, BSK 3 rd Stage, Bangalore - 560085, Karnataka,
7	Mr. Aroon Raman	No.100, 5 th Main Paramahansa Road, Yadavagiri Mysore 570020
8	Mr. Bijou Kurien	#33/2, Grant Road, Bangalore - 560001, Karnataka
9	Ms. Lakshmi Venkatachalam	#301, Johore House, 35/36, 18 th Cross 8 th Main, Malleswaram Bangalore 560003

4.2 Brigade Hotel Ventures Limited

- (a) Brigade Hotel Ventures Limited ("BHVL"), a public limited company, was incorporated on August 24, 2016 under the provisions of Companies Act, 2013. Permanent Account Number of BHVL is AAGCB8612G
- (b) The registered office of BHVL is situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway Campus, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BHVL are set out in the Memorandum of Association. They are as under:-
- a. *To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience 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 and natural cure centres.*
- (d) BHVL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of BHVL during the last five years.
- (f) The equity shares of BHVL are not listed on any stock exchange in India or elsewhere.
- (g) The authorized and the issued, subscribed and paid-up share capital share capital of the BHVL is ₹ 1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 equity shares of ₹ 10/- each.

- (h) The details of the promoters and present directors of BHVL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052
3	Mr. Vineet Verma	L-1609 16th Floor, Brigade Gateway 26/1 Dr. Rajkumar Road, Bangalore 560 055

4.3 Brigade Hospitality Services Limited

- (a) Brigade Hospitality Services Limited (“BHSL”), a public limited company, was incorporated on June 1, 2004 under the provisions of Companies Act, 1956. Permanent Account Number of BHSL is AACCB4302P
- (b) The registered office of BHSL is situated at 29th Floor, World Trade Center, Brigade Gateway Campus 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BHSL are set out in the Memorandum of Association. They are as under:-
- To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.*
- (d) BHSL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of BHSL during the last five years.
- (f) The equity shares of BHSL are not listed on any stock exchange in India or elsewhere.
- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of BHSL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹15,00,00,000 divided into 1,50,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹10,00,00,000 divided into 1,00,00,000 equity shares of ₹10/- each.

- (h) The details of the promoters and present directors of BHSL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
3	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052
4	Mr. Vineet Verma	L-1609 16th Floor, Brigade Gateway 26/1 Dr.Rajkumar Road, Bangalore 560 055
5	Mr. M. S. Ravindra	Sagar, Hosamane Road Chickmagalur 577101
6	Mr. Mohan Parvatikar	Flat No.31, Viram Apartments, Old No.110, New No.32, 4th Main, Malleswaram Bangalore 560 003
7	Mr. P Balam Menon	Flat No. D402, Brigade Regency 8th Main, Malleswaram, Bangalore 560 055

4.4 Augusta Club Private Limited

- (a) Augusta Club Private Limited (“ACPL”), a private limited company, was incorporated on September 1, 2016 under the provisions of Companies Act, 2013. Permanent Account Number of ACPL is AAOCA7188E
- (b) The registered office of ACPL is situated at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of ACPL are set out in the Memorandum of Association. They are as under:-
- To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.*
- (d) ACPL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of ACPL during the last five years.
- (f) The equity shares of ACPL are not listed on any stock exchange in India or elsewhere.
- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of ACPL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹10,00,000 divided into 1,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹5,00,000 divided into 50,000 equity shares of ₹10/- each.

(h) The details of the promoters and present directors of ACPL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052

5. Relationship subsisting between the companies who are parties to the Scheme

BHVL, BHSL and ACPL are the wholly owned subsidiaries of BEL.

6. At the meeting held on December 15, 2016, based on the recommendations of the Audit Committee, the Board of Directors of BEL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., LLP, Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of BHVL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., LLP, Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of BHSL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., LLP, Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of ACPL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., LLP, Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

Brigade Enterprises Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
M. R. Jaishankar	Yes	-	-
Githa Shankar	Yes	-	-
M R Gurumurthy	Yes	-	-
M R Shivram	Yes	-	-
P. V. Maiya	Yes	-	-
Dr. K R S Murthy	Yes	-	-
Bijou Kurien	Yes	-	-
Lakshmi Venkatachalam	Yes	-	-
Aroon Raman	Not Present at the Meeting		

Brigade Hotel Ventures Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from votin
M R Jaishankar	Yes	-	-
Nirupa Shankar	Yes	-	-
Vineet Verma	Yes	-	-
Brigade Hospitality Services Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
M. R. Jaishankar	Yes	-	-
Githa Shankar	Yes	-	-
Balaram Menon	Yes	-	-
Nirupa Shankar	Yes	-	-
Vineet Verma	Yes	-	-
Mohan Parvatikar	Not Present at the Meeting		
M.S. Ravindra	Not Present at the Meeting		
Augusta Club Private Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
M R. Jaishankar	Yes	-	-
Nirupa Shankar	Yes	-	-

7. Description of the Scheme

The proposed Scheme provides for the transfer of three business undertakings of the BEL, namely, the hotels business undertaking, integrated clubs and convention centres business undertaking and Augusta Club business undertaking of the BEL, on a going concern basis to BHVL, BHSL and ACPL respectively with effect from the Appointed Date of October 1, 2016, pursuant to the provisions of Sections 230 to 232 and other applicable sections of the Companies Act, 2013 and rules thereunder.

8. Rationale of The Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others

- (i) The Board of Directors of BEL recognize that the following business undertakings have their own independent identity and have future growth potential:
 - a) Hotels;
 - b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”);
 - c) Augusta Club.
- (ii) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (iii) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (iv) With the experience BEL has gained over the years in real estate business and property development, BEL will be able to focus on the remaining business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (v) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by BEL to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

9. Key salient features of the scheme and details of the capital or debt restructuring proposed in the Scheme:

- a) "Appointed Date" for the Scheme means October 1, 2016 or such other date as the Tribunal may direct / fix.
- b) "Effective Date" means the date on which the order/s sanctioning the Scheme passed by the Authority under Sections 230 to 233 of the Companies Act, 2013 are filed with the Registrar of Companies, Karnataka.
- c) The Scheme provides for the transfer pursuant to the provisions of Sections 230 to 233 of the Companies Act, 2013 and Rules thereunder.
- d) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the hotels business undertaking of BEL will be transferred on a going concern basis to BHVL, the integrated clubs and convention centres business undertaking will be transferred on a going concern basis to BHSL and the Augusta Club business undertaking of BEL will be transferred, on a going concern basis to ACPL, subject to confirmation of the Hon'ble National Company Law Tribunal, Bengaluru Bench, within whose jurisdictions the registered offices of BEL, BHVL, BHSL and ACPL are situated.
- e) The transfer of the business undertakings shall be accounted for in accordance with applicable Accounting Standards and generally accepted accounting principles, as may be amended from time to time.
- f) As consideration for the transfer of the hotel business undertaking to BEL, BHVL will discharge a total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three Lakhs) either-
 - a) by issue and allotment of Optionally Convertible Redeemable Preference Shares of Rs 100/- (Rupees One Hundred) each at par to BEL; or
 - b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the BEL and BHVL; or
 - c) By a combination of (a) and (b) above.
- g) As consideration for the transfer of the integrated clubs and convention centres business undertaking, BHSL will discharge a total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) either:
 - a) by issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each at par to BEL; or
 - b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the BEL and BHSL; or
 - c) By a combination of (a) and (b) above.
- h) As consideration for the transfer of the Augusta Club business undertaking of BEL, ACPL will discharge a total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) either:
 - a) By issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹100/- (Rupees One Hundred) each at par to BEL; or
 - b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between BEL and ACPL; or
 - c) By a combination of (a) and (b) above.
- i) The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

10. Summary of valuation reports including basis of valuation and fairness opinions

(a) **Summary of valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the hotel business undertaking of BEL proposed to be transferred to BHVL**

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the hotel business undertaking of BEL proposed to be transferred to BHVL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the hotels business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the hotels business undertaking is being transferred to BHVL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the hotels business undertaking.

(b) **Summary of fairness opinion from Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the hotel business undertaking**

A fairness opinion on the valuation report of the hotel business undertaking has been obtained from Intensive Fiscal Services Private Limited, Merchant Bankers. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the hotels segment of BEL is fair and reasonable and not prejudicial to the public shareholders.

(c) **Summary of Valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the integrated clubs and convention centres business undertaking of BEL proposed to be transferred to BHSL**

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the clubs and convention centres business undertaking of BEL proposed to be transferred to BHSL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the integrated clubs and convention centres business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the integrated clubs and convention centres business undertaking is being transferred to BHSL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the integrated clubs and convention centres business undertaking.

(d) **Summary of fairness opinion issued by Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the clubs and convention centres business undertaking**

A fairness opinion on the valuation report of the integrated clubs and convention centres business undertaking has been obtained from Intensive Fiscal Services Private Limited. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the integrated clubs and convention centres business undertaking of BEL is fair and reasonable and not prejudicial to the public shareholders.

(e) **Summary of Valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the Augusta Club business undertaking of BEL proposed to be transferred to ACPL**

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the Augusta Club business undertaking of BEL proposed to be transferred to ACPL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the Augusta Club business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the Augusta Club business undertaking is being transferred to ACPL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Augusta Club business undertaking.

(f) **Summary of fairness opinion issued by Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the Augusta Club business undertaking**

A fairness opinion on the valuation report of the Augusta Club business undertaking has been obtained from Intensive Fiscal Services Private Limited. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the Augusta Club business undertaking of BEL is fair and reasonable and not prejudicial to the public shareholders.

11. The scheme does not involve any capital or debt restructuring. The liability of the creditors of BEL, is neither being reduced nor being extinguished.

12. **Amounts due to unsecured creditors as on March 31, 2017:**

Name of the Company	Amount due to Unsecured Creditors (Amount in Rupees)
BEL	384,20,92,961
BHVL	48,42,628
BHSL	3,51,92,731.89
ACPL	25,000

13. **Effect of the Scheme on various parties**

a) Under the Scheme, no arrangement is sought to be entered into between BEL and its equity shareholders (promoter shareholders and non-promoter shareholders). The transfer of the business undertakings are being made to the wholly owned subsidiaries of BEL and as such, the interests of the members of BEL are not being affected in any manner.

The rights and interest of the promoters and non-promoter shareholders of companies involved in the Scheme will not be prejudicially affected by the Scheme. The scheme contemplates issuance of optionally convertible redeemable preference shares by BHVL, BHSL and ACPL to BEL in discharge of the consideration payable for the transfer of the business undertakings. Since the issuance of the preference shares is to the holding company BEL, there is no change in the shareholding pattern of the subsidiary companies, namely, BHVL, BHSL and ACPL pursuant to the scheme coming into effect.

b) The rights and interest of the secured and unsecured creditors of companies involved in the Scheme will not be prejudicially affected by the Scheme, upon the Scheme coming into effect, the respective subsidiaries shall meet the liabilities of the respective business undertaking of BEL as they arise in the ordinary course of business. Further the rights and interests of the creditors will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

c) As on date, there are no debenture holders in BEL, hence the question of effect of the Scheme on debenture trustees or on debenture holders does not arise. As on date, BEL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.

d) The rights and interests of the employees of the transferred undertakings will not be prejudicially affected by the Scheme, as all the staff and employees of transferred undertakings, who are in service of BEL as on the Effective Date shall, on and from the Effective Date be deemed to have become staff and employees of BHVL, BHSL or ACPL, as the case may be, without any break or interruption in service and on the basis of continuity of service, and the terms and conditions of their employment with BHVL, BHSL or ACPL, as the case may be, shall not be less favourable than those applicable to them with reference to BEL. Services of such employees of BEL shall be taken into account from the date of their appointment with BEL for the purposes of all retirement benefits and all other entitlements for which they may be eligible.

14. The Directors or KMPs or their relatives of the respective Applicant Companies do not have any other interest in the Scheme otherwise than that as shareholders in any of companies involved in the scheme. Further, none of the managers, key managerial personnel and/or relatives of the directors / KMPs of respective Companies is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the directors of respective companies have any material interest in the scheme.

15. The copy of draft scheme has been filed with the Registrar of Companies, Karnataka.
16. No investigation or proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against BEL, BHVL, BHSL and ACPL.
17. To the knowledge of the companies, no winding up petition has been initiated against BEL, BHVL, BHSL and ACPL under the provisions of Companies Act, 1956 or the relevant provisions of Companies Act, 2013.
18. The Pre-Arrangement shareholding pattern of the companies and the post-arrangement (expected) shareholding pattern of BEL, BHVL, BHSL and ACPL are as under:

(a) Pre and post arrangement shareholding pattern of BEL

Sl. No.	Category	Pre-Scheme shareholding of BEL		Post -Scheme shareholding (expected) of BEL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1	Promoter & Promoter Group	6,36,09,256	46.88	6,36,09,256	46.88
2	Public	7,20,81,305	53.12	7,20,81,305	53.12
	Total	13,56,90,561	100.00	13,56,90,561	100.00

(b) Pre and post Arrangement shareholding pattern of BHVL

Equity share capital

Sl. No..	Description	Pre-Scheme shareholding of BHVL		Post -Scheme shareholding of BHVL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	9,99,700	99.97%	9,99,700	99.97%
2.	Mr. M.R. Jaishankar*	50	0.005%	50	0.005%
3.	Ms. Nirupa Shankar*	50	0.005%	50	0.005%
4.	Mr. Vineet Verma*	50	0.005%	50	0.005%
5.	Mr. Pradyumna Krishnakumar*	50	0.005%	50	0.005%
6.	Mr. Suresh Yadwad*	50	0.005%	50	0.005%
7.	Mr. Vishal Mirchandani*	50	0.005%	50	0.005%
	Total	10,00,000	100%	10,00,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the hotel business undertaking, BHVL may discharge the total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of Rs 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHVL.

Hence, post arrangement, BEL may hold 280,43,000 OCRPS in BHVL.

(c) Pre and post Arrangement shareholding pattern of BHSL:

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of BHSL		Post-Scheme shareholding of BHSL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	99,89,600	99.90%	99,89,600	99.90%
2.	Mr. M.R. Jaishankar*	5000	0.05%	5000	0.05%
3.	Mrs. Githa Shankar	5000	0.05%	5000	0.05%
4.	Brigade Enterprises Limited jointly with Mr. M.R. Jaishankar	100	0.0%	100	0.0%

Sl. No.	Description	Pre-Scheme shareholding of BHSL		Post-Scheme shareholding of BHSL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
5.	Brigade Enterprises Limited jointly with Mrs. Githa Shankar	100	0.0%	100	0.0%
6.	Brigade Enterprises Limited jointly with Ms.Nirupa Shankar	100	0.0%	100	0.0%
7.	Brigade Enterprises Limited jointly with Mr. Vineet Verma	100	0.0%	100	0.0%
	Total	1,00,00,000	100%	1,00,00,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the integrated convention centres and clubs business undertaking, BHSL may discharge the total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of Rs 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHSL.

Thus, post arrangement, BEL may hold 29,59,000 OCRPS in the BHSL.

(d) Pre and post arrangement shareholding pattern of ACPL:

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of ACPL		Post-Scheme shareholding of ACPL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	49,999	99.99%	49,999	99.99%
2.	Om Prakash P.*	1	0.01%	1	0.01%
	Total	50,000	100%	50,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the integrated convention centres and clubs business undertaking, BHSL may discharge the total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of ₹ 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHSL.

Thus, post arrangement, BEL may hold 3,25,000 OCRPS in the ACPL.

19. The pre and post Scheme capital structure of the companies are as under:

(a) Pre and post Scheme capital structure of BEL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	15,00,00,000	150,00,00,000	15,00,00,000	150,00,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	13,56,90,561	135,69,05,610	13,56,90,561	135,69,05,610

(b) Pre and post Scheme capital structure of BHVL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			2,80,43,000	280,43,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			2,80,43,000	280,43,00,000

(c) Pre and post Scheme capital structure of BHSL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	1,50,00,000	15,00,00,000	1,00,00,000	10,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			29,59,000	29,59,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	1,50,00,000	15,00,00,000	1,00,00,000	10,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			29,59,000	29,59,00,000

(d) Pre and post Scheme capital structure of ACPL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	1,00,000	10,00,000	50,000	5,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			3,25,000	3,25,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	1,00,000	10,00,000	50,000	5,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			3,25,000	3,25,00,000

20. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or amalgamation.

BEL has obtained no objection from BSE and NSE so as to enable BEL to file the draft scheme with the National Company Law Tribunal. The copies of the said no-objection letters have been appended to the notice.

21. On the Scheme being approved by requisite majority of the shareholders and creditors of the respective Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, all the Companies will file a petition with the Bengaluru Bench of National Company Law Tribunal for sanction of the Scheme.

22. The following documents will be open for inspection by the equity shareholders of BEL up to 1 (one) day prior to the date of the meeting at its registered office between 11:00 a.m. and 4:00 p.m. on all working days, except Saturdays, Sundays and public holidays:
- (a) Copy of the order dated August 7, 2017(as may be amended) of the Tribunal at Bengaluru passed in Company Scheme Application No. CA(CAA)49/BB/2017 directing the convening of the meeting of the equity shareholders of BEL;
 - (b) Latest audited financial statements of BEL, BHVL, BHSL and ACPL for the year 2016-17 including consolidated financial statements;
 - (c) Certificate issued by S.R. Batliboi & Associates LLP to the effect that the accounting treatment proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
 - (d) Copy of the fairness opinions issued by Intensive Fiscal Services Private Limited, Merchant Banker to the valuation report of the chartered accountants;
 - (e) Copy of the applications filed by BEL, BHVL, BHSL and ACPL along with annexures before the National Company Law Tribunal, Bengaluru Bench;
 - (f) Copy of the scheme of arrangement;
 - (g) Copy of the valuation reports issued by B.K. Ramadhyani & Co. LLP.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013. A copy of the scheme, explanatory statement and proxy form may be obtained from the registered office of BEL.

Mr. M. R. Jaishankar

Chairperson appointed for the meeting.

Place: Bengaluru

Date: August 8, 2017

Registered Office:

Brigade Enterprises Limited
 29th and 30th floor, World Trade Center,
 26/1, Brigade Gateway Campus,
 Dr. Rajkumar Road,
 Malleswaram-Rajajinagar
 Bangalore-560 055,
 Karnataka

CIN - L85110KA1995PLC019126

**SCHEME OF ARRANGEMENT
BETWEEN
BRIGADE ENTERPRISES LIMITED
("the Transferor Company")
AND
BRIGADE HOTEL VENTURES LIMITED
("the Transferee Company 1")
AND
BRIGADE HOSPITALITY SERVICES LIMITED
("the Transferee Company 2")
AND
AUGUSTA CLUB PRIVATE LIMITED
("the Transferee Company 3")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
Under section 230 to 233 of the Companies Act, 2013**

This Scheme of Arrangement is presented pursuant to Sections 230 to 233 and other applicable provisions of the Companies Act, 2013 for transfer of the hotels, clubs and convention centres business undertakings of Brigade Enterprises Limited into Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited.

THE SCHEME

The Scheme is divided into the following parts:

- i) **PART I – Dealing with the introduction and objective of the Scheme.**
- ii) **PART II – Dealing with definitions and share capitals.**
- iii) **PART III – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited.**
- iv) **PART IV – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited.**
- v) **PART V – Scheme of Arrangement of Brigade Enterprises Limited and Augusta Club Private Limited.**
- vi) **PART VI- Dealing with the Remaining Business of the Transferor Company**
- vii) **PART VII - Dealing with general terms and conditions.**

PART I

Dealing with the Introduction and Objective of the Scheme

Introduction

Transferee Company

- (i) BRIGADE HOTEL VENTURES LIMITED
- (ii) BRIGADE HOTEL VENTURES LIMITED (**"Transferee Company 1"**) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986). The Transferee Company 1 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOTEL VENTURES LIMITED is engaged, inter-alia, in the business of:

To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience 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 and natural cure centres

- (iii) BRIGADE HOSPITALITY SERVICES LIMITED
- (iv) BRIGADE HOSPITALITY SERVICES LIMITED (**"Transferee Company 2"**) is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060). The Transferee Company 2 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOSPITALITY SERVICES LIMITED is engaged, *inter-alia, in the business of:*

To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.

- (v) AUGUSTA CLUB PRIVATE LIMITED
- (vi) AUGUSTA CLUB PRIVATE LIMITED (**"Transferee Company 3"**) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214). The Transferee Company 3 is the wholly owned subsidiary of the Transferor Company.

AUGUSTA CLUB PRIVATE LIMITED is engaged, *inter-alia, in the business of:*

To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres.

Transferor Company

Brigade Enterprises Limited

Brigade Enterprises Limited (“Transferor Company”) is a company incorporated under the companies act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleshwaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126). The shares of Brigade Enterprises Limited is listed on the BSE Limited and on the National Stock Exchange of India Limited.

Brigade Enterprises Limited is engaged, *inter-alia, in:*

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) 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.
- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

OBJECTIVES OF THE SCHEME

The circumstances that have necessitated or justified the proposed Scheme and its main benefits are, inter alia, summarised as under:

- i. The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
 - a) Hotels (“Hotels”);
 - b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”);
 - c) Augusta Club.

Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.

- ii. This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- iii. With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- iv. Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

PART – II

Dealing with Definitions and Share Capitals

1. DEFINITIONS

- 1.1. **“Act”** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2. **“Appointed Date”** means October 1, 2016 or such other date as may be approved by the Authority.
- 1.3. **“Authority”** shall mean the National Company Law Tribunal or such other authority having jurisdiction under the Act to sanction the Scheme;
- 1.4. **“Companies”** collectively means the Transferor Company, the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.5. **“Effective Date”** means the date on which the order/s sanctioning the Scheme passed by the Authority under Sections 230 to 233 of the Act, are filed with the Registrar of Companies, Karnataka.
- 1.6. **“Record date”** means the date to be fixed by the Board of Directors of the respective Transferee Companies for purpose of issue of Transferee Company 1 OCRPS, Transferee Company 2 OCRPS, Transferee Company 3 OCRPS of the Transferee Company 1, Transferee Company 2, Transferee Company 3 as per this Scheme.
- 1.7. **“Remaining Undertaking” or “Remaining Business”** means all the assets, liabilities, activities of the Transferor Company other than the assets and liabilities of the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 as mentioned above in Clauses 1.5, 1.6 and 1.7.
- 1.8. **“Transferor Company”** means Brigade Enterprises Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka.
- 1.9. **“Transferred Undertaking 1”** means the Hotels Business Undertaking of the Transferor Company which are operational or under construction as on the Appointed Date and which is being transferred to the Transferee Company 1, as laid out in Part A of Schedule I of the Scheme.
- 1.10. **“Transferred Undertaking 2”** means the Integrated Clubs and Convention Centres Business Undertaking of the Transferor Company which is being transferred to the Transferee Company 2 as laid out in Part B of Schedule I of the Scheme other than the club being transferred to Transferred Undertaking 3.
- 1.11. **“Transferred Undertaking 3”** means ‘Augusta Club’ Business Undertaking of the Transferor Company which is being transferred to the Transferee Company 3 as laid out in Part C of Schedule I of the Scheme.

- 1.12. **“Transferred Undertakings”** collectively means the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 and shall include (without limitation):
- (a) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all plant and machinery, land and buildings, offices, roads and culverts, tube well installations, plant and machinery, generators, equipments, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories, investments, including stocks, receivables, goodwill, industrial/commercial/food and other licenses and rights, software products, design, developments, tools, operating systems, trademarks and other intellectual property rights, leases and tenancy rights, other interests, rights or powers of every kind, nature and description whatsoever pertaining to or relatable to the respective Transferred Undertakings;
 - (b) All liabilities present and future and the specific contingent liabilities pertaining to or relatable to the respective Transferred Undertakings;
 - (c) All rights and licenses, all assignments and grants thereof, all permits, approvals, registrations, notifications, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of Central /State Governments, quality certifications and approvals (both Indian and foreign), product registrations (both Indian and foreign), trade registrations, regulatory approvals, entitlements, industrial and other licenses, the registrations /benefits under various schemes and such other schemes, registrations/approvals/licenses from associations, societies, Central Government, any State Government, any local authority, tourism development organisation, Customs, Central Excise, Income Tax, Service Tax, Sales Tax, Value Added Tax, Reserve Bank of India, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the project and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the respective Transferred Undertakings, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by the Transferor Company in relation to the respective Transferred Undertakings, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company in relation to the respective Transferred Undertakings or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Transferor Company was party), powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests, in connection with or relating to the respective Transferred Undertakings;
 - (d) All employees of the Transferor Company substantially engaged in the Transferred Undertakings and those employees that are determined by the Board of Directors of the Transferor Company to be substantially engaged in or in relation to the business of the respective Transferred Undertakings;
 - (e) All deposits and balances with Government, semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Transferor Company, directly or indirectly in connection with or in relation to the business of the Transferred Undertakings;
 - (f) All books, records, files, papers, product specifications and process information records, standard operating procedures, computer programmes along with their licenses, manuals and back-up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the business of the Transferred Undertakings;
 - (g) All trademarks, trade names, patents and domain names, copyrights, industrial designs, building plan approvals, NOCs, sanctions and licenses, trade secrets, product registrations and other

intellectual property and all other interests exclusively relating to the goods or services being dealt with by the business of the Transferred Undertakings but shall not include any assets or liabilities relating to the remaining business of the Transferor Company.

Provided however that any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Transferred Undertakings or whether it arises out of the activities or operations of the Transferred Undertakings shall be decided by the Transferor Company, whose decision will be final and binding on the Transferee Companies.

- 1.13. **“Transferee Company 1”** means Brigade Hotel Ventures Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 [was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986).
- 1.14. **“Transferee Company 1 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 1 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 1 as on the record date.
- 1.15. **“Transferee Company 2”** means Brigade Hospitality Services Limited is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060).
- 1.16. **“Transferee Company 2 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 2 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 2 as on the record date.
- 1.17. **“Transferee Company 3”** means Augusta Club Private Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214).
- 1.18. **“Transferee Company 3 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 3 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 3 as on the record date.
- 1.19. **“Transferee Companies”** collectively mean the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.20. **“Scheme”** means the scheme of arrangement as set out herein in its present form, or with any modification(s) approved or imposed or directed by the Authority.

2. OPERATIVE DATE

The Scheme set out herein in its present form with any modification(s) approved or imposed or directed by the Authority shall be operative from the Effective Date but shall be deemed to be effective from the Appointed Date.

3. BACKGROUND

- 3.1. The share capital of Brigade Hotel Ventures Limited (Transferee Company 1) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital divided into 10,00,000 equity shares of ₹ 10/- each	1,00,00,000
Issued, subscribed and paid up equity share capital of 10,00,000 equity shares of ₹ 10/- each.	1,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 1.

- 3.2. The share capital of Brigade Hospitality Services Limited (Transferee Company 2) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,50,00,000 equity shares of ₹10/- each	15,00,00,000
Issued, subscribed and paid up equity share capital of 1,00,00,000 equity shares of ₹ 10/- each.	10,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 2.

- 3.3. The share capital of Augusta Club Private Limited (Transferee Company 3) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,00,000 equity shares of ₹ 10/- each	10,00,000
Issued, subscribed and paid up equity share capital of 50,000 equity shares of ₹10/- each.	5,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 3.

- 3.4. The share capital of the Brigade Enterprises Limited (Transferor Company) as of September 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each	₹150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of ₹10/- each, fully paid up	₹ 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 418325 ESOP shares on 14th November, 2016. The details of share capital as on November 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each	₹150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of ₹10/- each, fully paid up	₹ 113,63,59,900

The issued, subscribed and paid-up share capital of the Transferor Company as on 7th August, 2017 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹ 150,00,00,000 divided into 15,00,00,000 equity shares of ₹ 10/- each	₹ 150,00,00,000
Issued, subscribed and paid up share capital of 13,56,90,561 equity shares of ₹ 10/- each, fully paid up	₹ 135,69,05,610

PART – III

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited:

4. The transfer of the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) into Brigade Hotel Ventures Limited (Transferee Company 1) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 4.1 All the properties of the Transferred Undertaking 1 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
 - 4.2 All the liabilities relating to the Transferred Undertaking 1 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;

- 4.3 The properties and the liabilities, if any, relating to the Transferred Undertaking 1 being transferred by the Transferor Company are transferred to Transferee Company 1 at values appearing in the books of the Transferor Company on the Appointed Date;
- 4.4 The Transferee Company 1 shall issue, in consideration of the transfer, either Transferee Company 1 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 4.5 The transfer of the Transferred Undertaking 1 to the Transferee Company 1 will be on a going concern basis.

5. TRANSFER OF ASSETS

- 5.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 1 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 1 on a going concern basis, so as to become the properties of Transferee Company 1.
- 5.2 All assets and properties of the Transferred Undertaking 1 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 1.
- 5.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 1 which the Transferor Company owns, cannot be transferred to the Transferee Company 1 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 1. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 1 to transfer all assets and liabilities in relation to the Transferred Undertaking 1 as a "going concern" and that the provision of this clause 5.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme .

6. TRANSFER OF LIABILITIES

- 6.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 1 shall be deemed to be transferred to and vested in the Transferee Company 1 so as to become the liabilities of the Transferee Company 1.

7. TRANSFER OF THE TRANSFERRED UNDERTAKING 1 ON A GOING CONCERN BASIS

- 7.1 With effect from the Appointed Date, the Transferred Undertaking 1 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 1.
- 7.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 1, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 1.

8. APPOINTED DATE

- 8.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 4, 5 and 6 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 1 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 1 on behalf of itself.

Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 1 until such time as the Scheme takes effect.

- 8.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 1, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 1 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

9. TRANSFER OF EMPLOYEES

- 9.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 1 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 1, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 1 from the Transferor Company into the Transferee Company 1.
- 9.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 1 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 1.

10. LEGAL PROCEEDINGS

- 10.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 1 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clause 4, 5 and 6 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 1 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 1 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 1.

11. CONTRACTS, DEEDS, ETC.

- 11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 1 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 1, as the case may be, and may be enforced by or against Transferee Company 1 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 1 had been a party thereto. The Transferee Company 1 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 1 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 1 of Transferor Company to give effect to the provisions of this Scheme.

12. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

- 12.1 With effect from the Appointed Date and up to the Effective Date.
- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 1 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 1 for and on account of and in trust for the Transferee Company 1.
 - (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 1 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 1; and

(iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

12.2 The Transferee Company 1 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 1 may require to carry on the business of the Transferred Undertaking 1.

13. CONSIDERATION

13.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 1 of the Transferor Company into the Transferee Company 1 and as consideration for the Transfer of the Transferred Undertaking 1, the Transferee Company 1 will discharge a total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) either-

- a) by issue and allotment of Transferee Company 1 OCRPS of ₹ 100/- (Rupees One Hundred) each at part to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 1; or
- c) By a combination of (a) and (b) above.

13.2 The issue and allotment of Transferee Company 1 OCRPS in the Transferee Company 1 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

14. ACCOUNTING TREATMENT

14.1 In the books of the Transferor Company:

Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 1, as laid out in Part A of Schedule I shall stand closed on transfer to the Transferee Company 1, including the corporate loans, term loans, advances and borrowings relating to or pertaining to the Transferred Undertaking 1 which will be transferred in entirety to the Transferee Company 1 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 1 transferred to the Transferee Company 1.

- a) The assets and the liabilities of the Transferred Undertaking 1 being transferred to the Transferee Company 1 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- b) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

14.2 In the books of the Transferee Company 1:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 1 will be recorded in the books of the Transferee Company 1 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated here in above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 1.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 1 would be duly reflected in the financial statements of the Transferee Company 1 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 1.

15. TAX

15.1 Upon the Scheme becoming effective, the Transferee Company 1 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax

returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.

- 15.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroi duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 1 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 1 after the Appointed Date, the same shall be deemed to be paid by the Transferee Company 1, and shall, in all proceedings, be dealt with accordingly.
- 15.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 1 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 1 which alone shall be entitled to claim credit for such tax deducted or paid.
- 15.4 Upon the Scheme becoming effective, Transferee Company 1 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 1.

PART – IV

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited:

16. The transfer of the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) into Brigade Hospitality Services Limited (Transferee Company 2) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
 - 16.1 All the properties of the Transferred Undertaking 2 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
 - 16.2 All the liabilities relatable to the Transferred Undertaking 2 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
 - 16.3 The properties and the liabilities, if any, relatable to the Transferred Undertaking 2 being transferred by the Transferor Company are transferred to Transferee Company 2 at values appearing in the books of the Transferor Company on the Appointed Date;
 - 16.4 The Transferee Company 2 shall issue, in consideration of the transfer, either Transferee Company 2 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
 - 16.5 The transfer of the Transferred Undertaking 2 to the Transferee Company 2 will be on a going concern basis.

17. TRANSFER OF ASSETS

- 17.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 2 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 2 on a going concern basis, so as to become the properties of Transferee Company.
- 17.2 All assets and properties of the Transferred Undertaking 2 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery,

shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 2.

- 17.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 2 which the Transferor Company owns, cannot be transferred to the Transferee Company 2 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 2. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 2 to transfer all assets and liabilities in relation to the Transferred Undertaking 2 as a “going concern” and that the provision of this clause 17.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme.

18. TRANSFER OF LIABILITIES

- 18.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 2 shall deemed to be transferred to and vested in the Transferee Company 2 so as to become the liabilities of the Transferee Company 2.

19. TRANSFER OF THE TRANSFERRED UNDERTAKING 2 ON A GOING CONCERN BASIS

- 19.1 With effect from the Appointed Date, the Transferred Undertaking 2 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 2.
- 19.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 2, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 2.

20. APPOINTED DATE

- 20.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 16, 17 and 18 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 2 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 2 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 2 until such time as the Scheme takes effect.
- 20.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 2, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 2 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

21. TRANSFER OF EMPLOYEES

- 21.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 2 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 2, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 2 from the Transferor Company into the Transferee Company 2.
- 21.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 2 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 2.

22. LEGAL PROCEEDINGS

22.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 2 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clauses 16, 17 and 18 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 2 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 2 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 2.

23. CONTRACTS, DEEDS, ETC.

23.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 2 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 2, as the case may be, and may be enforced by or against Transferee Company 2 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 2 had been a party thereto. The Transferee Company 2 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 2 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 2 of Transferor Company to give effect to the provisions of this Scheme.

24. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

24.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 2 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 2 for and on account of and in trust for the Transferee Company 2.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 2 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 2; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

24.2 The Transferee Company 2 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 2 may require to carry on the business of the Transferred Undertaking 2.

25. CONSIDERATION

25.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 2 of the Transferor Company into the Transferee Company 2 and as consideration for the transfer of the Transferred Undertaking 2, the Transferee Company 2 will discharge a total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) either:

- a) by issue and allotment of Transferee Company 2 OCRPS of ₹ 100/- (Rupees One Hundred) each at part to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 2; or
- c) By a combination of (a) and (b) above.

25.2 The issue and allotment of Transferee Company 2 OCRPS in the Transferee Company 2 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956

to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

26. ACCOUNTING TREATMENT

26.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 2, as laid out in Part B of Schedule I shall stand closed on transfer to the Transferee Company 2, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 2 which will be transferred in entirety to the Transferee Company 2 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 2 transferred to the Transferee Company 2.
- b) The assets and the liabilities of the Transferred Undertaking 2 being transferred to the Transferee Company 2 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

26.2 In the books of the Transferee Company 2:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 2 will be recorded in the books of the Transferee Company 2 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 2.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 2 would be duly reflected in the financial statements of the Transferee Company 2 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 2.

27. TAX

- 27.1 Upon the Scheme becoming effective, the Transferee Company 2 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 27.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroi duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 2 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 2, and shall, in all proceedings, be dealt with accordingly.
- 27.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 2 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 2 which alone shall be entitled to claim credit for such tax deducted or paid.
- 27.4 Upon the Scheme becoming effective, Transferee Company 2 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 2.

PART – V

Scheme of arrangement of Brigade Enterprises Limited and Augusta Club Private Limited:

28. The transfer of the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) into August Club Private Limited (Transferee Company 3) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 28.1 [All the properties of the Transferred Undertaking 3 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
- 28.2 All the liabilities relating to the Transferred Undertaking 3 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
- 28.3 The properties and the liabilities, if any, relating to the Transferred Undertaking 3 being transferred by the Transferor Company are transferred to Transferee Company 3 at values appearing in the books of the Transferor Company on the Appointed Date;
- 28.4 The Transferee Company 3 shall issue, in consideration of the transfer, either Transferee Company 3 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 28.5 The transfer of the Transferred Undertaking 3 to the Transferee Company 3 will be on a going concern basis.

29. TRANSFER OF ASSETS

- 29.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 3 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 3 on a going concern basis, so as to become the properties of Transferee Company.
- 29.2 All assets and properties of the Transferred Undertaking 3 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 3.
- 29.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 3 which the Transferor Company owns, cannot be transferred to the Transferee Company 3 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 3. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 3 to transfer all assets and liabilities in relation to the Transferred Undertaking 3 as a “going concern” and that the provision of this clause 29.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme .

30. TRANSFER OF LIABILITIES

- 30.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 3 shall be deemed to be transferred to and vested in the Transferee Company 3 so as to become the liabilities of the Transferee Company 3.

31. TRANSFER OF THE TRANSFERRED UNDERTAKING 3 ON A GOING CONCERN BASIS

- 31.1 With effect from the Appointed Date, the Transferred Undertaking 3 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 3.

31.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 3, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 3.

32. APPOINTED DATE

32.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 28, 29 and 30 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 3 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 3 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 3 until such time as the Scheme takes effect.

32.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 3, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 3 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

33. TRANSFER OF EMPLOYEES

33.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 3 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 3, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 3 from the Transferor Company into the Transferee Company 3.

33.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 3 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 3.

34. LEGAL PROCEEDINGS

34.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 3 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clauses 28, 29 and 30 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 3 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 3 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 3.

35. CONTRACTS, DEEDS, ETC.

35.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 3 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 3, as the case may be, and may be enforced by or against Transferee Company 3 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 3 had been a party thereto. The Transferee Company 3 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 3 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 3 of Transferor Company to give effect to the provisions of this Scheme.

36. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

36.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 3 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 3 for and on account of and in trust for the Transferee Company 3.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 3 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 3; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

36.2 The Transferee Company 3 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 3 may require to carry on the business of the Transferred Undertaking 3.

37. CONSIDERATION

37.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 3 of the Transferor Company into the Transferee Company 3, and as consideration for the transfer of the Transferred Undertaking 3, the Transferee Company 3 will discharge a total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) either:

- a) By issue and allotment of Transferee Company 3 OCRPS of ₹100/- (Rupees One Hundred) each at part to the Transferor Company ; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 3; or
- c) By a combination of (a) and (b) above.

37.2 The issue and allotment of Transferee Company 3 OCRPS in the Transferee Company 3 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

38. ACCOUNTING TREATMENT

38.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 3, as laid out in Part C of Schedule I shall stand closed on transfer to the Transferee Company 3, including the corporate loans, term loans, advances and borrowings relating to or pertaining to the Transferred Undertaking 3 which will be transferred in entirety to the Transferee Company 3 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 3 transferred to the Transferee Company 3.
- b) The assets and the liabilities of the Transferred Undertaking 3 being transferred to the Transferee Company 3 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

38.2 In the books of the Transferee Company 3:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 3 will be recorded in the books of the Transferee Company 3 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 3
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 3 would be duly reflected in the financial statements of the Transferee Company 3 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 3.

39. TAX

- 39.1 Upon the Scheme becoming effective, the Transferee Company 3 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 39.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroi duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 3 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 3 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 3, and shall, in all proceedings, be dealt with accordingly.
- 39.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 3 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 3 which alone shall be entitled to claim credit for such tax deducted or paid
- 39.4 Upon the Scheme becoming effective, Transferee Company 3 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 3 .

PART VI

Dealing with the Remaining Business of Transferor Company

40. All the assets, liabilities and obligations pertaining to the Remaining Business shall continue to belong to and be managed by the Transferor Company.
41. The Remaining business shall continue to belong to and be vested in and be continued to be owned and managed by the Transferor Company. All legal, taxation or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Companies shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company in relation to the Remaining Business.
42. Notwithstanding the transfer of the Transferred Undertakings to the Transferee Companies operative from the Appointed Date:
 - (i) The Transferor Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and

- (ii) All profits and cash accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profits/cash or losses, as the case may be, of the Transferor Company.
43. All the assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after Appointed Date shall belong to and continue to remain vested in the Transferor Company.

PART- VII

Dealing with General Terms and Conditions

44. CONDITIONALITY OF THE SCHEME

44.1 This Scheme is and shall be conditional upon and subject to:

- (i) The approval by the requisite majorities of the members of Transferor Company and Transferee Companies. The approval of the members of the Transferor Company will also be obtained by postal ballot and e-voting
- (ii) The certified copies of the Order of the Authority under Sections 230 to 233 of the Act sanctioning the Scheme being filed with the Registrar of Companies of Karnataka.

45. APPLICATION TO AUTHORITY

45.1 The Transferor Company and the Transferee Companies shall, with all reasonable dispatch, make application to the Authority where the registered offices of the companies are situated, for sanctioning the Scheme of Arrangement under Sections 230 to 233 of the Act or such other applicable provisions under the Act.

46. MODIFICATION OR AMENDMENTS TO THE SCHEME

46.1 The Transferor Company and the Transferee Companies, by their respective Boards of Directors, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors). The Transferor Company and the Transferee Companies, by their respective Boards of Directors, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

47. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferor Company.

48. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the Authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

SCHEDULE I**PART A**

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hotel Ventures Limited (Transferee Company 1) as on 30/9/2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS		₹ In Lakhs	₹ In Lakhs
(1) Non - current assets			
(a)	Land	2,326	
	Building	19,835	
	Plant & machinery	3,514	
	Furniture & Fixtures	2,049	
	Computers, software & vehicles	121	
	Capital work in progress	7,323	
		35,168	
(b)	Non - current investments	9,210	
(c)	Long term loans and advances	1,673	
(d)	Other Non- current assets	-	
			46,051
(2) Current Assets			
(a)	Inventories	741	
(b)	Trade receivables	788	
(c)	Cash and bank balances	933	
(d)	Short term loans and advances	1,453	
(e)	Other current assets	618	
			4,533
TOTAL			50,583
SCHEDULE OF LIABILITIES		₹ In Lakhs	₹ In Lakhs
(1) Non - Current liabilities			
(a)	Long term borrowings	17,913	
(b)	Other long term liabilities	855	
			18,768
(2) Current Liabilities			
(a)	Other current liabilities	3,773	
			3,773
TOTAL			22,541

Note: The assets and liabilities listed above pertaining to the hotels business undertaking, specifically includes the assets and liabilities pertaining to the following as on October 1, 2016:

1. Grand Mercure – Bangalore.
2. Sheraton Grand – Bangalore
3. Grand Mercure – Mysuru
4. Holiday Inn Express Race Course Road – Bangalore
5. Four Points by Sheraton – Kochi.
6. IBIS Styles – Mysuru
7. Vaikom Project.
8. Holiday Inn Chennai OMR IT Expressway – Investment.

PART B

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hospitality Services Limited (Transferee Company 2) as on October 1, 2016, specifically, but not limited to, the following :

SCHEDULE OF ASSETS		₹ In Lakhs	₹ In Lakhs
(1) Non - Current assets			
(a) Land		581	
Building		2,376	
Plant & machinery		0.4	
Furniture & Fixtures		2	
TOTAL			2,959

Note: Above assets pertains to the following Clubs & Convention centers in BEL books as on October 1, 2016.

1. The Woodrose Club - Bangalore.
2. MLR Convention Center JP Nagar – Bangalore.
3. MLR Convention Center Whitefield – Bangalore.
4. Galaxy Club – Bangalore.

PART C

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) would be transferred to Augusta Club Private Limited (Transferee Company 3) as on October 1, 2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS		₹ In Lakhs	₹ In Lakhs
(1) Non - Current assets			
(a) Land		15	
Building		310	
TOTAL			325

Note: Above assets pertains to Augusta Club in BEL books as on 30.09.2016.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/092

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Hotels business undertaking of the company Brigade Enterprises Limited (BEL) (hereinafter called as "Hotels") as at September 30, 2016 for the proposed transfer of the business segment to its wholly owned subsidiary, Brigade Hotels Ventures Limited, (hereinafter called as "BHVL" or "the Subsidiary")

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Hotels as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.

Based on the calculation so made, the calculated value of the Hotels as at September 30, 2016 works out to approx. INR 28,043 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of BEL as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully,
For B.K. RAMADHYANI & CO. LLP,
Chartered Accountants


R Satyanarayana Murthi
Partner

Encl: Calculation report

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, 8th Main, Chitrapur Bhavan,
8th Main, 15th Cross, Mallewaram,
BANGALORE - 560 055.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Mallewaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Hotels segment of Brigade Enterprises Limited for the proposed transfer to Brigade Hotels Venture Limited as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	3 – 4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 – 5
7.	PRESENT CAPITAL STRUCTURE OF BEL AND BHVL (NEW SPV)	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	5 – 6
9.	CALCULATED VALUE OF HOTELS BUSINESS	6
10.	DISCLAIMERS AND REPRESENTATION	6 – 7
11.	STATEMENT OF LIMITING CONDITIONS	7 – 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Hotels business segment of Brigade Enterprises Limited for the proposed transfer to Brigade Hotels Venture Limited ("BHVL" or "the Subsidiary") as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Hotels Business Undertaking of Brigade Enterprises Limited (BEL) (herein after called as "Hotels undertaking") as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Hotels Business Undertaking for the proposed transfer to BHVL being a wholly owned subsidiary of BEL

2. Company Overview:

Brigade Hotels Ventures Limited (BHVL):

BHVL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. BHVL is proposed to take over the Hotels Business Undertaking of BEL. All the assets and liabilities including land and building, rights and obligations, contracts, licenses etc. pertaining to the Hotels business undertaking would be transferred to the Subsidiary as a whole on a going concern basis.

Brigade Enterprises Limited (BEL):

BEL was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore.

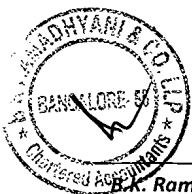
Currently, BEL has 7 properties in Hotels out of which 3 are operational and the balance 4 are either under construction or development of hotels.

BEL proposes to transfer the entire Hotels Business Undertaking to the subsidiary w.e.f September 30, 2016. All the assets and liabilities including capital work in progress pertaining to the Hotels Business Undertaking would be transferred to the Subsidiary as on the Calculation date. We have been approached by BEL to arrive at the calculated value of the Hotels Business Undertaking as on the Calculation date for the proposed transfer.

3. Base for arrived value:

The base for the calculated value of the Hotels Business Undertaking are the following: -

- a) Book value of assets and liabilities of the Hotels Business Undertaking including under construction/development as at September 30, 2016.
- b) Discussions with management of BEL.



B. K. Ramadhyani & Co LLP

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Hotel Business Undertaking as at September 30, 2016. or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and its subsidiary for the said transfer of Hotels Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

Our calculation of the value of the Hotels business undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 1 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

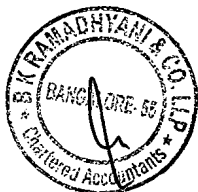
5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Hotels business undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

6.1 As per the terms of engagement, we have been engaged to arrive at the calculated value of the Hotels Business Undertaking. We have been given to understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Hotels Business Undertaking to allow the growth and development of the hotel undertaking as a standalone business into one of the leading hotel business in the Country.

Since the Hotels business undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Hotels Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.



B. K. Ramadhyani & Co LLP

6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the hotels business undertaking.

7. Present Capital Structure of BEL and BHVL:

7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

BHVL:

Name of the shareholder	% of holding
BEL	100

8. Calculation of value of the Hotels Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Hotels Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	43,667
Less: Accumulated depreciation	15,822
Net Block	27,845
Capital Work in Progress (At cost)	7,323
Non-current investment	9,210
Long term loans and advances	1,673



B. K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

Current Assets:	
Inventories (lower of cost or net realisable value)	741
Trade receivables	788
Cash and bank balances	933
Short term loans and advances	1,453
Other current assets	618
TOTAL ASSETS	50,584
Less: Liabilities	
Secured Loans (sanctioned for specific on-going hotel projects)	17,913
Non - Current Liabilities	855
Current Liabilities	3,773
TOTAL LIABILITIES	22,541
NET ASSETS VALUE OF HOTELS	28,043

Note: The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016. The above assets and liabilities includes assets and liabilities of the entire Hotels Business Undertaking of BEL.

9. Calculated value of the Hotels as at September 30, 2016:

The calculated value of the Hotels Business Undertaking as per net assets value method arrived at above would be approx. Rs. 28,043 lakhs.

10. Disclaimers and representations by management of BEL:

10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*

10.2 *There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.*

10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the business.*

10.4 *Management has represented to us that there are no contingent liabilities as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*



B. K. Ramadhyani & Co LLP

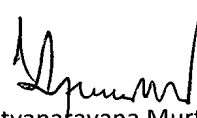
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, BHVL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*
- 11.7 *The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.*
- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*



B. K. Ramadhyani & Co LLP

11.10 *The calculated value of Hotels business undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani & Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
10th Cross, 4th Floor, Ch. Kur. Chavan,
& Amin, 10th Cross, Malleswaram,
BANGALORE - 560 055.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/093

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking of Brigade Enterprises Limited (BEL) (hereinafter called as "Clubs & Conventions Business Undertaking") as at September 30, 2016 for the proposed transfer of the business segment to its wholly owned subsidiary Brigade Hospitality Services Limited (hereinafter referred to as "BHSL" or "the Subsidiary")

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.


Based on the calculation so made, the calculated value of the Clubs and Convention Business Undertaking as at September 30, 2016 works out to approx. INR 2,959 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of Brigade Enterprises Limited as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully
For B.K. RAMADHYANI & CO. LLP
Chartered Accountants

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 08, # 4B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.


Satyanarayana Murthi
Partner

Encl: Calculation report

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP-Identification No. AAD-7041

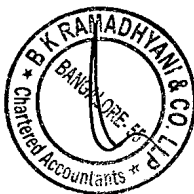
4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Malleshwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Clubs and Convention Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Brigade Hospitality Services Limited ("BHSL") as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 - 5
7.	PRESENT CAPITAL STRUCTURE OF BRIGADE ENTERPRISES LIMITED AND BHSL	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	6
9.	CALCULATED VALUE OF CLUBS AND CONVENTION CENTER BUSINESS	6
10.	DISCLAIMERS AND REPRESENTATIONS	6 - 7
11.	STATEMENT OF LIMITING CONDITIONS	7 - 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Clubs and Convention Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Brigade Hospitality Services Limited ("BHSL" or "the Subsidiary") as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Clubs and Convention Business Undertaking of Brigade Enterprises Limited (BEL) as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Clubs and Convention Business Undertaking for the proposed transfer to BHSL.

2. Company Overview:

BHSL

BHSL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. BHSL is proposed to take over the Clubs and Convention Business Undertaking owned by BEL. The assets and liabilities including land and building, contracts, licenses etc. owned by BEL and pertaining to the Clubs and Convention Business Undertaking would be transferred to BHSL.

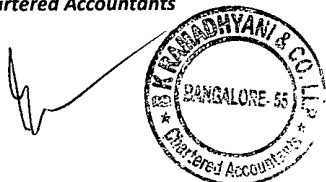
Brigade Enterprises Limited (BEL):

Brigade Enterprises Limited was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore. The company has been engaged in the businesses of real estate and hospitality.

The Clubs and Conventions Business Undertaking proposed to be transferred to BHSL comprising of the following clubs and convention centers viz., Woodrose club, Galaxy club, MLR Convention center (JP Nagar), MLR Convention center (Whitefield) as a whole on a going concern basis.

We understand that BEL is proposing to transfer the above to BHSL w.e.f September 30, 2016. All the assets and liabilities of the Clubs and Convention Centers Business Undertaking as appearing in BEL books as on that date would be transferred to BHSL. We have been approached by BEL to arrive at the calculated value of Clubs and convention centers business undertaking.

*B.K. Ramadhyani & Co. LLP.,
Chartered Accountants*



B. K. Ramadhyani & Co LLP

3. Base for arrived value:

The base for the calculated value of the Clubs and Convention Centers Business Undertaking are the following: -

- a) Book value of assets and liabilities of the Clubs and Convention Centers Business Undertaking as at September 30, 2016.
- b) Discussions with management of BEL.

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Clubs and convention centers as at September 30, 2016. or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and BHSL for the said transfer of Clubs and Convention Centers Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

Our calculation of the value of the Clubs and Convention Centers Business Undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 2 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Clubs and Convention Centers Business Undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

As per the terms of engagement, we have been engaged to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking. We have been given to



B. K. Ramadhyani & Co LLP

understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Clubs and Convention Centers Business Undertaking to allow growth and development of the Clubs and Convention Centers undertaking as a standalone business into one of the leading business in the Country

Since the Clubs and Convention Centers Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Clubs and Convention Centers Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.

- 6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Clubs and Convention Centers Business Undertaking.

7. Present Capital Structure of BEL and BHSL:

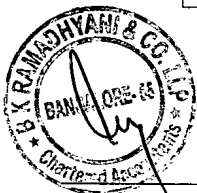
- 7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

BHSL:

Name of the shareholder	% of holding
BEL	100



B. K. Ramadhyani & Co LLP

8. Calculation of value of the Clubs and Convention Centers Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Clubs and Convention Centers Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	5,650
Less: Accumulated depreciation	2,691
Net Block	2,959
Current Assets	Nil
TOTAL ASSETS	2,959
Less: Liabilities	Nil
TOTAL LIABILITIES	Nil
NET ASSETS VALUE OF CLUBS AND CONVENTION CENTERS BUSINESS UNDERTAKING	2,959

Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Clubs and Convention Centers Business Undertaking for consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

9. Calculated value of the Clubs and Convention Centers Business Undertaking as at September 30, 2016:

The calculated value of the Clubs and Convention Centers Business Undertaking as per net assets value method arrived at above would be approx. Rs. 2,959 lakhs.

10. Disclaimers and representations by management of BEL:

10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*

There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.



B. K. Ramadhyani & Co LLP

- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the Clubs and Convention Centers Business Undertaking.*
- 10.4 *Management has represented to us that there are no contingent liabilities pertaining to the Clubs and Convention Centers Business Undertaking as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for the purpose of arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, BHSL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*

The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.



B. K. Ramadhyani & Co LLP

- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*
- 11.10 *The calculated value of Clubs and Convention Centers Business Undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani &Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, #4-B, Champsur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/094

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Augusta Club Business Undertaking of Brigade Enterprises Limited (BEL) as at September 30, 2016 for the proposed transfer to Augusta Club Private Limited ("ACPL" or "the Subsidiary"), being a wholly owned subsidiary of BEL.

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Augusta Club Business Undertaking as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.

Based on the calculation so made, the calculated value of the Augusta Club Business Undertaking as at September 30, 2016 works out to approx. INR 325 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of Brigade Enterprises Limited as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully,
For B.K. RAMADHYANI & CO. LLP,
Chartered Accountants


R Satyanarayana Murthi
Partner

Encl: Calculation report

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, 8th Main, 15th Cross, Chitrapur Bhavan,
8th Main, 15th Cross, Mallechwaram,
BANGALORE - 560 055.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Mallechwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Augusta Club Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Augusta Club Private Limited as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	3 - 4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 - 5
7.	PRESENT CAPITAL STRUCTURE OF BRIGADE ENTERPRISES LIMITED AND ACPL	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	5 - 6
9.	CALCULATED VALUE	6
10.	DISCLAIMERS AND REPRESENTATIONS	6 - 7
11.	STATEMENT OF LIMITING CONDITIONS	7 - 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Augusta Club of Brigade Enterprises Limited for the proposed transfer to Augusta Club Private Limited as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Augusta Club Business Undertaking of Brigade Enterprises Limited (BEL) (herein after called as "Augusta Club") as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Augusta Club for the proposed transfer to August Club Private Limited (hereinafter called as "ACPL").

2. Company Overview:

ACPL

ACPL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. ACPL proposes to take over the Augusta Club Business Undertaking from BHSL. All assets and liabilities including land and building, rights, contracts, licenses etc. pertaining to the Augusta Club Business Undertaking would be transferred to ACPL on a going concern basis.

Brigade Enterprises Limited (BEL):

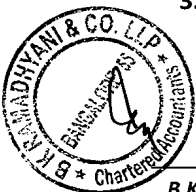
Brigade Enterprises Limited was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore. The company has been engaged in the businesses of real estate and hospitality.

We understand that BEL is proposing to transfer the Augusta club Business Undertaking to ACPL w.e.f September 30, 2016. All the assets and liabilities of the Augusta club Business Undertaking as appearing in BEL books as on that date would be transferred to ACPL. We have been approached by BEL to arrive at the calculated value of Augusta Club Business Undertaking.

3. Base for arrived value:

The base for the calculated value of the Augusta Club are the following: -

- a) Book value of assets and liabilities of the Augusta Club as at September 30, 2016.



B. K. Ramadhyani & Co LLP

b) Discussions with management of BEL.

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Augusta Club Business Undertaking as at September 30, 2016 or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and ACPL for the said transfer of Augusta Club Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

Our calculation of the value of the Augusta Club Business Undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 2 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Augusta Club Business Undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

6.1 As per the terms of engagement, we have been engaged to arrive at the calculated value of the Augusta Club Business Undertaking. We have been given to understand that the entire exercise is a restructuring exercise to allow appropriate of dedicated attention and focus to the development of Augusta Club Business on a standalone basis.

Since the Augusta Club Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not be in any way prejudicially affected based on the consideration to be attributed to the August Club Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.



B.K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Augusts Club Business Undertaking.

7. Present Capital Structure of BEL:

7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

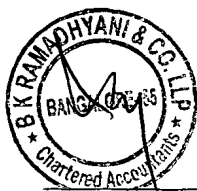
Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

ACPL:

Name of the shareholder	% of holding
BEL	100

8. Calculation of value of the Augusta Club Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Augusta Club Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:



B. K. Ramadhyani & Co LLP

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	630
Less: Accumulated depreciation	305
Net Block	325
Current Assets	Nil
TOTAL ASSETS	325
Less: Liabilities	Nil
TOTAL LIABILITIES	Nil
NET ASSETS VALUE OF AUGUSTA CLUB	325

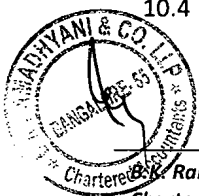
Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Augusta Club Business Undertaking for a consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

9. Calculated value of the Augusta Club as at September 30, 2016:

The calculated value of the Augusta Club Business Undertaking as per net assets value method arrived at above would be approx. Rs.325 lakhs.

10. Disclaimers and representations by management of BEL:

- 10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*
- 10.2 *There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.*
- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the business.*
- 10.4 *Management has represented to us that there are no contingent liabilities as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*



B. K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

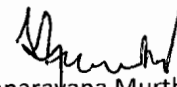
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for the purpose of arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, ACPL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*
- 11.7 *The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.*
- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*



B. K. Ramadhyani & Co LLP

11.10 *The calculated value of Augusta Club Business Undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani & Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

BK RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
13, 12, & 4-a, G. H. Road, Chayan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of the Hotels business undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Brigade Hotels Ventures Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited (hereinafter called as "BEL or the Transferor Company") for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited (hereinafter called as "BHVL" or "the Transferee Company")" issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner

1) Background & Purpose of Engagement

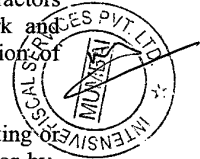
BRIGADE ENTERPRISES LIMITED

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited, having scrip code as "532929" and Security ID as "BRIGADE".

❖ Main Object Clause of the company is as follows:-

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) To carry on the business of manufacture, process, buying, selling, trading, importing, exporting of coffee, tea, spices, or any other agricultural or plantation products or by-



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 1 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016 . The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 2 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

BRIGADE HOTELS VENTURES LIMITED (BHVL)

BRIGADE HOTEL VENTURES LIMITED (“Transferee Company”) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055 was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986). The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres

❖ **The share capital of the Brigade Hotel Ventures Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of BHVL stands as follows:-



MERCHANT BANKER CATEGORY - I

(An ISO 9001: 2000 Certified Company)



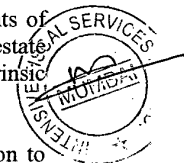
Particulars	Amount in Rupees
Authorised share capital divided into 10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Issued, subscribed and paid up equity share capital of 10,00,000 equity shares of Rs. 10/- each.	1,00,00,000

As on date, following are the beneficial Shareholder of the BHVL:

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Brigade Enterprises Limited	9,99,700	99.97
2	M.R. Jaishankar (Holding in fiduciary Capacity)	50	0.005
3	Nirupa Shankar (Holding in fiduciary Capacity)	50	0.005
4	Vineet Verma(Holding in fiduciary Capacity)	50	0.005
5	Pradyumna Krishnakumar (Holding in fiduciary Capacity)	50	0.005
6	Suresh Yadwad (Holding in fiduciary Capacity)	50	0.005
7	Vishal Mirchandani(Holding in fiduciary Capacity)	50	0.005
	TOTAL	10,00,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.



MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (e) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by management in conducting Fairness Opinion on Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.

1. Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”.
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company
3. Detailed profile of BEL and BHVL Company;
4. Memorandum and Articles of Association of BEL and BHVL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A)



MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.
7. Management Representation dated December 06, 2016
8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.

4) Content of Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:

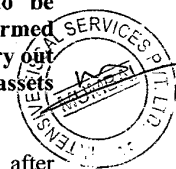
Summary of Report is as under:

i) The Transfer:

- Transfer of Hotels business undertaking of the company Brigade Enterprises Limited to its wholly owned subsidiary, Brigade Hotels Ventures Limited.
- BEL has 7 properties in Hotels out of which 3 are operational and the balance 4 properties are either under construction or development of hotels.
- BEL proposes to transfer the entire Hotels Business Undertaking to the subsidiary w.e.f September 30, 2016. All the assets and liabilities including capital work in progress pertaining to the Hotels Business Undertaking would be transferred to the Subsidiary as on the Calculation date at its book value.

ii) Approach to Valuation:

- As per the terms of engagement, the valuer has been engaged to arrive at the calculated value of the Hotels Business Undertaking. Valuer has been given to understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Hotels Business Undertaking so as to allow the growth and development of the hotel undertaking as a standalone business into one of the leading hotel business in the Country.
- **Since the Hotels business undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Hotels Business Undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**
- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the hotels business undertaking.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 6 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
dhd@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



iii) **Calculation of value of the Hotels Business Undertaking as per net assets value method as at September 30, 2016.**

The calculated value of the Hotels Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	43,667
Less: Accumulated depreciation	15,822
Net Block	27,845
Capital Work in Progress (At cost)	7,323
Non-current investment	9,210
Long term loans and advances	1,673
Current Assets:	
Inventories (lower of cost or net realisable value)	741
Trade receivables	788
Cash and bank balances	933
Short term loans and advances	1,453
Other current assets	618
TOTAL ASSETS	50,584
Less: Liabilities	
Secured Loans (sanctioned for specific on-going hotel projects)	17,913
Non - Current Liabilities	855
Current Liabilities	3,773
TOTAL LIABILITIES	22,031
NET ASSETS VALUE OF HOTELS	28,043

Note: The assets and liabilities considered above are as furnished by the management. We understand the same are book values as at September 30, 2016. The above assets and liabilities include assets and liabilities of the entire Hotels Business Undertaking of BEL.

iv) **Calculated value of the Hotels as at September 30, 2016:**
“The calculated value of the Hotels Business Undertaking as per net assets value method arrived at above would be approx. Rs.28,043 lakhs.”

5) **Fairness Opinion on “Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-**



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 7 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@yaho.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below.

We state that in our opinion, "the Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited as per net assets value method arrived at approx. Rs.28,042 lakhs issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders."

6) Disclaimer/Limitation/Warranties And Caveats

- a) This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b) We have provided this Report based on the information provided, explanation given, Draft Scheme of Arrangement provided to us, representations made by management of BEL & BHVL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited or independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & BHVL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c) All the Disclaimer & Representations along with limiting conditions forming part of basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d) This Report is issued on the understanding that the Management of BEL & BHVL has drawn our attention to all matters of which they are aware concerning the financial



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 8 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

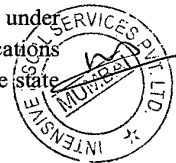
admin@intensivefiscal.com;
difs@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.

- e) We have no present interest in BEL & BHVL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & BHVL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f) We owe responsibility to only the directors of the Company who have retained us and nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & BHVL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.
- g) In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 9 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsi@yahoo.co.in

www.intensivefiscal.com

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

**Thanks & Best Regards,
For Intensive Fiscal Services Pvt. Ltd**

Meenal Poddar
Meenal Poddar
Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 10 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Brigade Hospitality Services Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited (hereinafter called as "BEL or the Transferor Company") for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited, (hereinafter called as "BHSL" or "the Transferee Company") issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants, having LLP Identification No. AAD - 7041 dated November 22, 2016 signed by Mr. R SatyanarayanaMurthi, Partner.

1) Background & Purpose of Engagement**BRIGADE ENTERPRISES LIMITED**

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited having scrip code as "532929" and Security ID as "BRIGADE".

❖ Main Object Clause of the company is as follows:-

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- (b) 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-

**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs1@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

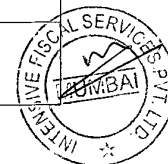
❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016 . The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 2 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001: 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

BRIGADE HOSPITALITY SERVICES LIMITED (BHSL)

BRIGADE HOSPITALITY SERVICES LIMITED (“Transferee Company”) is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060). The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on in India or elsewhere the business to establish, construct, erect, build, own, purchase, acquire, undertake, promote, run, manage, own, lease, convert, commercialize, 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 centers, 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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]

❖ **The share capital of the Brigade Hospitality Services Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of BHSL stands as follows:-

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

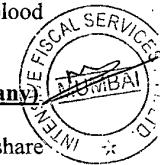
914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsi@yahoo.co.in



MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



Particulars	Amount in Rupees
Authorised share capital is divided into 1,50,00,000 equity shares of Rs.10/- each	15,00,00,000
Issued, subscribed and paid up equity share capital of 1,00,00,000 equity shares of Rs. 10/- each.	10,00,00,000

As on date, following are the beneficial Shareholder of the BHSL

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Brigade Enterprises Limited	99,89,600	99.90
2	M. R. Jaishankar (Holding in fiduciary Capacity)	5,000	0.05
3	Githa Shankar (Holding in fiduciary Capacity)	5,000	0.05
4	Brigade Enterprises Ltd. jointly with Mr. M. R. Jaishankar (Holding in fiduciary Capacity)	100	0.00
5	Brigade Enterprises Ltd. jointly with Ms. Githa Shankar (Holding in fiduciary Capacity)	100	0.00
6	Brigade Enterprises Ltd. jointly with Ms. Nirupa Shankar (Holding in fiduciary Capacity)	100	0.00
7	Brigade Enterprises Ltd. jointly with Mr. Vineet Varma (Holding in fiduciary Capacity)	100	0.00
	TOTAL	1,00,00,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact
Page 4 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.

- (e) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

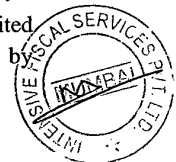
2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report on Calculated Value of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited” (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by the management in conducting Fairness Opinion Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for the proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.

1. Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for the proposed transfer to its wholly owned subsidiary of Brigade Hospitality Services Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”.
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company.
3. Detailed profile of BEL and BHSL Company.
4. Memorandum and Articles of Association of BEL and BHSL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A).
6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory
CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 5 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



7. Management Representation dated December 06, 2016
 8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.
- 4) **Content of Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants.**

Summary of Report is as under:

1. The Transfer:

- Transfer of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited to its wholly owned subsidiary, Brigade Hospitality Services Limited.
- The Clubs and Conventions Business Undertaking proposed to be transferred to BHSL comprising of the following clubs and convention centers viz., Woodrose club, Galaxy club, MLR Convention center (JP Nagar), MLR Convention center (Whitefield) as a whole on a going concern basis.
- BEL is proposing to transfer the above to BHSL w.e.f September 30, 2016. All the assets and liabilities of the Clubs and Convention centers Business Undertaking as appearing in BEL books as on that date would be transferred to BHSL. Valuer have been approached by BEL to arrive at the calculated value of Clubs and convention centers business undertaking.

2. Approach to Valuation:

- As per the terms of engagement, Valuer have been engaged to arrive at the calculated value of the Clubs and Convention Centers Business undertaking. Valuer have been given to understand that the entire exercise is a restructuring exercise to provide focused leadership and management attention to the Clubs and Convention Centers Business undertaking so as to allow growth and development of the Clubs and Convention Centers undertaking as a standalone business into one of the leading business in the Country.
- **Since the Clubs and Convention Centers Business undertaking is being transferred to a wholly owned subsidiary of BHSL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Clubs and Convention Centers Business undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 8 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Clubs and Convention Centers Business undertaking.

3. Calculation of value of the Clubs and Convention Centers Business undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Clubs and Convention Centers Business undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT (IN LAKHS)
Fixed Assets including Land (Gross block)	5,650
Less: Accumulated depreciation	2,691
Net Block	2,959
Current Assets	NIL
TOTAL ASSETS	2,959
Less: Liabilities	NIL
TOTAL LIABILITIES	NIL
NET ASSETS VALUE OF CLUBS AND CONVENTION CENTERS BUSINESS UNDERTAKING	2,959

Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Clubs and Convention Centers Business Undertaking for consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

4. Calculated value of the Clubs and Convention Centers Business undertaking as at September 30, 2016:

"The calculated value of the Clubs and Convention Centers Business undertaking as per net assets value method arrived at above would be approx. Rs.2,959 lakhs."

5) Fairness Opinion on "Report on Calculated Value of Clubs and Convention Centers Business undertaking for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-

Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below:-

We state that in our opinion, "the Report on Calculated Value of Clubs and Convention Centers Business undertaking for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited as per net assets value method arrived at approx. Rs.2,959 lakhs issued by B.K.RAMADHYANI & CO. LLP,



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory
CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page 8 of 9
Contact

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@yahoo.co.in

MERCHANT BANKER CATEGORY - I

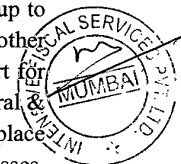
(An ISO 9001 : 2000 Certified Company)



Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satvanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders.”

6) Disclaimer/Limitation/Warranties And Caveats

- a. This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b. We have provided this Report based on the information provided, explanation given, Draft Scheme of Amalgamation provided to us, representations made by management of BEL & BHSL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satvanarayana Murthi, Partner**. We have neither checked, audited nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & BHSL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c. All the Disclaimer & Representations along with limiting conditions forming part of & basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d. This Report is issued on the understanding that the Management of BEL & BHSL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred,

**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 8 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsi@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.

- e. We have no present interest in BEL & BHSL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & BHSL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f. We owe responsibility to only the directors of the Company who have retained us and nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & BHSL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.
- g. In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.

We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

**Thanks & Best Regards,
For Intensive Fiscal Services Pvt. Ltd.**

Meenal Poddar
Meenal Poddar

Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 9 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of Augusta Club Business Undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Augusta Club Private Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited (*hereinafter called as "BEL or the Transferor Company"*) for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited (*hereinafter called as "ACPL" or "the Transferee Company"*) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

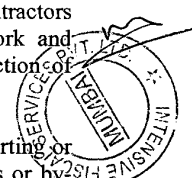
1) Background & Purpose of Engagement**BRIGADE ENTERPRISES LIMITED**

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited having scrip code as "532929" and Security ID as "BRIGADE".

❖ Main Object Clause of the company is as follows:-

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) 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

**INTENSIVE FISCAL SERVICES PVT. LTD.** Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 1 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 whatsoever, 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.
- (d) 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.

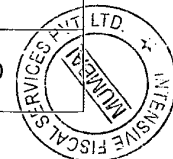
❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016. The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Page 2 of 9
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

AUGUSTA CLUB PRIVATE LIMITED (ACPL)

AUGUSTA CLUB PRIVATE LIMITED (“Transferee Company”) is an existing company incorporated on September 01, 2016 under the Companies Act, 2013 having CIN No. (CIN U74999KA2016PTC096214). ACPL have its registered office at 29&30thFloor, World Trade Center, Brigade Gateway Campus 26/1, Rajkumar Road, Malleswaram-Rajajinagar Bangalore -560055. The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres

❖ **The share capital of the Augusta Club Private Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of ACPL stands as follows:-

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory
CIN: U65920MH1997PTC107272

Corporate Office:

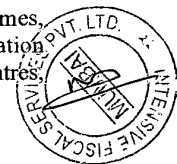
914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 3 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in



MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



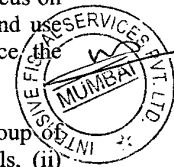
Particulars	Amount in Rupees
Authorised share capital is divided into 1,00,000 equity shares of Rs.10/- each	10,00,000
Issued, subscribed and paid up equity share capital of 50,000 equity shares of Rs.10/- each.	5,00,000

As on date, following are the beneficial Shareholder of the ACPL

Sr. No.	Name of Shareholder	No. of shares	% of Shareholding
1	Brigade Enterprises Limited	49,999	99.99
2	Om Prakash P (Holding in fiduciary Capacity)	01	0.01
	TOTAL	50,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use the specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (e) Overall, the Scheme of Arrangement is intended to restructure within the group companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres' and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 4 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



management of the companies to vigorously pursue growth and expansion of the respective divisions.

2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by the management in conducting Fairness Opinion on Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.

1. Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company
3. Detailed profile of BEL and ACPL Company
4. Memorandum and Articles of Association of BEL and ACPL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A)
6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.
7. Management Representation dated December 06, 2016
8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 5 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsai@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001:2000 Certified Company)



4) Content of Report on Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:

Summary of Report is as under:

1. The Transfer:

- Transfer of **Augusta Club Business Undertaking** of the company Brigade Enterprises Limited to its wholly owned subsidiary, **Augusta Club Private Limited**.
- BEL is proposes to transfer the Augusta club Business Undertaking to ACPL w.e.f September 30, 2016. All the assets and liabilities of the Augusta club Business Undertaking as appearing in BEL books as on that date would be transferred to ACPL.

2. Approach to Valuation:

- As per the terms of engagement, valuer have been engaged to arrive at the calculated value of the **Augusta Club Business Undertaking**. Valuer have been given to understand that the entire exercise is a restructuring exercise to allow appropriate of dedicated attention and focus to the development of Augusta Club Business on a standalone basis.
- **Since the Augusta Club Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Augusta Club Business Undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**
- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the **Augusta Club Business Undertaking**.

3. Calculation of value of the Augusta Club Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the **Augusta Club Business Undertaking** as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT (IN RS. LAKHS)
Fixed Assets including Land (Gross block)	630
Less: Accumulated depreciation	305
Net Block	325
Current Assets	NIL

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 6 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



TOTAL ASSETS	325
Less: Liabilities	NIL
TOTAL LIABILITIES	NIL
NET ASSETS VALUE OF AUGUSTA CLUB BUSINESS UNDERTAKING	325

Note:

- ✓ BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Augusta Club Business Undertaking for a consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.
4. Calculated value of the Augusta Club Business Undertaking as at September 30, 2016:
"The calculated value of the Augusta Club Business Undertaking as per net assets value method arrived at above would be approx. Rs.325 lakhs."
- 5) Fairness Opinion "Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-

Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below:-

We state that in our opinion, "the Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited as per net assets value method arrived at approx. Rs. 325 lakhs issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders."

6) Disclaimer/Limitation/Warranties And Caveats

- a. This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page Contact:
7 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

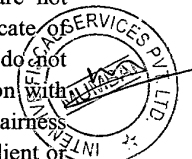
MERCHANT BANKER CATEGORY - I

(An ISO 9001: 2000 Certified Company)



or circumstances that occur later on.

- b. We have provided this Report based on the information provided, explanation given, Draft Scheme of Amalgamation provided to us, representations made by management of BEL & ACPL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & ACPL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c. All the Disclaimer & Representations along with limiting conditions forming part of & basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d. This Report is issued on the understanding that the Management of BEL & ACPL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.
- e. We have no present interest in BEL & ACPL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & ACPL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f. We owe responsibility to only the directors of the Company who have retained us and



MERCHANT BANKER CATEGORY - I
(An ISO 9001:2000 Certified Company)



nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & ACPL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.

- g. In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.

We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

Thanks & Best Regards,

For Intensive Fiscal Services Pvt. Ltd


Meenal Poddar
Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 9 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in



Ref: NSE/LIST/10623

April 07, 2017

The Company Secretary & Compliance Officer
 Brigade Enterprises Limited
 29th & 30th Flrs, World Trade Center,
 Brigade Gateway Campus,
 26/1, Dr. Rajkumar Road,
 Bangalore - 560055

Kind Attn.: Mr. P. Om Prakash

Dear Sir,

Sub: Observation letter for Scheme of Arrangement between Brigade Enterprises Limited and Brigade Hotel Ventures Limited and Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective Shareholders and Creditors.

This has reference to Scheme of Arrangement between Brigade Enterprises Limited (Transferor Company) and Brigade Hotel Ventures Limited (Transferee Company 1) and Brigade Hospitality Services Limited (Transferee Company 2) and Augusta Club Private Limited (Transferee Company 3) and their respective shareholders and creditors submitted to NSE on January 24, 2017.

Based on our letter reference no Ref: NSE/LIST/1423 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated April 07, 2017, has given following comments on the draft Scheme of Arrangement:

1. *Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.*
2. *Company shall duly comply with various provisions of the circulars.*
3. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
4. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the National Company Law Tribunal.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.



The validity of this "Observation Letter" shall be six months from April 07, 2017, within which the Scheme shall be submitted to the NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the NCLT;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable;
and
- f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



Revised

DCS/AMAL/ND/R37/768/2016-17

April 10, 2017

The Company Secretary
Brigade Enterprises Limited
 29th & 30th Floors,
 World Trade Center,
 Brigade Gateway, 26 / 1, Dr. Rajkumar Road,
 Malleswaram - Rajajinagar,
 Bengaluru 560055

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited, Augusta Club Private Limited and Brigade Enterprises Limited.

We are in receipt of Draft Scheme of Arrangement of Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited, Augusta Club Private Limited with Brigade Enterprises Limited and their respective shareholders filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated April 07, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that additional information, if any, submitted by the company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230 (5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
 Corporate Identity Number : L67120MH2005PLC155168



: 2 :

- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

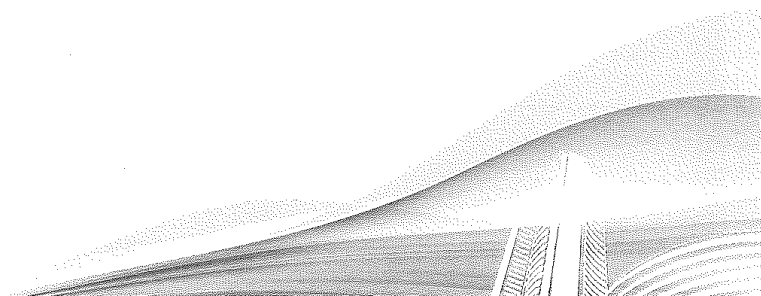
The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Fujari
Manager

MD



Brigade Enterprises Limited

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



BRIGADE
 Building Positive Experiences

Ref: BEL/NSEBSE/CR/15022017

15th February, 2017

Listing Department
 National Stock Exchange of India Limited
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai - 400 051
 Fax Nos. : 022-26598237/38

Department of Corporate Services - Listing
 BSE Limited
 P. J. Towers
 Dalal Street,
 Mumbai - 400 001
 Fax Nos.: 022- 22722037/2039

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/ Madam,

Sub: Complaints Report pursuant to application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of arrangement

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 pertaining to the Scheme of Arrangement between the Company Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited for slump sale of Hotel Business undertaking, Integrated Club & Convention Centers Undertaking & Augusta Club Business Undertaking to the three respective wholly owned subsidiaries.

In this regard and pursuant to SEBI circular no. CIR/CFD/CMD/15/2015 dated 30th November, 2015 the Complaints Report is enclosed.

We hereby confirm that neither the Company nor its Registrar & Transfer Agents (M/s Karvy Computershare Private Limited) have not received any complaints pertaining to the captioned scheme of arrangement.

The Complaints Report will also be uploaded on the website of the Company i.e. www.brigadegroup.com.

Kindly take the same on your records and do the needful.

Thanking you,

Yours faithfully,

For Brigade Enterprises Limited


 P. Om Prakash
 Company Secretary & Compliance Officer

Enclosure: a/a

Complaints Report

(Commencing from the date of uploading the Scheme of Arrangement and other documents pertaining to the same under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to BSE Limited and the National Stock Exchange of India Limited and on the Company's website on 24th January, 2017 till the expiry of 21 days from the same).

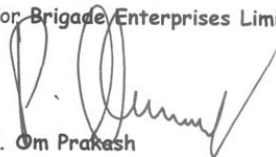
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
	N.A.		

For Brigade Enterprises Limited



P. Om Prakash
Company Secretary & Compliance Officer

Brigade Enterprises Limited

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



Building Positive Experiences

Ref: BEL/NSEBSE/CR/08032017

8th March, 2017

Listing Department
 National Stock Exchange of India Limited
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai - 400 051
 Fax Nos. : 022-26598237/38

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/ Madam,

Sub: Complaints Report pursuant to application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of arrangement

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 pertaining to the Scheme of Arrangement between the Company Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited for slump sale of Hotel Business undertaking, Integrated Club & Convention Centers Undertaking & Augusta Club Business Undertaking to the three respective wholly owned subsidiaries.

In this regard and pursuant to SEBI circular no. CIR/CFD/CMD/15/2015 dated 30th November, 2015 the Complaints Report is enclosed.

We hereby confirm that neither the Company nor its Registrar & Transfer Agents (M/s Karvy Computershare Private Limited) have not received any complaints pertaining to the captioned scheme of arrangement.

The Complaints Report will also be uploaded on the website of the Company i.e. www.brigadegroup.com.

Kindly take the same on your records and do the needful.

Thanking you,

Yours faithfully,
 For Brigade Enterprises Limited


 P. Om Prakash
 Company Secretary & Compliance Officer

Enclosure: a/a



Complaints Report

(Commencing from the date of uploading the Scheme of Arrangement and other documents pertaining to the same under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to the National Stock Exchange of India Limited and on the Company's website on 15th February, 2017 till the expiry of 21 days from the same).

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
	N.A.		

For Brigade Enterprises Limited



P. Om Prakash
Company Secretary & Compliance Officer

REPORT OF THE BOARD OF DIRECTORS OF BRIGADE ENTERPRISES LIMITED ON THE SCHEME OF ARRANGEMENT OF BRIGADE ENTERPRISES LIMITED WITH BRIGADE HOTEL VENTURES LIMITED, BRIGADE HOSPITALITY SERVICES LIMITED AND AUGUSTA CLUB PRIVATE LIMITED (“SCHEME”)

1. Background:

- 1.1 A meeting of the Board of Directors (‘Board’) of Brigade Enterprises Limited (‘the Company’ or ‘the Transferor Company’ or ‘BEL’) was held on December 15, 2016 to consider and recommend the proposed Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited.
- 1.2 This report of the Board is made in compliance with the requirements of Section 232(2)(c) of Companies Act, 2013. In terms of Section 232(2)(c), a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders is required to be appended with the notice of the meeting of shareholders and creditors. The said report has to specify any special valuation difficulties, if any, in the valuation.
- 1.3 This report is made by the Board after perusing, inter alia, the following documents:
 - (a) Draft Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited (‘the Scheme’);
 - (b) Valuation Reports dated November 22, 2016 issued by B.K. Ramadhyani & Co. LLP, Chartered Accountants; and
 - (c) Fairness opinions dated December 6, 2016 issued by Intensive Fiscal Services Private Limited.

2. Background to the Proposed Scheme:

- 2.1 BEL has been established to carry on the business of property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- 2.2 Brigade Hotel Ventures Limited (BHVL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.3 Brigade Hospitality Services Limited (BHSL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.4 Augusta Club Private Limited (ACPL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service

apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.

2.5 BHVL, BHSL and ACPL are the wholly owned subsidiaries of BEL.

2.6 Under the Scheme of Arrangement, the hotels business undertaking of BEL will be transferred to BHVL, the integrated convention centres and clubs business undertaking will be transferred to BHSL and the Augusta Club business undertaking of BEL will be transferred to ACPL. The business undertaking will be transferred on a going concern basis. The scheme was proposed by the Board for the following reasons:

- (i) The following business undertakings have their own independent identity and have future growth potential: (a) Hotels;(b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club,Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”) and (c) Augusta Club.
- (ii) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (iii) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (iv) With the experience BEL has gained over the years in real estate business and property development, BEL will be able to focus on the remaining business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (v) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by BEL to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

3. Impact on key stakeholders

There is expected to be no impact of the Scheme on key managerial personnel, the directors, the promoters and non-promoter shareholders.

4. Valuation

The reports on valuation of the business undertakings proposed to be transferred under the Scheme has been obtained from B.K. Ramadhyani & Co LLP, Chartered Accountants, an independent valuer.

The calculated value of the business undertakings has been arrived at by following the net assets value method. According to the valuation report, the calculated value of the hotels business undertaking of BEL is ₹.280,43,00,000, the calculated value of the clubs and convention business undertaking of BEL is ₹.29,59,00,000 and the calculated value of Augusta Club business undertaking of BEL is ₹.3,25,00,000.

The transferee companies, i.e. BHVL, BHSL and ACPL will discharge the consideration by issue of optionally convertible redeemable preference shares or by payment by cash or cash equivalent or by a combination of both. Since the issuance of preference shares by way of discharge of consideration is to

the holding company i.e. BEL, there is no change in the shareholding pattern pursuant to the scheme coming into effect.

The valuations have been reviewed for fairness and fairness opinions have been issued by Intensive Fiscal Services Private Limited, Merchant Banker.

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of Brigade Enterprises Limited

M.R. Jaishankar

Chairman & Managing Director

DIN: 00191267

Place: Bengaluru

Date: August 8, 2017



BRIGADE

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126

29th & 30th Floor, World Trade Center, 26/1 Brigade Gateway
Dr. Rajkumar Road, Malleswaram-Rajajinagar
Bangalore – 560 055

Name of the member(s):		e-mail Id:
Registered address:		Folio No/ *Client Id:
		*DP Id:

I/We, being the member(s) of Shares of Brigade Enterprises Limited, hereby appoint:

- 1)of.....having e-mail id.....or failing him
- 2)of.....having e-mail id.....or failing him
- 3)of.....having e-mail id.....or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the Company, to be held on Thursday, 21st September, 2017 at 4:30 p.m. at the Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055 and at any adjournment thereof in respect of such resolutions as follows:

Resolution Number	Resolution	Vote (PLEASE MARK (✓) AND NO. OF SHARES)	
		For	Against
1	Approval of the Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited		

Signed this..... day of..... 2017

Signature of member

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder





BRIGADE

Brigade Enterprises Limited

CIN: L85110KA1995PLC019126

Regd. Off.: 29th & 30th Floors, World Trade Center
Brigade Gateway Campus, 26/1 Dr. Rajkumar Road
Malleswaram-Rajajinagar, Bangalore - 560055
Phone no. 080 41379200, Fax No. 080 41379321

Website : www.brigadegroup.com, Email Id : investors@brigadegroup.com

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

Serial No. :

1. Name & address of the Sole/
First named Shareholder as
registered with the Company :

2. Name(s) of the joint Shareholders. :
If any, registered with the Company

3. Registered Folio No./DPID No. & :
Client ID No. (applicable to
Shareholders holding equity shares
of the Company in electronic form)

4. No. of equity shares held :

5. I / We hereby exercise my/our vote in respect of the Resolution to be passed through postal ballot for the business stated in the Notice convening the meeting of the equity shareholders of the Company pursuant to Order passed by the National Company Law Tribunal, Bengaluru Bench dated August 7, 2017 (as may be amended) by recording my/our assent or dissent or otherwise to the said resolution by placing a tick (✓) mark in the appropriate box below:

Item No.	Description	No. of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1,	Approval of the shareholders to the Scheme of arrangement for the transfer of three business undertakings of Brigade Enterprises Limited namely, the hotels business undertaking, integrated clubs and convention centres business undertaking and Augusta Club business undertaking on a going concern basis to Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited respectively			

Place:
Date:

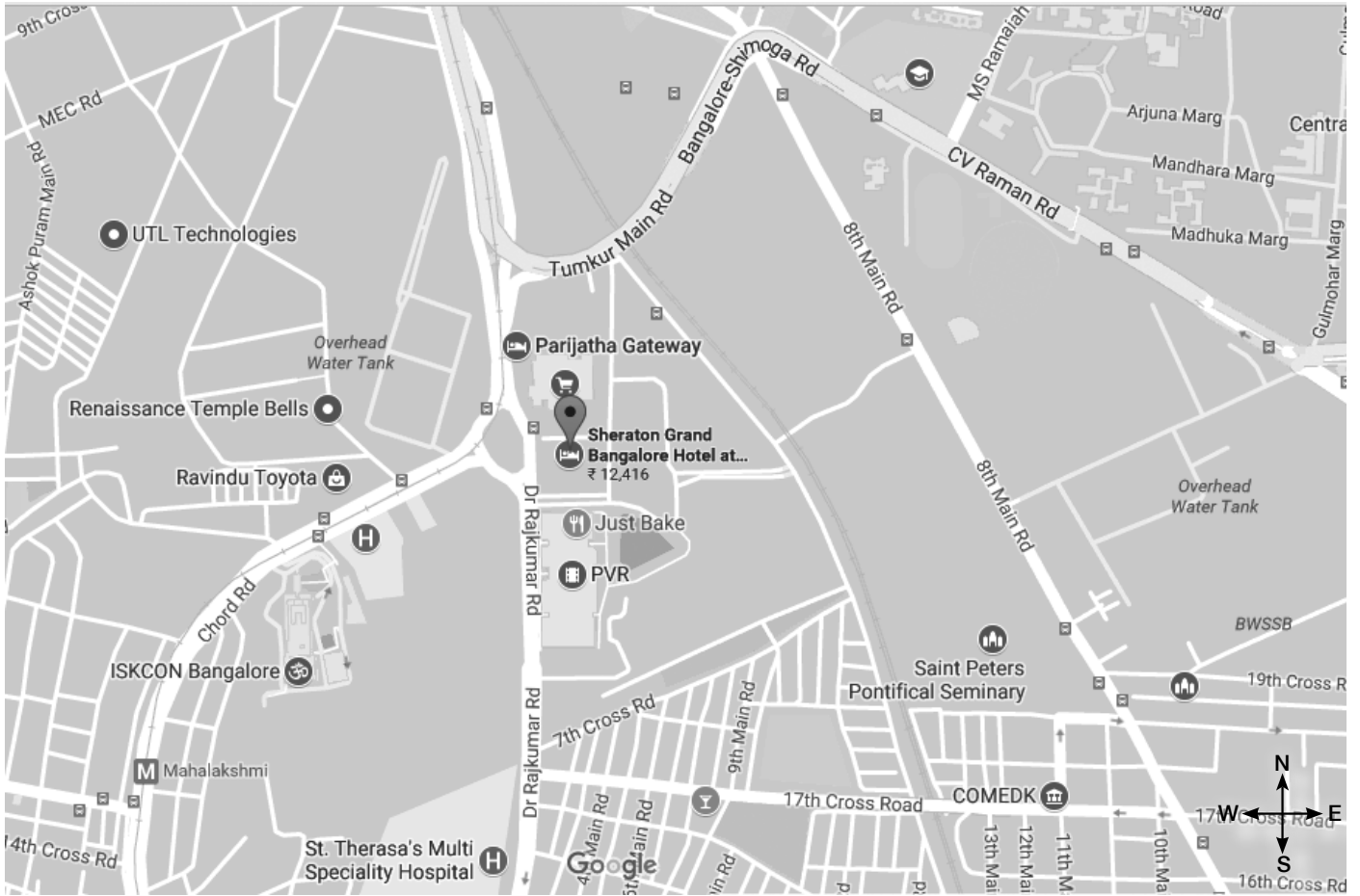
Signature of Shareholder(s)



General Instructions

1. A shareholder desiring to exercise vote by postal ballot should complete the postal ballot form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballot forms if sent by courier or by registered post/speed post at the expense of the shareholder will also be accepted. The postal ballot form may also be deposited personally at the address provided in the envelope.
2. The postal ballot form should be completed and signed by the sole/ first shareholder. In the absence of the first shareholder in a joint holding, the form may be completed and signed by joint holder. However, where the form is sent separately by the first shareholder and the joint holder(s), the vote of the first holder would be valid.
3. The voting period commences on Tuesday, August 22, 2017 from 9.00 a.m. onwards and ends at 5.00 p.m. on Wednesday, September 20, 2017. The postal ballot form duly completed and signed should be sent to the Scrutinizer appointed by the Company on or before the closing hours i.e. on or before 5.00 p.m., Wednesday, September 20, 2017.
4. The postal ballot(s) received after this date will be treated as if the reply from the shareholder has not been received and the same will not be considered.
5. In case of equity shares of the Company held by companies, trusts, societies etc. the duly completed and signed postal ballot form should be accompanied by a certified true copy of the board resolution/ authority with signature of the authorised signatory(ies) giving requisite authority to the person voting on the postal ballot form or duly attested by a banker.
6. The unsigned, incomplete, mutilated, incorrectly filled postal ballot forms will be rejected.
7. Shareholders are requested not to send any matter along with postal ballot form in postage prepaid self addressed envelope. If any papers other than postal ballot form and relevant annexures are found the same will be destroyed by the Scrutinizer.
8. The postal ballot form cannot be exercised by a proxy.
9. A tick (✓) mark should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be, before mailing the postal ballot form. Postal ballot forms bearing tick (✓) mark in both the columns will render the same as invalid.
10. All shareholders holding equity shares in physical form who are registered as shareholders and the beneficial owners holding equity shares of the Company in electronic form on Friday, August 11, 2017 are entitled to vote on the resolution on the basis of the paid-up value of the equity shares held as on that date.
11. There is only one postal ballot form for every folio no./clinet id.
12. A shareholder can adopt only one mode of voting i.e either by postal ballot form or e-voting or voting in person in the general meeting. In case of the voting done in all or combination of two modes then the scrutinizer will decide which mode of the voting is valid. The Scrutinizer will count only one mode of voting.
13. The Scrutinizer's decision on the validity or otherwise of the postal ballot will be final.
14. The proposed Scheme of Arrangement, if assented by majority of Shareholders representing three-fourth in value of those members who have voted either by Postal Ballot or remote e-voting or voting by Poll at the Meeting, shall be considered as passed on the date of the Meeting i.e. September 21, 2017. The result of the voting on the resolution will be declared on or before September 22, 2017.

Route Map to EGM Venue





BRIGADE

BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126

Regd. off.: 29th & 30th Floor, World Trade Center, Brigade Gateway Campus,
26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore- 560055

ATTENDANCE SLIP

Name and Registered
Address of the Shareholder :

Serial No.:

Name(s) of the Joint
Shareholder(s) if any :

Registered Folio No. /
DP ID No. & Client ID :

Number of Shares held :

Name of the Proxy /
Representative, if any :

Signature of Member(s) /
Proxy :

Signature of the
Representative :

I hereby record my presence at the Extraordinary General Meeting of the Company held on Thursday, 21st September, 2017 at 4:30 p.m. at the Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055.

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE

FOR ATTENTION OF THE SHAREHOLDER

Shareholders may please note the **User id and Password** given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration), Rules, 2014. Detailed instructions for e-voting are given in the notes to the EGM Notice.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

Note: Please fill up attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring the copies of the Notice to the EGM.



Brigade Enterprises Limited

CIN: L85110KA1995PLC019126

Regd. Off.: 29th & 30th Floors, World Trade Center

Brigade Gateway Campus, 26/1 Dr. Rajkumar Road

Malleswaram-Rajajinagar, Bangalore - 560055

Phone no. 080 41379200, Fax No. 080 41379321

Website : www.brigadegroup.com, Email Id : investors@brigadegroup.com

NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE SECURED CREDITORS OF BRIGADE ENTERPRISES LIMITED	
Day	Thursday
Date	September 21, 2017
Time	12.00 p.m.
Venue	Sheraton Grand Bangalore Hotel, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560055

Sr. No	Contents	Page No.
1	Notice of National Company Law Tribunal Convened Meeting of the Equity Shareholders of Brigade Enterprises Limited under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	1
2	Explanatory Statement under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013	4
3	Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited	18
4	Valuation Report submitted by B K Ramadhyani & Co. LLP, Chartered Accountants	39
5	Fairness opinion dated December 6, 2016 issued by Intensive Fiscal Services Private Limited, Merchant Banker	63
6	Copy of the Observation Letters issued by National Stock Exchange of India Limited on April 7, 2017 and BSE Limited on April 10, 2017	91
7	Copy of the Complaints Report submitted to BSE Limited on February 15, 2017 and to the National Stock Exchange of India Limited on March 8, 2017	95
8	Report adopted by the Board of Directors of Brigade Enterprises Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013	99
9	Proxy Form	101
10	Attendance Slip	Loose



BRIGADE

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT BENGALURU

In the matter of Section 230 to 232 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement among Brigade Enterprises Limited,
Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and
Augusta Club Private Limited

Company Application No. CA(CAA)49/BB/2017

Brigade Enterprises Limited
29th and 30th Floor, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore - 560 055,
Karnataka

...Applicant Company No. 1/ Transferor Company

NOTICE CONVENING THE MEETING OF SECURED CREDITORS OF BRIGADE ENTERPRISES LIMITED, THE APPLICANT COMPANY ("MEETING")

To,

The secured creditors of Brigade Enterprises Limited (*"the Applicant Company"* or *"the Transferor Company"* or *"BEL"*)

Notice is hereby given that by an Order dated August 7, 2017 and as may be amended, in the abovementioned Company Application No. CA(CAA)49/BB/2017, the Bengaluru Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the secured creditors of Brigade Enterprises Limited, for the purpose of considering and if thought fit, approving with or without modification, the arrangement, proposed in the matter of Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective shareholders ("Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the secured creditors of the Applicant Company will be held to transact the following special business at Sheraton Grand, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055, on September 21, 2017 at 12:00 P.M. at which time and place, the said secured creditors of the Applicant Company are requested to attend, to consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority :

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (**"Companies Act"**) and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval by the requisite majority of the shareholders and the creditors of the Company as directed by the National Company Law Tribunal, and subject to the approval of Hon'ble National Company Law Tribunal, Bengaluru Bench and further subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, the approval of the secured creditors of the Company be and is hereby accorded to Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited ("Scheme") as attached to the notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/ or imposed by the National Company Law Tribunal, Bengaluru Bench and/or any other authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with copy of the Scheme and other annexures including proxy form, attendance slip and postal ballot form are enclosed herewith. Copies of the Scheme and Explanatory Statement under section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company.

Persons entitled to attend and vote at the said meeting, may vote in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Company at 29th and 30th Floor, World Trade Center, 26/1, Brigade Gateway Campus, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055, Karnataka, not later than 48 hours before the meeting.

Form of proxy can be collected from the registered office of the Applicant Company.

The Tribunal has appointed Shri M. R. Jaishankar, Chairman & Managing Director and failing him Shri. P. Om Prakash, Company Secretary & Compliance Officer as Chairperson of the said meeting. The above mentioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the National Company Law Tribunal.

M.R. Jaishankar

Chairperson appointed for the meeting

Place: Bengaluru

Date: August 8, 2017

Registered Office:

29th and 30th Floor, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore – 560 055,
Karnataka

CIN - L85110KA1995PLC019126

Notes:

- (1) All alterations made in the Form of Proxy should be initialled.
- (2) Only secured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be a secured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the secured creditors of the Applicant Company. The authorised representative of a body corporate which is a secured creditor of the Applicant Company may attend and vote at the meeting of the secured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the secured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the secured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
- (3) The quorum of the meeting of the secured creditors of the Applicant Company shall be 2 (two) secured creditors of the Applicant Company, present in person.

- (4) The secured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
- (5) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the secured creditors at the registered office of the Applicant Company between 11:00 a.m. to 4:00 p.m. on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
- (6) Mr. K. Rajshekar, Practising Company Secretary has been appointed as the scrutinizer to conduct the voting at the venue of the meeting, in a fair and transparent manner.
- (7) The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the secured creditors of the Applicant Company through electronic voting system or ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through electronic voting system or ballot or polling paper at the venue of the meeting will be announced on or before September 23, 2017 at the registered office of the Applicant Company and will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.brigadegroup.com besides being communicated to BSE Limited and the National Stock Exchange of India Limited.
- (8) Secured creditors as per the books of accounts as on July 30, 2017 will be entitled to exercise their right to vote on the above meeting.



BRIGADE

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT BENGALURU

In the matter of Section 230 to 232 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement among Brigade Enterprises Limited,

Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and

Augusta Club Private Limited

Company Application No. CA(CAA)49/BB/2017

Brigade Enterprises Limited
29th and 30th floor, World Trade Center,
26/1, Brigade Gateway,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore-560055,
Karnataka

...Applicant Company No. 1/ Transferor Company

EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF THE SECURED CREDITORS OF BRIGADE ENTERPRISES LIMITED

DIRECTED TO BE CONVENED BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

Details of the Companies or Parties involved in the Scheme:

- 1. Brigade Enterprises Limited** is referred to as "BEL";
- 2. Brigade Hotel Ventures Limited** is referred to as "BHVL";
- 3. Brigade Hospitality Services Limited** is referred to as or "BHSL";
- 4. Augusta Club Private Limited** is referred to as "or "ACPL".

The Scheme of Arrangement between the above Companies and their respective shareholders is referred to as "the Scheme" or "this Scheme" or "Scheme" and the above Companies together are referred to as "the Applicant Companies". Other definitions contained in the enclosed Scheme will apply to this Statement.

- 1.** This is a Statement accompanying the Notice convening the meeting of the secured creditors of BEL.
- 2.** Pursuant to an order dated August 7, 2017 (as may be amended) passed by the Bengaluru Bench of the National Company Law Tribunal ("Tribunal") in the Company Scheme Application No. CA(CAA)49/BB/2017 referred to hereinabove, a meeting of the secured creditors of the Company is being convened and held on September 21, 2017 at Sheraton Grand, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055 at 12:00 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective shareholders ("Scheme").

3. Details of the Companies:

3.1 Brigade Enterprises Limited

- (a) Brigade Enterprises Limited ("**BEL**"), a public limited company, was incorporated on November 8, 1995 under the provisions of Companies Act, 1956¹. Permanent Account Number of BEL is AAACB7459F.
- (b) The registered office of BEL is situated at 29th and 30th Floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560055, Karnataka and e-mail address is investors@brigadegroup.com.
- (c) The objects of BEL are set out in the Memorandum of Association. They are briefly as under:-
- i. *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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.*
 - ii. *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.*
 - iii. *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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.*
 - iv. *To general, 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.*
- (d) BEL is engaged in carrying on the business of property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- (e) There has been no change in the name, registered office and objects of BEL during the last five years².
- (f) The equity shares of BEL are listed on the National Stock Exchange of India Limited and BSE Limited.
- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of BEL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹113,21,76,650 divided into 11,32,17,665 equity shares of ₹10/- each, fully paid up ¹ .

1 JSA: Details of change of name, if any, should be stated here.

2 JSA: Please confirm.

- (h) The details of the promoters and present directors of BEL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
3	Mr. M. R. Gurumurthy	‘Sundaralakshmi’, Spencer Road Chickmagalur 577 101, Karnataka
4	Mr. M. R. Shivram	3009/2-3, 18th A Cross, 2nd Main, BSK 2nd Stage, Bangalore – 560070, Karnataka
5	Mr. P.V. Maiya	Flat No. 106, Sowmya Springs Opposite. M.N. Krishna Rao Park Diwan Madhav Rao Road, Basavanagudi, Bangalore 560 004, Karnataka
6	Dr. K. R. S. Murthy	355, 1st E Cross, 6th Block, 2nd Phase, BSK 3rd Stage, Bangalore - 560085, Karnataka,
7	Mr. Aroon Raman	No.100, 5th Main Paramahansa Road, Yadavagiri Mysore 570020
8	Mr. Bijou Kurien	#33/2, Grant Road, Bangalore - 560001, Karnataka
9	Ms. Lakshmi Venkatachalam	#301, Johore House, 35/36, 18th Cross 8th Main, Malleswaram Bangalore 560003

3.2 Brigade Hotel Ventures Limited

- (a) Brigade Hotel Ventures Limited (“*BHVL*”), a public limited company, was incorporated on August 24, 2016 under the provisions of Companies Act, 2013. Permanent Account Number of BHVL is AAGCB8612G
- (b) The registered office of BHVL is situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BHVL are set out in the Memorandum of Association. They are as under:-
- a. *To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience 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 and natural cure centres.*
- (d) BHVL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.

- (e) There has been no change in the name, registered office and objects of BHVL during the last five years.
- (f) The equity shares of BHVL are not listed on any stock exchange in India or elsewhere.
- (g) The authorized and the issued, subscribed and paid-up share capital share capital of the BHVL is ₹ 1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 equity shares of ₹ 10/- each.
- (h) The details of the promoters and present directors of BHVL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052
3	Mr. Vineet Verma	L-1609 16th Floor, Brigade Gateway 26/1 Dr.Rajkumar Road, Bangalore 560 055

3.3 Brigade Hospitality Services Limited

- (a) Brigade Hospitality Services Limited (“**BHSL**”), a public limited company, was incorporated on June 1, 2004 under the provisions of Companies Act, 1956³. Permanent Account Number of BHSL is AACCB4302P
- (b) The registered office of BHSL is situated at 29th Floor, World Trade Center, Brigade Gateway Campus 26/1, Dr.Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BHSL are set out in the Memorandum of Association. They are as under:-
- To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.*
- (d) BHSL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of BHSL during the last five years⁴.
- (f) The equity shares of BHSL are not listed on any stock exchange in India or elsewhere.

- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of BHSL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹15,00,00,000 divided into 1,50,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹10,00,00,000 divided into 1,00,00,000 equity shares of ₹10/- each ² .

- (h) The details of the promoters and present directors of BHSL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
3	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052
4	Mr. Vineet Verma	L-1609 16th Floor, Brigade Gateway 26/1 Dr.Rajkumar Road, Bangalore 560 055
5	Mr. M. S. Ravindra	Sagar, Hosamane Road Chickmagalur 577101
6	Mr. Mohan Parvatikar	Flat No.31, Viram Apartments, Old No.110, New No.32, 4th Main, Malleswaram Bangalore 560 003
7	Mr. P Balaram Menon	Flat No. D402, Brigade Regency 8th Main, Malleswaram, Bangalore 560 055

3.4 Augusta Club Private Limited

- (a) Augusta Club Private Limited (“ACPL”), a private limited company, was incorporated on September 1, 2016 under the provisions of Companies Act, 2013. Permanent Account Number of ACPL is AAOCA7188E
- (b) The registered office of ACPL is situated at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of ACPL are set out in the Memorandum of Association. They are as under:-
1. *To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.*

- (d) ACPL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of ACPL during the last five years⁵.
- (f) The equity shares of ACPL are not listed on any stock exchange in India or elsewhere.
- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of ACPL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹10,00,000 divided into 1,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹5,00,000 divided into 50,000 equity shares of ₹10/- each.

- (h) The details of the promoters and present directors of ACPL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052

4. Relationship subsisting between the companies who are parties to the Scheme

BHVL, BHSL and ACPL are the wholly owned subsidiaries of BEL.

5. At the meeting held on December 15, 2016, based on the recommendations of the Audit Committee, the Board of Directors of BEL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of BHVL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of BHSL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of ACPL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

Brigade Enterprises Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Githa Shankar	Yes	-	-
Mr. M. R. Gurumurthy	Yes	-	-
Mr. M. R. Shivram	Yes	-	-
Mr. P.V. Maiya	Yes	-	-
Dr. K. R. S. Murthy	Yes	-	-
Mr. Bijou Kurien	Yes	-	-
Ms. Lakshmi Venkatachalam	Yes	-	-
Mr. Aroon Raman	Not Present at the Meeting		
Brigade Hotel Ventures Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Nirupa Shankar	Yes	-	-
Mr. Vineet Verma	Yes	-	-
Brigade Hospitality Services Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Githa Shankar	Yes	-	-
Ms. Nirupa Shankar	Yes	-	-
Mr. Vineet Verma	Yes	-	-
Mr. Balaram Menon	Yes	-	-
Mr. M. S. Ravindra	Not Present at the Meeting		
Mr. Mohan Parvatikar	Not Present at the Meeting		
Augusta Club Private Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Nirupa Shankar	Yes	-	-

6. Description of the Scheme

The proposed Scheme provides for the transfer of three business undertakings of the BEL, namely, the hotels business undertaking, integrated clubs and convention centres business undertaking and Augusta Club business undertaking of the BEL, on a going concern basis to BHVL, BHSL and ACPL respectively with effect from the Appointed Date of October 1, 2016, pursuant to the provisions of Sections 230 to 232 and other applicable sections of the Companies Act, 2013 and rules thereunder.

7. Rationale of The Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others

- (i) The Board of Directors of BEL recognize that the following business undertakings have their own independent identity and have future growth potential:
 - a) Hotels;
 - b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”);
 - c) Augusta Club.
- (ii) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.

- (iii) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (iv) With the experience BEL has gained over the years in real estate business and property development, BEL will be able to focus on the remaining business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (v) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by BEL to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

8. Key salient features of the scheme and details of the capital or debt restructuring proposed in the Scheme:

- a) “Appointed Date” for the Scheme means October 1, 2016 or such other date as the Tribunal may direct / fix.
- b) “Effective Date” means the date on which the order/s sanctioning the Scheme passed by the Authority under Sections 230 to 233 of the Companies Act, 2013 are filed with the Registrar of Companies, Karnataka.
- c) The Scheme provides for the transfer pursuant to the provisions of Sections 230 to 233 of the Companies Act, 2013 and Rules thereunder.
- d) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the hotels business undertaking of BEL will be transferred on a going concern basis to BHVL, the integrated clubs and convention centres business undertaking will be transferred on a going concern basis to BHSL and the Augusta Club business undertaking of BEL will be transferred, on a going concern basis to ACPL, subject to confirmation of the Hon’ble National Company Law Tribunal, Bengaluru Bench, within whose jurisdictions the registered offices of BEL, BHVL, BHSL and ACPL are situated.
- e) The transfer of the business undertakings shall be accounted for in accordance with applicable Accounting Standards and generally accepted accounting principles, as may be amended from time to time.
- f) As consideration for the transfer of the hotel business undertaking to BEL, BHVL will discharge a total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) either-
 - a) by issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each at par to BEL; or
 - b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the BEL and BHVL; or
 - c) By a combination of (a) and (b) above.
- g) As consideration for the transfer of the integrated clubs and convention centres business undertaking, BHSL will discharge a total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) either:
 - a) by issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each at par to BEL; or
 - b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the BEL and BHSL; or
 - c) By a combination of (a) and (b) above.
- h) As consideration for the transfer of the Augusta Club business undertaking of BEL, ACPL will discharge a total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) either:
 - a) By issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹100/- (Rupees One Hundred) each at par to BEL; or
 - b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between BEL and ACPL; or

- c) By a combination of (a) and (b) above.
- i) The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

9. Summary of valuation reports including basis of valuation and fairness opinions

(a) Summary of valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the hotel business undertaking of BEL proposed to be transferred to BHVL

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the hotel business undertaking of BEL proposed to be transferred to BHVL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the hotels business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the hotels business undertaking is being transferred to BHVL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the hotels business undertaking.

(b) Summary of fairness opinion from Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the hotel business undertaking

A fairness opinion on the valuation report of the hotel business undertaking has been obtained from Intensive Fiscal Services Private Limited, Merchant Bankers. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the hotels segment of BEL is fair and reasonable and not prejudicial to the public shareholders.

(c) Summary of Valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the integrated clubs and convention centres business undertaking of BEL proposed to be transferred to BHSL

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the clubs and convention centres business undertaking of BEL proposed to be transferred to BHSL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the integrated clubs and convention centres business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the integrated clubs and convention centres business undertaking is being transferred to BHSL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the integrated clubs and convention centres business undertaking.

(d) Summary of fairness opinion issued by Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the clubs and convention centres business undertaking

A fairness opinion on the valuation report of the integrated clubs and convention centres business undertaking has been obtained from Intensive Fiscal Services Private Limited. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the integrated clubs and convention centres business undertaking of BEL is fair and reasonable and not prejudicial to the public shareholders.

(e) Summary of Valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the Augusta Club business undertaking of BEL proposed to be transferred to ACPL

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the Augusta Club business undertaking of BEL proposed to be transferred to ACPL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the Augusta Club business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the Augusta Club business undertaking is being transferred to ACPL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Augusta Club business undertaking.

(f) Summary of fairness opinion issued by Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the Augusta Club business undertaking

A fairness opinion on the valuation report of the Augusta Club business undertaking has been obtained from Intensive Fiscal Services Private Limited. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the Augusta Club business undertaking of BEL is fair and reasonable and not prejudicial to the public shareholders.

10. The scheme does not involve any capital or debt restructuring. The liability of the creditors of BEL, is neither being reduced nor being extinguished.

11. Amounts due to unsecured creditors as on March 31, 2017:

Name of the Company	Amount due to Unsecured Creditors (Amount in Rupees)
BEL	384,20,92,961
BHVL	48,42,628
BHSL	3,51,92,731.89
ACPL	25,000

12. Effect of the Scheme on various parties

a) Under the Scheme, no arrangement is sought to be entered into between BEL and its equity shareholders (promoter shareholders and non-promoter shareholders). The transfer of the business undertakings are being made to the wholly owned subsidiaries of BEL and as such, the interests of the members of BEL are not being affected in any manner.

The rights and interest of the promoters and non-promoter shareholders of companies involved in the Scheme will not be prejudicially affected by the Scheme. The scheme contemplates issuance of optionally convertible redeemable preference shares by BHVL, BHSL and ACPL to BEL in discharge of the consideration payable for the transfer of the business undertakings. Since the issuance of the preference shares is to the holding company BEL, there is no change in the shareholding pattern of the subsidiary companies, namely, BHVL, BHSL and ACPL pursuant to the scheme coming into effect.

b) The rights and interest of the secured and unsecured creditors of companies involved in the Scheme will not be prejudicially affected by the Scheme, upon the Scheme coming into effect, the respective subsidiaries shall meet the liabilities of the respective business undertaking of BEL as they arise in the ordinary course of business. Further the rights and interests of the creditors will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

c) As on date, there are no debenture holders in BEL, hence the question of effect of the Scheme on debenture trustees or on debenture holders does not arise. As on date, BEL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.

d) The rights and interests of the employees of the transferred undertakings will not be prejudicially affected by the Scheme, as all the staff and employees of transferred undertakings, who are in service of BEL as on the Effective Date shall, on and from the Effective Date be deemed to have become staff and employees of BHVL, BHSL or ACPL, as the case may be, without any break or interruption in service and on the basis of continuity of service, and the terms and conditions of their employment with BHVL, BHSL or ACPL, as the case may be, shall not be less favourable than those applicable to them with reference to BEL. Services of such employees of BEL shall be taken into account from the date of their appointment with BEL for the purposes of all retirement benefits and all other entitlements for which they may be eligible.

13. The Directors or KMPs or their relatives of the respective Applicant Companies do not have any other interest in the Scheme otherwise than that as shareholders in any of companies involved in the scheme. Further, none of the managers, key managerial personnel and/or relatives of the directors / KMPs of respective Companies is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the directors of respective companies have any material interest in the scheme.
14. The copy of draft scheme has been filed with the Registrar of Companies, Karnataka.
15. No investigation or proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against BEL, BHVL, BHSL and ACPL.
16. To the knowledge of the companies, no winding up petition has been initiated against BEL, BHVL, BHSL and ACPL under the provisions of Companies Act, 1956 or the relevant provisions of Companies Act, 2013.
17. The Pre-Arrangement shareholding pattern of the companies and the post-arrangement (expected) shareholding pattern of BEL, BHVL, BHSL and ACPL are as under:

(a) Pre and post arrangement shareholding pattern of BEL

Sl. No.	Category	Pre-Scheme shareholding of BEL		Post -Scheme shareholding (expected) of BEL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1	Promoter & Promoter Group	6,36,09,256	46.88	6,36,09,256	46.88
2	Public	7,20,81,305	53.12	7,20,81,305	53.12
	Total	13,56,90,561	100.00	13,56,90,561	100.00

(b) Pre and post Arrangement shareholding pattern of BHVL

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of BHVL		Post -Scheme shareholding of BHVL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	9,99,700	99.97%	9,99,700	99.97%
2.	Mr. M.R. Jaishankar*	50	0.005%	50	0.005%
3.	Ms. Nirupa Shankar*	50	0.005%	50	0.005%
4.	Mr. Vineet Verma*	50	0.005%	50	0.005%
5.	Mr. Pradyumna Krishnakumar*	50	0.005%	50	0.005%
6.	Mr. Suresh Yadwad*	50	0.005%	50	0.005%
7.	Mr. Vishal Mirchandani*	50	0.005%	50	0.005%
	Total	10,00,000	100%	10,00,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the hotel business undertaking, BHVL may discharge the total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of ₹ 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHVL.

Hence, post arrangement, BEL may hold 280,43,000 OCRPS in BHVL.

(c) Pre and post Arrangement shareholding pattern of BHSL:

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of BHSL		Post-Scheme shareholding of BHSL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	99,89,600	99.90%	99,89,600	99.90%
2.	Mr. M.R. Jaishankar*	5000	0.05%	5000	0.05%
3.	Mrs. Githa Shankar	5000	0.05%	5000	0.05%
4.	Brigade Enterprises Limited jointly with Mr. M.R. Jaishankar	100	0.0%	100	0.0%
5.	Brigade Enterprises Limited jointly with Mrs. Githa Shankar	100	0.0%	100	0.0%
6.	Brigade Enterprises Limited jointly with Ms.Nirupa Shankar	100	0.0%	100	0.0%
7.	Brigade Enterprises Limited jointly with Mr. Vineet Verma	100	0.0%	100	0.0%
	Total	1,00,00,000	100%	1,00,00,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the integrated convention centres and clubs business undertaking, BHSL may discharge the total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of ₹ 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHSL.

Thus, post arrangement, BEL may hold 29,59,000 OCRPS in the BHSL.

(d) Pre and post arrangement shareholding pattern of ACPL:

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of ACPL		Post-Scheme shareholding of ACPL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	49,999	99.99%	49,999	99.99%
2.	Om Prakash P.*	1	0.01%	1	0.01%
	Total	50,000	100%	50,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the integrated convention centres and clubs business undertaking, BHSL may discharge the total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of ₹ 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHSL.

Thus, post arrangement, BEL may hold 3,25,000 OCRPS in the ACPL.

18. The pre and post Scheme capital structure of the companies are as under:

(a) Pre and post Scheme capital structure of BEL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	15,00,00,000	150,00,00,000	15,00,00,000	150,00,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	13,56,90,561	135,69,05,610	13,56,90,561	135,69,05,610

(b) Pre and post Scheme capital structure of BHVL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			2,80,43,000	280,43,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			2,80,43,000	280,43,00,000

(c) Pre and post Scheme capital structure of BHSL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	1,50,00,000	15,00,00,000	1,00,00,000	10,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			29,59,000	29,59,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	1,50,00,000	15,00,00,000	1,00,00,000	10,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			29,59,000	29,59,00,000

(d) Pre and post Scheme capital structure of ACPL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	1,00,000	10,00,000	50,000	5,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			3,25,000	3,25,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	1,00,000	10,00,000	50,000	5,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			3,25,000	3,25,00,000

- 19.** Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or amalgamation.
- BEL has obtained no objection from BSE and NSE so as to enable BEL to file the draft scheme with the National Company Law Tribunal. The copies of the said no-objection letters have been appended to the notice.
- 20.** On the Scheme being approved by requisite majority of the shareholders and creditors of the respective Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, all the Companies will file a petition with the Bengaluru Bench of National Company Law Tribunal for sanction of the Scheme.
- 21.** The following documents will be open for inspection by the secured creditors of BEL up to 1 (one) day prior to the date of the meeting at its registered office between 11:00 a.m. to 4:00 p.m. on all working days, except Saturdays, Sundays and public holidays:
- Copy of the order dated August 7, 2017 (as may be amended) of the Tribunal at Bengaluru passed in Company Scheme Application No.CA(CAA)49/BB/2017 directing the convening of the meeting of the equity shareholders of BEL;
 - Latest audited financial statements of BEL, BHVL, BHSL and ACPL for the year 2016-17 including consolidated financial statements;
 - Certificate issued by S.R. Batliboi & Associates LLP to the effect that the accounting treatment proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
 - Copy of the fairness opinions issued by Intensive Fiscal Services Private Limited, Merchant Banker to the valuation report of the chartered accountants;
 - Copy of the applications filed by BEL, BHVL, BHSL and ACPL along with annexures before the National Company Law Tribunal, Bengaluru Bench;
 - Copy of the scheme of arrangement;
 - Copy of the valuation reports issued by B.K. Ramadhyani & Co. LLP.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013. A copy of the scheme, explanatory statement and proxy form may be obtained from the registered office of BEL.

Mr. M. R. Jaishankar

Chairperson appointed for the meeting.

Place: Bengaluru

Date: August 8, 2017

Registered Office:

Brigade Enterprises Limited
 29th and 30th Floor, World Trade Center,
 26/1, Brigade Gateway Campus,
 Dr. Rajkumar Road,
 Malleswaram-Rajajinagar
 Bangalore - 560 055,
 Karnataka
 CIN - L85110KA1995PLC019126

**SCHEME OF ARRANGEMENT
BETWEEN
BRIGADE ENTERPRISES LIMITED
("the Transferor Company")
AND
BRIGADE HOTEL VENTURES LIMITED
("the Transferee Company 1")
AND
BRIGADE HOSPITALITY SERVICES LIMITED
("the Transferee Company 2")
AND
AUGUSTA CLUB PRIVATE LIMITED
("the Transferee Company 3")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
Under section 230 to 233 of the Companies Act, 2013**

This Scheme of Arrangement is presented pursuant to Sections 230 to 233 and other applicable provisions of the Companies Act, 2013 for transfer of the hotels, clubs and convention centres business undertakings of Brigade Enterprises Limited into Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited.

THE SCHEME

The Scheme is divided into the following parts:

- i) **PART I** – Dealing with the introduction and objective of the Scheme.
- ii) **PART II** – Dealing with definitions and share capitals.
- iii) **PART III** – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited.
- iv) **PART IV** – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited.
- v) **PART V** – Scheme of Arrangement of Brigade Enterprises Limited and Augusta Club Private Limited.
- vi) **PART VI**- Dealing with the Remaining Business of the Transferor Company
- vii) **PART VII** - Dealing with general terms and conditions.

PART I

Dealing with the Introduction and Objective of the Scheme

Introduction

Transferee Company

- (i) BRIGADE HOTEL VENTURES LIMITED
- (ii) BRIGADE HOTEL VENTURES LIMITED (“**Transferee Company 1**”) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986). The Transferee Company 1 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOTEL VENTURES LIMITED is engaged, *inter-alia*, in the business of:

To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience 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 and natural cure centres

- (iii) BRIGADE HOSPITALITY SERVICES LIMITED
- (iv) BRIGADE HOSPITALITY SERVICES LIMITED (“**Transferee Company 2**”) is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004(CIN. U55101KA2004PLC034060). The Transferee Company 2 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOSPITALITY SERVICES LIMITED is engaged, *inter-alia*, in the business of:

To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.

- (v) AUGUSTA CLUB PRIVATE LIMITED
- (vi) AUGUSTA CLUB PRIVATE LIMITED (“**Transferee Company 3**”) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214. The Transferee Company 3 is the wholly owned subsidiary of the Transferor Company.

AUGUSTA CLUB PRIVATE LIMITED is engaged, *inter-alia*, in the business of:

To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres.

Transferor Company

Brigade Enterprises Limited

Brigade Enterprises Limited ("**Transferor Company**") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleshwaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126). The shares of Brigade Enterprises Limited is listed on the BSE Limited and on the National Stock Exchange of India Limited.

Brigade Enterprises Limited is engaged, *inter-alia*, in:

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) 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.
- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

OBJECTIVES OF THE SCHEME

The circumstances that have necessitated or justified the proposed Scheme and its main benefits are, inter alia, summarised as under:

- i. The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
 - a) Hotels ("Hotels");
 - b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar ("Integrated Clubs and Convention Centers");
 - c) Augusta Club.

Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.

- ii. This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- iii. With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- iv. Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

PART – II

Dealing with Definitions and Share Capitals

1. DEFINITIONS

- 1.1 **“Act”** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2 **“Appointed Date”** means October 1, 2016 or such other date as may be approved by the Authority.
- 1.3 **“Authority”** shall mean the National Company Law Tribunal or such other authority having jurisdiction under the Act to sanction the Scheme;
- 1.4 **“Companies”** collectively means the Transferor Company, the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.5 **“Effective Date”** means the date on which the order/s sanctioning the Scheme passed by the Authority under Sections 230 to 233 of the Act, are filed with the Registrar of Companies, Karnataka.
- 1.6 **“Record date”** means the date to be fixed by the Board of Directors of the respective Transferee Companies for purpose of issue of Transferee Company 1 OCRPS, Transferee Company 2 OCRPS, Transferee Company 3 OCRPS of the Transferee Company 1, Transferee Company 2, Transferee Company 3 as per this Scheme.
- 1.7 **“Remaining Undertaking” or “Remaining Business”** means all the assets, liabilities, activities of the Transferor Company other than the assets and liabilities of the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 as mentioned above in Clauses 1.5, 1.6 and 1.7.
- 1.8 **“Transferor Company”** means Brigade Enterprises Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka.
- 1.9 **“Transferred Undertaking 1”** means the Hotels Business Undertaking of the Transferor Company which are operational or under construction as on the Appointed Date and which is being transferred to the Transferee Company 1, as laid out in Part A of Schedule I of the Scheme.
- 1.10 **“Transferred Undertaking 2”** means the Integrated Clubs and Convention Centres Business Undertaking of the Transferor Company which is being transferred to the Transferee Company 2 as laid out in Part B of Schedule I of the Scheme other than the club being transferred to Transferred Undertaking 3.
- 1.11 **“Transferred Undertaking 3”** means ‘Augusta Club’ Business Undertaking of the Transferor Company which is being transferred to the Transferee Company 3 as laid out in Part C of Schedule I of the Scheme.
- 1.12 **“Transferred Undertakings”** collectively means the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 and shall include (without limitation):

- (a) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all plant and machinery, land and buildings, offices, roads and culverts, tube well installations, plant and machinery, generators, equipments, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories, investments, including stocks, receivables, goodwill, industrial/commercial/food and other licenses and rights, software products, design, developments, tools, operating systems, trademarks and other intellectual property rights, leases and tenancy rights, other interests, rights or powers of every kind, nature and description whatsoever pertaining to or relating to the respective Transferred Undertakings;
- (b) All liabilities present and future and the specific contingent liabilities pertaining to or relating to the respective Transferred Undertakings;
- (c) All rights and licenses, all assignments and grants thereof, all permits, approvals, registrations, notifications, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of Central /State Governments, quality certifications and approvals (both Indian and foreign), product registrations (both Indian and foreign), trade registrations, regulatory approvals, entitlements, industrial and other licenses, the registrations /benefits under various schemes and such other schemes, registrations/approvals/licenses from associations, societies, Central Government, any State Government, any local authority, tourism development organisation, Customs, Central Excise, Income Tax, Service Tax, Sales Tax, Value Added Tax, Reserve Bank of India, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the project and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the respective Transferred Undertakings, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by the Transferor Company in relation to the respective Transferred Undertakings, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company in relation to the respective Transferred Undertakings or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Transferor Company was party), powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests, in connection with or relating to the respective Transferred Undertakings;
- (d) All employees of the Transferor Company substantially engaged in the Transferred Undertakings and those employees that are determined by the Board of Directors of the Transferor Company to be substantially engaged in or in relation to the business of the respective Transferred Undertakings;
- (e) All deposits and balances with Government, semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Transferor Company, directly or indirectly in connection with or in relation to the business of the Transferred Undertakings;
- (f) All books, records, files, papers, product specifications and process information records, standard operating procedures, computer programmes along with their licenses, manuals and back-up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the business of the Transferred Undertakings;
- (g) All trademarks, trade names, patents and domain names, copyrights, industrial designs, building plan approvals, NOCs, sanctions and licenses, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the business of the Transferred Undertakings but shall not include any assets or liabilities relating to the remaining business of the Transferor Company.

Provided however that any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Transferred Undertakings or whether it arises out of the activities or operations of the Transferred Undertakings shall be decided by the Transferor Company, whose decision will be final and binding on the Transferee Companies.

- 1.13 **“Transferee Company 1”** means Brigade Hotel Ventures Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 [was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986).
- 1.14 **“Transferee Company 1 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 1 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 1 as on the record date.
- 1.15 **“Transferee Company 2”** means Brigade Hospitality Services Limited is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060).
- 1.16 **“Transferee Company 2 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 2 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 2 as on the record date.
- 1.17 **“Transferee Company 3”** means Augusta Club Private Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214).
- 1.18 **“Transferee Company 3 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 3 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 3 as on the record date.
- 1.19 **“Transferee Companies”** collectively mean the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.20 **“Scheme”** means the scheme of arrangement as set out herein in its present form, or with any modification(s) approved or imposed or directed by the Authority.

2. OPERATIVE DATE

The Scheme set out herein in its present form with any modification(s) approved or imposed or directed by the Authority shall be operative from the Effective Date but shall be deemed to be effective from the Appointed Date.

3. BACKGROUND

- 3.1 The share capital of Brigade Hotel Ventures Limited (Transferee Company 1) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital divided into 10,00,000 equity shares of ₹ 10/- each	1,00,00,000
Issued, subscribed and paid up equity share capital of 10,00,000 equity shares of ₹ 10/- each.	1,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 1.

- 3.2 The share capital of Brigade Hospitality Services Limited (Transferee Company 2) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,50,00,000 equity shares of ₹10/- each	15,00,00,000
Issued, subscribed and paid up equity share capital of 1,00,00,000 equity shares of ₹ 10/- each.	10,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 2.

- 3.3 The share capital of Augusta Club Private Limited (Transferee Company 3) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,00,000 equity shares of ₹ 10/- each	10,00,000
Issued, subscribed and paid up equity share capital of 50,000 equity shares of ₹10/- each.	5,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 3.

- 3.4 The share capital of the Brigade Enterprises Limited (Transferor Company) as of September 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each	₹150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of ₹10/- each, fully paid up	₹ 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 418325 ESOP shares on 14th November, 2016. The details of share capital as on November 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each	₹150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of ₹10/- each, fully paid up	₹ 113,63,59,900

PART – III

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited:

4. The transfer of the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) into Brigade Hotel Ventures Limited (Transferee Company 1) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 4.1 All the properties of the Transferred Undertaking 1 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
 - 4.2 All the liabilities relating to the Transferred Undertaking 1 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
 - 4.3 The properties and the liabilities, if any, relating to the Transferred Undertaking 1 being transferred by the Transferor Company are transferred to Transferee Company 1 at values appearing in the books of the Transferor Company on the Appointed Date;

- 4.4 The Transferee Company 1 shall issue, in consideration of the transfer, either Transferee Company 1 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 4.5 The transfer of the Transferred Undertaking 1 to the Transferee Company 1 will be on a going concern basis.

5. TRANSFER OF ASSETS

- 5.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 1 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 1 on a going concern basis, so as to become the properties of Transferee Company.
- 5.2 All assets and properties of the Transferred Undertaking 1 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 1.
- 5.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 1 which the Transferor Company owns, cannot be transferred to the Transferee Company 1 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 1. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 1 to transfer all assets and liabilities in relation to the Transferred Undertaking 1 as a "going concern" and that the provision of this clause 5.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme .

6. TRANSFER OF LIABILITIES

- 6.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 1 shall deemed to be transferred to and vested in the Transferee Company 1 so as to become the liabilities of the Transferee Company 1.

7. TRANSFER OF THE TRANSFERRED UNDERTAKING 1 ON A GOING CONCERN BASIS

- 7.1 With effect from the Appointed Date, the Transferred Undertaking 1 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 1.
- 7.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 1, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 1.

8. APPOINTED DATE

- 8.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 4, 5 and 6 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 1 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 1 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 1 until such time as the Scheme takes effect.

8.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 1, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 1 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

9. TRANSFER OF EMPLOYEES

9.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 1 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 1, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 1 from the Transferor Company into the Transferee Company 1.

9.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 1 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 1.

10. LEGAL PROCEEDINGS

10.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 1 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clause 4, 5 and 6 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 1 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 1 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 1.

11. CONTRACTS, DEEDS, ETC.

11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 1 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 1, as the case may be, and may be enforced by or against Transferee Company 1 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 1 had been a party thereto. The Transferee Company 1 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 1 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 1 of Transferor Company to give effect to the provisions of this Scheme.

12. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

12.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 1 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 1 for and on account of and in trust for the Transferee Company 1.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 1 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 1; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

12.2 The Transferee Company 1 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 1 may require to carry on the business of the Transferred Undertaking 1.

13. CONSIDERATION

13.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 1 of the Transferor Company into the Transferee Company 1 and as consideration for the Transfer of the Transferred Undertaking 1, the Transferee Company 1 will discharge a total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) either-

- a) by issue and allotment of Transferee Company 1 OCRPS of ₹ 100/- (Rupees One Hundred) each at par to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 1; or
- c) By a combination of (a) and (b) above.

13.2 The issue and allotment of Transferee Company 1 OCRPS in the Transferee Company 1 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

14. ACCOUNTING TREATMENT

14.1 In the books of the Transferor Company:

Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 1, as laid out in Part A of Schedule I shall stand closed on transfer to the Transferee Company 1, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 1 which will be transferred in entirety to the Transferee Company 1 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 1 transferred to the Transferee Company 1.

- a) The assets and the liabilities of the Transferred Undertaking 1 being transferred to the Transferee Company 1 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

14.2 In the books of the Transferee Company 1:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 1 will be recorded in the books of the Transferee Company 1 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 1.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 1 would be duly reflected in the financial statements of the Transferee Company 1 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 1.

15. TAX

15.1 Upon the Scheme becoming effective, the Transferee Company 1 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.

- 15.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroy duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 1 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 1 after the Appointed Date, the same shall be deemed to be the paid by the Transferee Company 1, and shall, in all proceedings, be dealt with accordingly.
- 15.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 1 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 1 which alone shall be entitled to claim credit for such tax deducted or paid.
- 15.4 Upon the Scheme becoming effective, Transferee Company 1 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 1.

PART – IV

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited:

16. The transfer of the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) into Brigade Hospitality Services Limited (Transferee Company 2) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
 - 16.1 All the properties of the Transferred Undertaking 2 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
 - 16.2 All the liabilities relating to the Transferred Undertaking 2 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
 - 16.3 The properties and the liabilities, if any, relating to the Transferred Undertaking 2 being transferred by the Transferor Company are transferred to Transferee Company 2 at values appearing in the books of the Transferor Company on the Appointed Date;
 - 16.4 The Transferee Company 2 shall issue, in consideration of the transfer, either Transferee Company 2 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
 - 16.5 The transfer of the Transferred Undertaking 2 to the Transferee Company 2 will be on a going concern basis.
17. **TRANSFER OF ASSETS**
 - 17.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 2 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 2 on a going concern basis, so as to become the properties of Transferee Company.
 - 17.2 All assets and properties of the Transferred Undertaking 2 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 2.

17.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 2 which the Transferor Company owns, cannot be transferred to the Transferee Company 2 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 2. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 2 to transfer all assets and liabilities in relation to the Transferred Undertaking 2 as a “going concern” and that the provision of this clause 17.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme.

18. TRANSFER OF LIABILITIES

18.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 2 shall be deemed to be transferred to and vested in the Transferee Company 2 so as to become the liabilities of the Transferee Company 2.

19. TRANSFER OF THE TRANSFERRED UNDERTAKING 2 ON A GOING CONCERN BASIS

19.1 With effect from the Appointed Date, the Transferred Undertaking 2 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 2.

19.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 2, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 2.

20. APPOINTED DATE

20.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 16, 17 and 18 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 2 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 2 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 2 until such time as the Scheme takes effect.

20.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 2, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 2 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

21. TRANSFER OF EMPLOYEES

21.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 2 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 2, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 2 from the Transferor Company into the Transferee Company 2.

21.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 2 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 2.

22. LEGAL PROCEEDINGS

22.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 2 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and

obligations referred to in clauses 16, 17 and 18 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 2 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 2 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 2.

23. CONTRACTS, DEEDS, ETC.

23.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 2 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 2, as the case may be, and may be enforced by or against Transferee Company 2 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 2 had been a party thereto. The Transferee Company 2 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 2 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 2 of Transferor Company to give effect to the provisions of this Scheme.

24. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

24.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 2 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 2 for and on account of and in trust for the Transferee Company 2.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 2 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 2; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

24.2 The Transferee Company 2 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 2 may require to carry on the business of the Transferred Undertaking 2.

25. CONSIDERATION

25.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 2 of the Transferor Company into the Transferee Company 2 and as consideration for the transfer of the Transferred Undertaking 2, the Transferee Company 2 will discharge a total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) either:

- a) by issue and allotment of Transferee Company 2 OCRPS of ₹ 100/- (Rupees One Hundred) each at par to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 2; or
- c) By a combination of (a) and (b) above.

25.2 The issue and allotment of Transferee Company 2 OCRPS in the Transferee Company 2 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

26. ACCOUNTING TREATMENT

26.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 2, as laid out in Part B of Schedule I shall stand closed on transfer to the Transferee Company 2, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 2 which will be transferred in entirety to the Transferee Company 2 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 2 transferred to the Transferee Company 2.
- b) The assets and the liabilities of the Transferred Undertaking 2 being transferred to the Transferee Company 2 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

26.2 In the books of the Transferee Company 2:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 2 will be recorded in the books of the Transferee Company 2 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 2.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 2 would be duly reflected in the financial statements of the Transferee Company 2 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 2.

27. TAX

- 27.1 Upon the Scheme becoming effective, the Transferee Company 2 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 27.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroy duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 2 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroy duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 2, and shall, in all proceedings, be dealt with accordingly.
- 27.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 2 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 2 which alone shall be entitled to claim credit for such tax deducted or paid.
- 27.4 Upon the Scheme becoming effective, Transferee Company 2 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 2.

PART – V

Scheme of arrangement of Brigade Enterprises Limited and Augusta Club Private Limited:

28. The transfer of the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) into August Club Private Limited (Transferee Company 3) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 28.1 All the properties of the Transferred Undertaking 3 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
- 28.2 All the liabilities relating to the Transferred Undertaking 3 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
- 28.3 The properties and the liabilities, if any, relating to the Transferred Undertaking 3 being transferred by the Transferor Company are transferred to Transferee Company 3 at values appearing in the books of the Transferor Company on the Appointed Date;
- 28.4 The Transferee Company 3 shall issue, in consideration of the transfer, either Transferee Company 3 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 28.5 The transfer of the Transferred Undertaking 3 to the Transferee Company 3 will be on a going concern basis.

29. TRANSFER OF ASSETS

- 29.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 3 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 3 on a going concern basis, so as to become the properties of Transferee Company.
- 29.2 All assets and properties of the Transferred Undertaking 3 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 3.
- 29.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 3 which the Transferor Company owns, cannot be transferred to the Transferee Company 3 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 3. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 3 to transfer all assets and liabilities in relation to the Transferred Undertaking 3 as a “going concern” and that the provision of this clause 29.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme .

30. TRANSFER OF LIABILITIES

- 30.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 3 shall be deemed to be transferred to and vested in the Transferee Company 3 so as to become the liabilities of the Transferee Company 3.

31. TRANSFER OF THE TRANSFERRED UNDERTAKING 3 ON A GOING CONCERN BASIS

- 31.1 With effect from the Appointed Date, the Transferred Undertaking 3 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 3.

31.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 3, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 3.

32. APPOINTED DATE

32.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 28, 29 and 30 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 3 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 3 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 3 until such time as the Scheme takes effect.

32.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 3, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 3 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

33. TRANSFER OF EMPLOYEES

33.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 3 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 3, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 3 from the Transferor Company into the Transferee Company 3.

33.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 3 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 3.

34. LEGAL PROCEEDINGS

34.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 3 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clauses 28, 29 and 30 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 3 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 3 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 3.

35. CONTRACTS, DEEDS, ETC.

35.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 3 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 3, as the case may be, and may be enforced by or against Transferee Company 3 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 3 had been a party thereto. The Transferee Company 3 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 3 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 3 of Transferor Company to give effect to the provisions of this Scheme.

36. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

36.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 3 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 3 for and on account of and in trust for the Transferee Company 3.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 3 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 3; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

36.2 The Transferee Company 3 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 3 may require to carry on the business of the Transferred Undertaking 3.

37. CONSIDERATION

37.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 3 of the Transferor Company into the Transferee Company 3, and as consideration for the transfer of the Transferred Undertaking 3, the Transferee Company 3 will discharge a total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) either:

- a) By issue and allotment of Transferee Company 3 OCRPS of ₹100/- (Rupees One Hundred) each at par to the Transferor Company ; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 3; or
- c) By a combination of (a) and (b) above.

37.2 The issue and allotment of Transferee Company 3 OCRPS in the Transferee Company 3 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

38. ACCOUNTING TREATMENT

38.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 3 , as laid out in Part C of Schedule I shall stand closed on transfer to the Transferee Company 3, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 3 which will be transferred in entirety to the Transferee Company 3 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 3 transferred to the Transferee Company 3.
- b) The assets and the liabilities of the Transferred Undertaking 3 being transferred to the Transferee Company 3 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

38.2 In the books of the Transferee Company 3:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 3 will be recorded in the books of the Transferee Company 3 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 3
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 3 would be duly reflected in the financial statements of the Transferee Company 3 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 3.

39. TAX

- 39.1 Upon the Scheme becoming effective, the Transferee Company 3 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 39.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroy duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 3 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroy duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 3 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 3, and shall, in all proceedings, be dealt with accordingly.
- 39.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 3 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 3 which alone shall be entitled to claim credit for such tax deducted or paid
- 39.4 Upon the Scheme becoming effective, Transferee Company 3 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 3 .

PART VI

Dealing with the Remaining Business of Transferor Company

40. All the assets, liabilities and obligations pertaining to the Remaining Business shall continue to belong to and be managed by the Transferor Company.
41. The Remaining business shall continue to belong to and be vested in and be continued to be owned and managed by the Transferor Company. All legal, taxation or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Companies shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company in relation to the Remaining Business.
42. Notwithstanding the transfer of the Transferred Undertakings to the Transferee Companies operative from the Appointed Date:
 - (i) The Transferor Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and

- (ii) All profits and cash accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profits/cash or losses, as the case may be, of the Transferor Company.
43. All the assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after Appointed Date shall belong to and continue to remain vested in the Transferor Company.

PART- VII

Dealing with General Terms and Conditions

44. CONDITIONALITY OF THE SCHEME

44.1 This Scheme is and shall be conditional upon and subject to:

- (i) The approval by the requisite majorities of the members of Transferor Company and Transferee Companies. The approval of the members of the Transferor Company will also be obtained by postal ballot and e-voting
- (ii) The certified copies of the Order of the Authority under Sections 230 to 233 of the Act sanctioning the Scheme being filed with the Registrar of Companies of Karnataka.

45. APPLICATION TO AUTHORITY

45.1 The Transferor Company and the Transferee Companies shall, with all reasonable dispatch, make application to the Authority where the registered offices of the companies are situated, for sanctioning the Scheme of Arrangement under Sections 230 to 233 of the Act or such other applicable provisions under the Act.

46. MODIFICATION OR AMENDMENTS TO THE SCHEME

46.1 The Transferor Company and the Transferee Companies, by their respective Boards of Directors, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors). The Transferor Company and the Transferee Companies, by their respective Boards of Directors, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

47. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferor Company.

48. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the Authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

SCHEDULE I**PART A**

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hotel Ventures Limited (Transferee Company 1) as on 30/9/2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS	₹ In Lakhs	₹ In Lakhs
(1) Non - current assets		
(a) Land	2,326	
Building	19,835	
Plant & machinery	3,514	
Furniture & Fixtures	2,049	
Computers, software & vehicles	121	
Capital work in progress	7,323	
	35,168	
(b) Non - current investments	9,210	
(c) Long term loans and advances	1,673	
(d) Other Non- current assets	-	
		46,051
(2) Current Assets		
(a) Inventories	741	
(b) Trade receivables	788	
(c) Cash and bank balances	933	
(d) Short term loans and advances	1,453	
(e) Other current assets	618	
		4,533
TOTAL		50,583

SCHEDULE OF LIABILITIES	₹ In Lakhs	₹ In Lakhs
(1) Non - Current liabilities		
(a) Long term borrowings	17,913	
(b) Other long term liabilities	855	
		18,768
(2) Current Liabilities		
(a) Other current liabilities	3,773	
		3,773
TOTAL		22,541

Note: The assets and liabilities listed above pertaining to the hotels business undertaking, specifically includes the assets and liabilities pertaining to the following as on October 1, 2016:

1. Grand Mercure – Bangalore.
2. Sheraton Grand – Bangalore
3. Grand Mercure – Mysuru
4. Holiday Inn Express Race Course Road – Bangalore
5. Four Points by Sheraton – Kochi.
6. IBIS Styles – Mysuru
7. Vaikom Project.
8. Holiday Inn Chennai OMR IT Expressway – Investment.

PART B

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hospitality Services Limited (Transferee Company 2) as on October 1, 2016, specifically, but not limited to, the following :

SCHEDULE OF ASSETS	₹ In Lakhs	₹ In Lakhs
(1) Non - Current assets		
(a) Land	581	
Building	2,376	
Plant & machinery	0.4	
Furniture & Fixtures	2	
TOTAL		2,959

Note: Above assets pertains to the following Clubs & Convention centers in BEL books as on October 1, 2016.

1. The Woodrose Club - Bangalore.
2. MLR Convention Center JP Nagar – Bangalore.
3. MLR Convention Center Whitefield – Bangalore.
4. Galaxy Club – Bangalore.

PART C

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) would be transferred to Augusta Club Private Limited (Transferee Company 3) as on October 1, 2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS	₹ In Lakhs	₹ In Lakhs
(1) Non - Current assets		
(a) Land	15	
Building	310	
TOTAL		325

Note: Above assets pertains to Augusta Club in BEL books as on 30.09.2016.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/092

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Hotels business undertaking of the company Brigade Enterprises Limited (BEL) (hereinafter called as "Hotels") as at September 30, 2016 for the proposed transfer of the business segment to its wholly owned subsidiary, Brigade Hotels Ventures Limited, (hereinafter called as "BHVL" or "the Subsidiary")

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Hotels as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.

Based on the calculation so made, the calculated value of the Hotels as at September 30, 2016 works out to approx. INR 28,043 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of BEL as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully,
For B.K. RAMADHYANI & CO. LLP,
Chartered Accountants


R Satyanarayana Murthi
Partner

Encl: Calculation report

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, 8th Cross, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

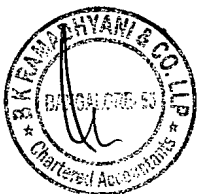
4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Malleshwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Hotels segment of Brigade Enterprises Limited for the proposed transfer to Brigade Hotels Venture Limited as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	3 – 4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 – 5
7.	PRESENT CAPITAL STRUCTURE OF BEL AND BHVL (NEW SPV)	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	5 – 6
9.	CALCULATED VALUE OF HOTELS BUSINESS	6
10.	DISCLAIMERS AND REPRESENTATION	6 – 7
11.	STATEMENT OF LIMITING CONDITIONS	7 – 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Hotels business segment of Brigade Enterprises Limited for the proposed transfer to Brigade Hotels Venture Limited (" BHVL" or "the Subsidiary") as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Hotels Business Undertaking of Brigade Enterprises Limited (BEL) (herein after called as "Hotels undertaking") as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Hotels Business Undertaking for the proposed transfer to BHVL being a wholly owned subsidiary of BEL

2. Company Overview:

Brigade Hotels Ventures Limited (BHVL):

BHVL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. BHVL is proposed to take over the Hotels Business Undertaking of BEL. All the assets and liabilities including land and building, rights and obligations, contracts, licenses etc. pertaining to the Hotels business undertaking would be transferred to the Subsidiary as a whole on a going concern basis.

Brigade Enterprises Limited (BEL):

BEL was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore.

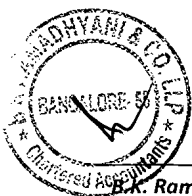
Currently, BEL has 7 properties in Hotels out of which 3 are operational and the balance 4 are either under construction or development of hotels.

BEL proposes to transfer the entire Hotels Business Undertaking to the subsidiary w.e.f September 30, 2016. All the assets and liabilities including capital work in progress pertaining to the Hotels Business Undertaking would be transferred to the Subsidiary as on the Calculation date. We have been approached by BEL to arrive at the calculated value of the Hotels Business Undertaking as on the Calculation date for the proposed transfer.

3. Base for arrived value:

The base for the calculated value of the Hotels Business Undertaking are the following: -

- a) Book value of assets and liabilities of the Hotels Business Undertaking including under construction/development as at September 30, 2016.
- b) Discussions with management of BEL.



B. K. Ramadhyani & Co LLP

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Hotel Business Undertaking as at September 30, 2016. or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and its subsidiary for the said transfer of Hotels Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

Our calculation of the value of the Hotels business undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 1 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

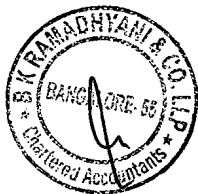
5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Hotels business undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

6.1 As per the terms of engagement, we have been engaged to arrive at the calculated value of the Hotels Business Undertaking. We have been given to understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Hotels Business Undertaking to allow the growth and development of the hotel undertaking as a standalone business into one of the leading hotel business in the Country.

Since the Hotels business undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Hotels Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.



B. K. Ramadhyani & Co LLP

6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the hotels business undertaking.

7. Present Capital Structure of BEL and BHVL:

7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

BHVL:

Name of the shareholder	% of holding
BEL	100

8. Calculation of value of the Hotels Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Hotels Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	43,667
Less: Accumulated depreciation	15,822
Net Block	27,845
Capital Work in Progress (At cost)	7,323
Non-current investment	9,210
Long term loans and advances	1,673



B. K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

Current Assets:	
Inventories (lower of cost or net realisable value)	741
Trade receivables	788
Cash and bank balances	933
Short term loans and advances	1,453
Other current assets	618
TOTAL ASSETS	50,584
Less: Liabilities	
Secured Loans (sanctioned for specific on-going hotel projects)	17,913
Non - Current Liabilities	855
Current Liabilities	3,773
TOTAL LIABILITIES	22,541
NET ASSETS VALUE OF HOTELS	28,043

Note: The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016. The above assets and liabilities includes assets and liabilities of the entire Hotels Business Undertaking of BEL.

9. Calculated value of the Hotels as at September 30, 2016:

The calculated value of the Hotels Business Undertaking as per net assets value method arrived at above would be approx. Rs. 28,043 lakhs.

10. Disclaimers and representations by management of BEL:

- 10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*
- 10.2 *There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.*
- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the business.*
- 10.4 *Management has represented to us that there are no contingent liabilities as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*



B. K. Ramadhyani & Co LLP

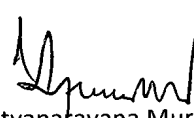
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, BHVL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*
- 11.7 *The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.*
- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*



B. K. Ramadhyani & Co LLP

11.10 *The calculated value of Hotels business undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani & Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
10th Cross, 4th Floor, Ch. Kur. Chavan,
& Amin, 10th Cross, Malleswaram,
BANGALORE - 560 055.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/093

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking of Brigade Enterprises Limited (BEL) (hereinafter called as "Clubs & Conventions Business Undertaking") as at September 30, 2016 for the proposed transfer of the business segment to its wholly owned subsidiary Brigade Hospitality Services Limited (hereinafter referred to as "BHSL" or "the Subsidiary")

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ("BVPS") of the Institute of Chartered Accountants of India.

Based on the calculation so made, the calculated value of the Clubs and Convention Business Undertaking as at September 30, 2016 works out to approx. INR 2,959 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of Brigade Enterprises Limited as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully
For B.K. RAMADHYANI & CO. LLP
Chartered Accountants

BK RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.


R. Satyanarayana Murthi
Partner

Encl: Calculation report

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Malleshwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Clubs and Convention Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Brigade Hospitality Services Limited ("BHSL") as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 – 5
7.	PRESENT CAPITAL STRUCTURE OF BRIGADE ENTERPRISES LIMITED AND BHSL	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	6
9.	CALCULATED VALUE OF CLUBS AND CONVENTION CENTER BUSINESS	6
10.	DISCLAIMERS AND REPRESENTATIONS	6 - 7
11.	STATEMENT OF LIMITING CONDITIONS	7 - 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Clubs and Convention Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Brigade Hospitality Services Limited ("BHSL" or "the Subsidiary") as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Clubs and Convention Business Undertaking of Brigade Enterprises Limited (BEL) as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Clubs and Convention Business Undertaking for the proposed transfer to BHSL.

2. Company Overview:

BHSL

BHSL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. BHSL is proposed to take over the Clubs and Convention Business Undertaking owned by BEL. The assets and liabilities including land and building, contracts, licenses etc. owned by BEL and pertaining to the Clubs and Convention Business Undertaking would be transferred to BHSL.

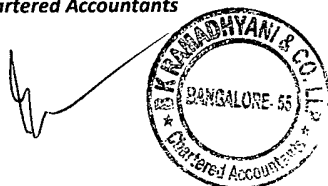
Brigade Enterprises Limited (BEL):

Brigade Enterprises Limited was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore. The company has been engaged in the businesses of real estate and hospitality.

The Clubs and Conventions Business Undertaking proposed to be transferred to BHSL comprising of the following clubs and convention centers viz., Woodrose club, Galaxy club, MLR Convention center (JP Nagar), MLR Convention center (Whitefield) as a whole on a going concern basis.

We understand that BEL is proposing to transfer the above to BHSL w.e.f September 30, 2016. All the assets and liabilities of the Clubs and Convention Centers Business Undertaking as appearing in BEL books as on that date would be transferred to BHSL. We have been approached by BEL to arrive at the calculated value of Clubs and convention centers business undertaking.

B.K. Ramadhyani & Co. LLP.,
Chartered Accountants



B. K. Ramadhyani & Co LLP

3. Base for arrived value:

The base for the calculated value of the Clubs and Convention Centers Business Undertaking are the following: -

- a) Book value of assets and liabilities of the Clubs and Convention Centers Business Undertaking as at September 30, 2016.
- b) Discussions with management of BEL.

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Clubs and convention centers as at September 30, 2016. or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and BHSL for the said transfer of Clubs and Convention Centers Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

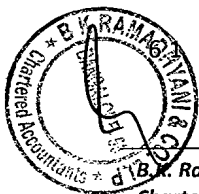
Our calculation of the value of the Clubs and Convention Centers Business Undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 2 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Clubs and Convention Centers Business Undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

As per the terms of engagement, we have been engaged to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking. We have been given to



B. K. Ramadhyani & Co LLP

understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Clubs and Convention Centers Business Undertaking to allow growth and development of the Clubs and Convention Centers undertaking as a standalone business into one of the leading business in the Country

Since the Clubs and Convention Centers Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Clubs and Convention Centers Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.

- 6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Clubs and Convention Centers Business Undertaking.

7. Present Capital Structure of BEL and BHSL:

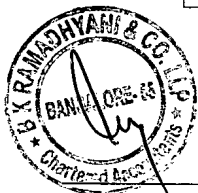
- 7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

BHSL:

Name of the shareholder	% of holding
BEL	100



B. K. Ramadhyani & Co LLP

8. Calculation of value of the Clubs and Convention Centers Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Clubs and Convention Centers Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	5,650
Less: Accumulated depreciation	2,691
Net Block	2,959
Current Assets	Nil
TOTAL ASSETS	2,959
Less: Liabilities	Nil
TOTAL LIABILITIES	Nil
NET ASSETS VALUE OF CLUBS AND CONVENTION CENTERS BUSINESS UNDERTAKING	2,959

Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Clubs and Convention Centers Business Undertaking for consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

9. Calculated value of the Clubs and Convention Centers Business Undertaking as at September 30, 2016:

The calculated value of the Clubs and Convention Centers Business Undertaking as per net assets value method arrived at above would be approx. Rs. 2,959 lakhs.

10. Disclaimers and representations by management of BEL:

10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*

There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.



B. K. Ramadhyani & Co LLP

- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the Clubs and Convention Centers Business Undertaking.*
- 10.4 *Management has represented to us that there are no contingent liabilities pertaining to the Clubs and Convention Centers Business Undertaking as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for the purpose of arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, BHSL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*

The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.



B. K. Ramadhyani & Co LLP

- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*
- 11.10 *The calculated value of Clubs and Convention Centers Business Undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani &Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, #4-B, Changanpura Bhevan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/ 094

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Augusta Club Business Undertaking of Brigade Enterprises Limited (BEL) as at September 30, 2016 for the proposed transfer to Augusta Club Private Limited ("ACPL" or "the Subsidiary"), being a wholly owned subsidiary of BEL.

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Augusta Club Business Undertaking as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.

Based on the calculation so made, the calculated value of the Augusta Club Business Undertaking as at September 30, 2016 works out to approx. INR 325 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of Brigade Enterprises Limited as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully,
For B.K. RAMADHYANI & CO. LLP,
Chartered Accountants

R Satyanarayana Murthi
Partner

Encl: Calculation report

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, 4th Fl, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Malleshwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Augusta Club Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Augusta Club Private Limited as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	3 - 4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 - 5
7.	PRESENT CAPITAL STRUCTURE OF BRIGADE ENTERPRISES LIMITED AND ACPL	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	5 - 6
9.	CALCULATED VALUE	6
10.	DISCLAIMERS AND REPRESENTATIONS	6 - 7
11.	STATEMENT OF LIMITING CONDITIONS	7 - 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Augusta Club of Brigade Enterprises Limited for the proposed transfer to Augusta Club Private Limited as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Augusta Club Business Undertaking of Brigade Enterprises Limited (BEL) (herein after called as "Augusta Club") as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Augusta Club for the proposed transfer to August Club Private Limited (hereinafter called as "ACPL").

2. Company Overview:

ACPL

ACPL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. ACPL proposes to take over the Augusta Club Business Undertaking from BHSL. All assets and liabilities including land and building, rights, contracts, licenses etc. pertaining to the Augusta Club Business Undertaking would be transferred to ACPL on a going concern basis.

Brigade Enterprises Limited (BEL):

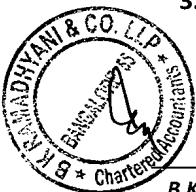
Brigade Enterprises Limited was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore. The company has been engaged in the businesses of real estate and hospitality.

We understand that BEL is proposing to transfer the Augusta club Business Undertaking to ACPL w.e.f September 30, 2016. All the assets and liabilities of the Augusta club Business Undertaking as appearing in BEL books as on that date would be transferred to ACPL. We have been approached by BEL to arrive at the calculated value of Augusta Club Business Undertaking.

3. Base for arrived value:

The base for the calculated value of the Augusta Club are the following: -

- a) Book value of assets and liabilities of the Augusta Club as at September 30, 2016.



B. K. Ramadhyani & Co LLP

b) Discussions with management of BEL.

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Augusta Club Business Undertaking as at September 30, 2016 or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and ACPL for the said transfer of Augusta Club Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

Our calculation of the value of the Augusta Club Business Undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 2 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Augusta Club Business Undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

6.1 As per the terms of engagement, we have been engaged to arrive at the calculated value of the Augusta Club Business Undertaking. We have been given to understand that the entire exercise is a restructuring exercise to allow appropriate of dedicated attention and focus to the development of Augusta Club Business on a standalone basis.

Since the Augusta Club Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not be in any way prejudicially affected based on the consideration to be attributed to the August Club Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.



B.K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Augusts Club Business Undertaking.

7. Present Capital Structure of BEL:

7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

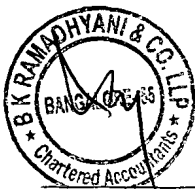
Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

ACPL:

Name of the shareholder	% of holding
BEL	100

8. Calculation of value of the Augusta Club Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Augusta Club Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:



B. K. Ramadhyani & Co LLP

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	630
Less: Accumulated depreciation	305
Net Block	325
Current Assets	Nil
TOTAL ASSETS	325
Less: Liabilities	Nil
TOTAL LIABILITIES	Nil
NET ASSETS VALUE OF AUGUSTA CLUB	325

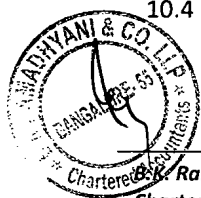
Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Augusta Club Business Undertaking for a consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

9. Calculated value of the Augusta Club as at September 30, 2016:

The calculated value of the Augusta Club Business Undertaking as per net assets value method arrived at above would be approx. Rs.325 lakhs.

10. Disclaimers and representations by management of BEL:

- 10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*
- 10.2 *There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.*
- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the business.*
- 10.4 *Management has represented to us that there are no contingent liabilities as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*



B. K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

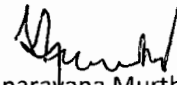
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for the purpose of arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, ACPL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*
- 11.7 *The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.*
- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*



B. K. Ramadhyani & Co LLP

11.10 *The calculated value of Augusta Club Business Undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani & Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore
Date: November 22, 2016

BK RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
NO. 02, 4-5, Chalmar Shivan,
8th Main, 10th Cross, Mallesowaram,
BANGALORE - 560 055.

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of the Hotels business undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Brigade Hotels Ventures Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide **Fairness Opinion on "Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited (hereinafter called as "BEL or the Transferor Company") for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited (hereinafter called as "BHVL" or "the Transferee Company")"** issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner

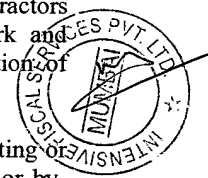
1) Background & Purpose of Engagement**BRIGADE ENTERPRISES LIMITED**

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited, having scrip code as "532929" and Security ID as "BRIGADE".

❖ Main Object Clause of the company is as follows:-

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) 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-

**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 1 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsi@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016. The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 2 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difst@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

BRIGADE HOTELS VENTURES LIMITED (BHVL)

BRIGADE HOTEL VENTURES LIMITED (“Transferee Company”) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055 was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986). The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres

❖ **The share capital of the Brigade Hotel Ventures Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of BHVL stands as follows:-



MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



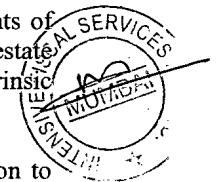
Particulars	Amount in Rupees
Authorised share capital divided into 10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Issued, subscribed and paid up equity share capital of 10,00,000 equity shares of Rs. 10/- each.	1,00,00,000

As on date, following are the beneficial Shareholder of the BHVL:

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Brigade Enterprises Limited	9,99,700	99.97
2	M.R. Jaishankar (Holding in fiduciary Capacity)	50	0.005
3	Nirupa Shankar (Holding in fiduciary Capacity)	50	0.005
4	Vineet Verma(Holding in fiduciary Capacity)	50	0.005
5	Pradyumna Krishnakumar (Holding in fiduciary Capacity)	50	0.005
6	Suresh Yadwad (Holding in fiduciary Capacity)	50	0.005
7	Vishal Mirchandani(Holding in fiduciary Capacity)	50	0.005
	TOTAL	10,00,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.



MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (e) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by management in conducting **Fairness Opinion on Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited** issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants** as per “*Annexure B*” as attached herewith.

1. **Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”.**
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company
3. Detailed profile of BEL and BHVL Company;
4. Memorandum and Articles of Association of BEL and BHVL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A)



MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.
7. Management Representation dated December 06, 2016
8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.

4) Content of Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:

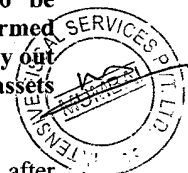
Summary of Report is as under:

i) The Transfer:

- Transfer of Hotels business undertaking of the company Brigade Enterprises Limited to its wholly owned subsidiary, Brigade Hotels Ventures Limited.
- BEL has 7 properties in Hotels out of which 3 are operational and the balance 4 properties are either under construction or development of hotels.
- BEL proposes to transfer the entire Hotels Business Undertaking to the subsidiary w.e.f September 30, 2016. All the assets and liabilities including capital work in progress pertaining to the Hotels Business Undertaking would be transferred to the Subsidiary as on the Calculation date at its book value.

ii) Approach to Valuation:

- As per the terms of engagement, the valuer has been engaged to arrive at the calculated value of the Hotels Business Undertaking. Valuer has been given to understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Hotels Business Undertaking so as to allow the growth and development of the hotel undertaking as a standalone business into one of the leading hotel business in the Country.
- **Since the Hotels business undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Hotels Business Undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**
- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the hotels business undertaking.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 6 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
dfr@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



iii) **Calculation of value of the Hotels Business Undertaking as per net assets value method as at September 30, 2016.**

The calculated value of the Hotels Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	43,667
Less: Accumulated depreciation	15,822
Net Block	27,845
Capital Work in Progress (At cost)	7,323
Non-current investment	9,210
Long term loans and advances	1,673
Current Assets:	
Inventories (lower of cost or net realisable value)	741
Trade receivables	788
Cash and bank balances	933
Short term loans and advances	1,453
Other current assets	618
TOTAL ASSETS	50,584
Less: Liabilities	
Secured Loans (sanctioned for specific on-going hotel projects)	17,913
Non - Current Liabilities	855
Current Liabilities	3,773
TOTAL LIABILITIES	22,031
NET ASSETS VALUE OF HOTELS	28,043

Note: The assets and liabilities considered above are as furnished by the management. We understand the same are book values as at September 30, 2016. The above assets and liabilities include assets and liabilities of the entire Hotels Business Undertaking of BEL.

iv) **Calculated value of the Hotels as at September 30, 2016:**
“The calculated value of the Hotels Business Undertaking as per net assets value method arrived at above would be approx. Rs.28,043 lakhs.”

5) **Fairness Opinion on “Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-**



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 7 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@ yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below.

We state that in our opinion, "the Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited as per net assets value method arrived at approx. Rs.28,042 lakhs issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders."

6) Disclaimer/Limitation/Warranties And Caveats

- a) This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b) We have provided this Report based on the information provided, explanation given, Draft Scheme of Arrangement provided to us, representations made by management of BEL & BHVL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited or independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & BHVL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c) All the Disclaimer & Representations along with limiting conditions forming part of basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d) This Report is issued on the understanding that the Management of BEL & BHVL has drawn our attention to all matters of which they are aware concerning the financial



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact
Page 8 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

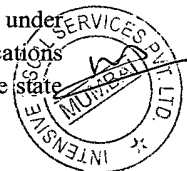
MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.

- e) We have no present interest in BEL & BHVL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & BHVL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f) We owe responsibility to only the directors of the Company who have retained us and nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & BHVL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.
- g) In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.

**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 9 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

**Thanks & Best Regards,
For Intensive Fiscal Services Pvt. Ltd**

Meenal Poddar
Meenal Poddar
Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 10 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Brigade Hospitality Services Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited (hereinafter called as "BEL or the Transferor Company") for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited, (hereinafter called as "BHSL" or "the Transferee Company") issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants, having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R SatyanarayanaMurthi, Partner.

1) Background & Purpose of Engagement**BRIGADE ENTERPRISES LIMITED**

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited having scrip code as "532929" and Security ID as "BRIGADE".

❖ Main Object Clause of the company is as follows:-

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- (b) 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-

**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page 1 of 9

Contact
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001:2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

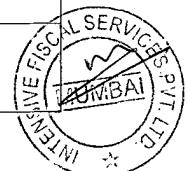
❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016 . The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 2 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001: 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

BRIGADE HOSPITALITY SERVICES LIMITED (BHSL)

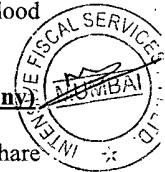
BRIGADE HOSPITALITY SERVICES LIMITED (“Transferee Company”) is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060). The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ Main Object Clause of the company is as follows:-

- (a) To establish and carry on in India or elsewhere the business to establish, construct, erect, build, own, purchase, acquire, undertake, promote, run, manage, own, lease, convert, commercialize, 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 centers, 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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]

❖ The share capital of the Brigade Hospitality Services Limited (Transferee Company)

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of BHSL stands as follows:-



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 3 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs1@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



Particulars	Amount in Rupees
Authorised share capital is divided into 1,50,00,000 equity shares of Rs.10/- each	15,00,00,000
Issued, subscribed and paid up equity share capital of 1,00,00,000 equity shares of Rs. 10/- each.	10,00,00,000

As on date, following are the beneficial Shareholder of the BHSL

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Brigade Enterprises Limited	99,89,600	99.90
2	M. R. Jaishankar (Holding in fiduciary Capacity)	5,000	0.05
3	Githa Shankar (Holding in fiduciary Capacity)	5,000	0.05
4	Brigade Enterprises Ltd. jointly with Mr. M. R. Jaishankar (Holding in fiduciary Capacity)	100	0.00
5	Brigade Enterprises Ltd. jointly with Ms. Githa Shankar (Holding in fiduciary Capacity)	100	0.00
6	Brigade Enterprises Ltd. jointly with Ms. Nirupa Shankar (Holding in fiduciary Capacity)	100	0.00
7	Brigade Enterprises Ltd. jointly with Mr. Vineet Varma (Holding in fiduciary Capacity)	100	0.00
	TOTAL	1,00,00,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention each of these business undertakings.
- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact

Page 4 of 9
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.

- (e) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

2) **Scope of Engagement:-**

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report on Calculated Value of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited” (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) **Source of Information:**

We have relied on the following information of both the Companies as certified by the management in conducting Fairness Opinion Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for the proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.

1. Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for the proposed transfer to its wholly owned subsidiary of Brigade Hospitality Services Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”.
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company.
3. Detailed profile of BEL and BHSL Company.
4. Memorandum and Articles of Association of BEL and BHSL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A).
6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 5 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
dlfsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



7. Management Representation dated December 06, 2016
 8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.
- 4) **Content of Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants.**

Summary of Report is as under:

1. The Transfer:

- Transfer of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited to its wholly owned subsidiary, Brigade Hospitality Services Limited.
- The Clubs and Conventions Business Undertaking proposed to be transferred to BHSL comprising of the following clubs and convention centers viz., Woodrose club, Galaxy club, MLR Convention center (JP Nagar), MLR Convention center (Whitefield) as a whole on a going concern basis.
- BEL is proposing to transfer the above to BHSL w.e.f September 30, 2016. All the assets and liabilities of the Clubs and Convention centers Business Undertaking as appearing in BEL books as on that date would be transferred to BHSL. Valuer have been approached by BEL to arrive at the calculated value of Clubs and convention centers business undertaking.

2. Approach to Valuation:

- As per the terms of engagement, Valuer have been engaged to arrive at the calculated value of the Clubs and Convention Centers Business undertaking. Valuer have been given to understand that the entire exercise is a restructuring exercise to provide focused leadership and management attention to the Clubs and Convention Centers Business undertaking so as to allow growth and development of the Clubs and Convention Centers undertaking as a standalone business into one of the leading business in the Country.
- Since the Clubs and Convention Centers Business undertaking is being transferred to a wholly owned subsidiary of BHSL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Clubs and Convention Centers Business undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact

Page 6 of 9
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Clubs and Convention Centers Business undertaking.

3. Calculation of value of the Clubs and Convention Centers Business undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Clubs and Convention Centers Business undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT (IN LAKHS)
Fixed Assets including Land (Gross block)	5,650
Less: Accumulated depreciation	2,691
Net Block	2,959
Current Assets	NIL
TOTAL ASSETS	2,959
Less: Liabilities	NIL
TOTAL LIABILITIES	NIL
NET ASSETS VALUE OF CLUBS AND CONVENTION CENTERS BUSINESS UNDERTAKING	2,959

Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Clubs and Convention Centers Business Undertaking for consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

4. Calculated value of the Clubs and Convention Centers Business undertaking as at September 30, 2016:

"The calculated value of the Clubs and Convention Centers Business undertaking as per net assets value method arrived at above would be approx. Rs.2,959 lakhs."

5) Fairness Opinion on "Report on Calculated Value of Clubs and Convention Centers Business undertaking for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-

Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below:-

We state that in our opinion, "the Report on Calculated Value of Clubs and Convention Centers Business undertaking for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited as per net assets value method arrived at approx. Rs.2,959 lakhs issued by B.K.RAMADHYANI & CO. LLP,

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory
CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page Contact

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

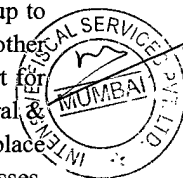
(An ISO 9001 : 2000 Certified Company)



Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders.”

6) Disclaimer/Limitation/Warranties And Caveats

- a. This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b. We have provided this Report based on the information provided, explanation given, Draft Scheme of Amalgamation provided to us, representations made by management of BEL & BHSL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & BHSL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c. All the Disclaimer & Representations along with limiting conditions forming part of & basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d. This Report is issued on the understanding that the Management of BEL & BHSL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred,



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 8 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.

- e. We have no present interest in BEL & BHSL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & BHSL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f. We owe responsibility to only the directors of the Company who have retained us and nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & BHSL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.
- g. In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.

We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

**Thanks & Best Regards,
For Intensive Fiscal Services Pvt. Ltd**

Meenal Poddar

**Meenal Poddar
Associate-Investment Banking**



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 9 of 9

Tel.: +91-22-2287 0443 / 44 / 45

Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;

difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company).



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of Augusta Club Business Undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Augusta Club Private Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited (*hereinafter called as "BEL or the Transferor Company"*) for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited (*hereinafter called as "ACPL" or "the Transferee Company"*) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

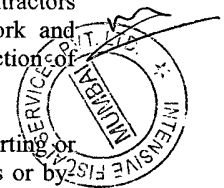
1) Background & Purpose of Engagement**BRIGADE ENTERPRISES LIMITED**

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited having scrip code as "532929" and Security ID as "BRIGADE".

❖ Main Object Clause of the company is as follows:-

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) 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

**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

**Contact:
Page 1 of 9**

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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.
- (d) 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.

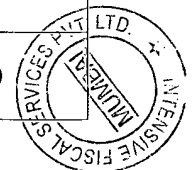
❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016. The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs. 150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Page 2 of 9
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

AUGUSTA CLUB PRIVATE LIMITED (ACPL)

AUGUSTA CLUB PRIVATE LIMITED (“Transferee Company”) is an existing company incorporated on September 01, 2016 under the Companies Act, 2013 having CIN No. (CIN U74999KA2016PTC096214). ACPL have its registered office at 29&30th Floor, World Trade Center, Brigade Gateway Campus 26/1, Rajkumar Road, Malleswaram-Rajajinagar Bangalore -560055. The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres

❖ **The share capital of the Augusta Club Private Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of ACPL stands as follows:-

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

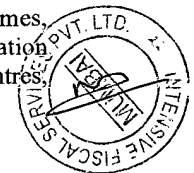
914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in



MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



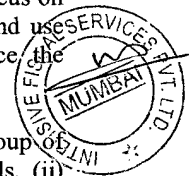
Particulars	Amount in Rupees
Authorised share capital is divided into 1,00,000 equity shares of Rs.10/- each	10,00,000
Issued, subscribed and paid up equity share capital of 50,000 equity shares of Rs.10/- each.	5,00,000

As on date, following are the beneficial Shareholder of the ACPL

Sr. No.	Name of Shareholder	No. of shares	% of Shareholding
1	Brigade Enterprises Limited	49,999	99.99
2	Om Prakash P (Holding in fiduciary Capacity)	01	0.01
	TOTAL	50,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use the specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (e) Overall, the Scheme of Arrangement is intended to restructure within the group companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres' and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 4 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



management of the companies to vigorously pursue growth and expansion of the respective divisions.

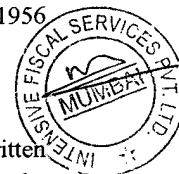
2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by the management in conducting **Fairness Opinion on Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.**

1. **Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”**
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company
3. Detailed profile of BEL and ACPL Company
4. Memorandum and Articles of Association of BEL and ACPL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. **(Enclosed Annexure A)**
6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.
7. Management Representation dated December 06, 2016
8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Page 5 of 9

Tel.: +91-22-2287 0443 / 44 / 45

Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;

difs1@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



4) Content of Report on Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:

Summary of Report is as under:

1. The Transfer:

- Transfer of **Augusta Club Business Undertaking** of the company Brigade Enterprises Limited to its wholly owned subsidiary, **Augusta Club Private Limited**.
- BEL proposes to transfer the Augusta club Business Undertaking to ACPL w.e.f September 30, 2016. All the assets and liabilities of the Augusta club Business Undertaking as appearing in BEL books as on that date would be transferred to ACPL.

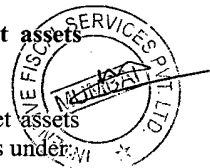
2. Approach to Valuation:

- As per the terms of engagement, valuer have been engaged to arrive at the calculated value of the **Augusta Club Business Undertaking**. Valuer have been given to understand that the entire exercise is a restructuring exercise to allow appropriate of dedicated attention and focus to the development of Augusta Club Business on a standalone basis.
- **Since the Augusta Club Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Augusta Club Business Undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**
- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the **Augusta Club Business Undertaking**.

3. Calculation of value of the Augusta Club Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the **Augusta Club Business Undertaking** as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT (IN RS. LAKHS)
Fixed Assets including Land (Gross block)	630
Less: Accumulated depreciation	305
Net Block	325
Current Assets	NIL



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 6 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



TOTAL ASSETS	325
Less: Liabilities	NIL
TOTAL LIABILITIES	NIL
NET ASSETS VALUE OF AUGUSTA CLUB BUSINESS UNDERTAKING	325

Note:

- ✓ BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Augusta Club Business Undertaking for a consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.
4. Calculated value of the Augusta Club Business Undertaking as at September 30, 2016:
"The calculated value of the Augusta Club Business Undertaking as per net assets value method arrived at above would be approx. Rs.325 lakhs."
- 5) Fairness Opinion "Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-

Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below:-

We state that in our opinion, "the Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited as per net assets value method arrived at approx. Rs. 325 lakhs issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satvanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders."

6) Disclaimer/Limitation/Warranties And Caveats

- a. This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page 9 of 19

Contact
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
dfsl@yahoo.co.in



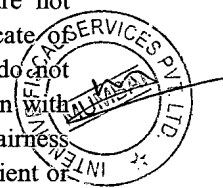
MERCHANT BANKER CATEGORY - I

(An ISO 9001: 2000 Certified Company)



or circumstances that occur later on.

- b. We have provided this Report based on the information provided, explanation given, Draft Scheme of Amalgamation provided to us, representations made by management of BEL & ACPL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & ACPL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c. All the Disclaimer & Representations along with limiting conditions forming part of & basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d. This Report is issued on the understanding that the Management of BEL & ACPL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.
- e. We have no present interest in BEL & ACPL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & ACPL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f. We owe responsibility to only the directors of the Company who have retained us and



MERCHANT BANKER CATEGORY - I**(An ISO 9001:2000 Certified Company)**

nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & ACPL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.

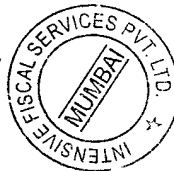
- g. In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.

We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

Thanks & Best Regards,

For Intensive Fiscal Services Pvt. Ltd

Meenal Poddar
Meenal Poddar
 Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

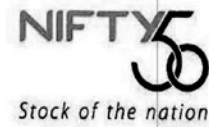
914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
 Nariman Point, Mumbai - 400 021, India

Contact:
 Page 9 of 9

Tel.: +91-22-2287 0443 / 44 / 45
 Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
 difsi@yahoo.co.in



Ref: NSE/LIST/10623

April 07, 2017

The Company Secretary & Compliance Officer
 Brigade Enterprises Limited
 29th & 30th Flrs, World Trade Center,
 Brigade Gateway Campus,
 26/1, Dr. Rajkumar Road,
 Bangalore - 560055

Kind Attn.: Mr. P. Om Prakash

Dear Sir,

Sub: Observation letter for Scheme of Arrangement between Brigade Enterprises Limited and Brigade Hotel Ventures Limited and Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective Shareholders and Creditors.

This has reference to Scheme of Arrangement between Brigade Enterprises Limited (Transferor Company) and Brigade Hotel Ventures Limited (Transferee Company 1) and Brigade Hospitality Services Limited (Transferee Company 2) and Augusta Club Private Limited (Transferee Company 3) and their respective shareholders and creditors submitted to NSE on January 24, 2017.

Based on our letter reference no Ref: NSE/LIST/1423 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated April 07, 2017, has given following comments on the draft Scheme of Arrangement:

1. *Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.*
2. *Company shall duly comply with various provisions of the circulars.*
3. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
4. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the National Company Law Tribunal.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

1.



The validity of this “Observation Letter” shall be six months from April 07, 2017, within which the Scheme shall be submitted to the NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the NCLT;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



Revised

DCS/AMAL/ND/R37/768/2016-17

April 10, 2017

The Company Secretary
Brigade Enterprises Limited
 29th & 30th Floors,
 World Trade Center,
 Brigade Gateway, 26 / 1, Dr. Rajkumar Road,
 Malleswaram - Rajajinagar,
 Bengaluru 560055

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited, Augusta Club Private Limited and Brigade Enterprises Limited.

We are in receipt of Draft Scheme of Arrangement of Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited, Augusta Club Private Limited with Brigade Enterprises Limited and their respective shareholders filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated April 07, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that additional information, if any, submitted by the company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230 (5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
 Corporate Identity Number : L67120MH2005PLC155188

: 2 :

- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

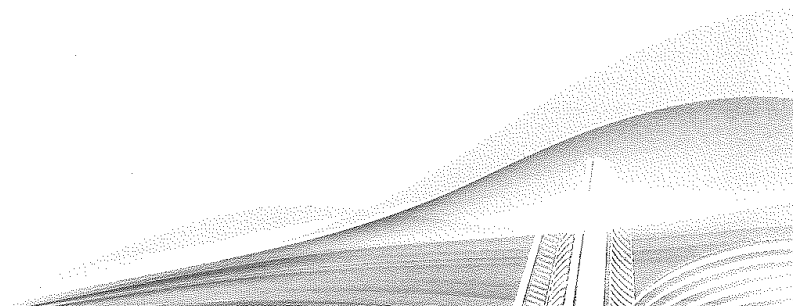
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nitin Fujari
Manager

20



Brigade Enterprises Limited

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



Building Positive Experiences

Ref: BEL/NSEBSE/CR/15022017

15th February, 2017

Listing Department
 National Stock Exchange of India Limited
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai - 400 051
 Fax Nos. : 022-26598237/38

Department of Corporate Services - Listing
 BSE Limited
 P. J. Towers
 Dalal Street,
 Mumbai - 400 001
 Fax Nos.: 022- 22722037/2039

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/ Madam,

Sub: Complaints Report pursuant to application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of arrangement

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 pertaining to the Scheme of Arrangement between the Company Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited for slump sale of Hotel Business undertaking, Integrated Club & Convention Centers Undertaking & Augusta Club Business Undertaking to the three respective wholly owned subsidiaries.

In this regard and pursuant to SEBI circular no. CIR/CFD/CMD/15/2015 dated 30th November, 2015 the Complaints Report is enclosed.

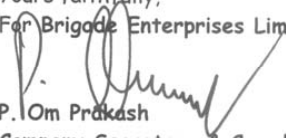
We hereby confirm that neither the Company nor its Registrar & Transfer Agents (M/s Karvy Computershare Private Limited) have not received any complaints pertaining to the captioned scheme of arrangement.

The Complaints Report will also be uploaded on the website of the Company i.e. www.brigadegroup.com.

Kindly take the same on your records and do the needful.

Thanking you,

Yours faithfully,
 For Brigade Enterprises Limited


 P. Om Prakash
 Company Secretary & Compliance Officer

Enclosure: a/a

Complaints Report

(Commencing from the date of uploading the Scheme of Arrangement and other documents pertaining to the same under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to BSE Limited and the National Stock Exchange of India Limited and on the Company's website on 24th January, 2017 till the expiry of 21 days from the same).

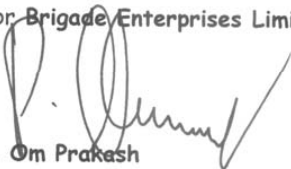
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
	N.A.		

For ~~Brigade Enterprises Limited~~



P. Om Prakash
Company Secretary & Compliance Officer

Brigade Enterprises Limited

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



Building Positive Experiences

Ref: BEL/NSEBSE/CR/08032017

8th March, 2017

Listing Department
 National Stock Exchange of India Limited
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai - 400 051
 Fax Nos. : 022-26598237/38

Re. : Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/ Madam,

Sub: Complaints Report pursuant to application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of arrangement

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 pertaining to the Scheme of Arrangement between the Company Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited for slump sale of Hotel Business undertaking, Integrated Club & Convention Centers Undertaking & Augusta Club Business Undertaking to the three respective wholly owned subsidiaries.

In this regard and pursuant to SEBI circular no. CIR/CFD/CMD/15/2015 dated 30th November, 2015 the Complaints Report is enclosed.

We hereby confirm that neither the Company nor its Registrar & Transfer Agents (M/s Karvy Computershare Private Limited) have not received any complaints pertaining to the captioned scheme of arrangement.

The Complaints Report will also be uploaded on the website of the Company i.e. www.brigadegroup.com.

Kindly take the same on your records and do the needful.

Thanking you,

Yours faithfully,
 For Brigade Enterprises Limited

P. Om Prakash
 Company Secretary & Compliance Officer

Enclosure: a/a

Complaints Report

(Commencing from the date of uploading the Scheme of Arrangement and other documents pertaining to the same under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to the National Stock Exchange of India Limited and on the Company's website on 15th February, 2017 till the expiry of 21 days from the same).

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
	N.A.		

For Brigade Enterprises Limited



P. Om Prakash
Company Secretary & Compliance Officer

REPORT OF THE BOARD OF DIRECTORS OF BRIGADE ENTERPRISES LIMITED ON THE SCHEME OF ARRANGEMENT OF BRIGADE ENTERPRISES LIMITED WITH BRIGADE HOTEL VENTURES LIMITED, BRIGADE HOSPITALITY SERVICES LIMITED AND AUGUSTA CLUB PRIVATE LIMITED (“SCHEME”)

1. Background:

- 1.1 A meeting of the Board of Directors (‘Board’) of Brigade Enterprises Limited (“the Company” or “the Transferor Company” or “BEL”) was held on December 15, 2016 to consider and recommend the proposed Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited.
- 1.2 This report of the Board is made in compliance with the requirements of Section 232(2)(c) of Companies Act, 2013. In terms of Section 232(2)(c), a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders is required to be appended with the notice of the meeting of shareholders and creditors. The said report has to specify any special valuation difficulties, if any, in the valuation.
- 1.3 This report is made by the Board after perusing, *inter alia*, the following documents:
 - (a) Draft Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited (“the Scheme”);
 - (b) Valuation Reports dated November 22, 2016 issued by B.K. Ramadhyani & Co. LLP, Chartered Accountants; and
 - (c) Fairness opinions dated December 6, 2016 issued by Intensive Fiscal Services Private Limited.

2. Background to the Proposed Scheme:

- 2.1 BEL has been established to carry on the business of property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- 2.2 Brigade Hotel Ventures Limited (BHVL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.3 Brigade Hospitality Services Limited (BHSL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.4 Augusta Club Private Limited (ACPL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.5 BHVL, BHSL and ACPL are the wholly owned subsidiaries of BEL.
- 2.6 Under the Scheme of Arrangement, the hotels business undertaking of BEL will be transferred to BHVL, the integrated convention centres and clubs business undertaking will be transferred to BHSL and the Augusta Club business undertaking of BEL will be transferred to ACPL. The business undertaking will be transferred on a going concern basis. The scheme was proposed by the Board for the following reasons:
 - (i) The following business undertakings have their own independent identity and have future growth potential: (a) Hotels;(b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club,Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”) and (c) Augusta Club.

- (ii) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (iii) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (iv) With the experience BEL has gained over the years in real estate business and property development, BEL will be able to focus on the remaining business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (v) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by BEL to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

3. Impact on key stakeholders

There is expected to be no impact of the Scheme on key managerial personnel, the directors, the promoters and non-promoter shareholders.

4. Valuation

The reports on valuation of the business undertakings proposed to be transferred under the Scheme has been obtained from B.K. Ramadhyani & Co LLP, Chartered Accountants, an independent valuer.

The calculated value of the business undertakings has been arrived at by following the net assets value method. According to the valuation report, the calculated value of the hotels business undertaking of BEL is ₹280,43,00,000, the calculated value of the clubs and convention business undertaking of BEL is ₹29,59,00,000 and the calculated value of Augusta Club business undertaking of BEL is ₹3,25,00,000.

The transferee companies, i.e. BHVL, BHSL and ACPL will discharge the consideration by issue of optionally convertible redeemable preference shares or by payment by cash or cash equivalent or by a combination of both. Since the issuance of preference shares by way of discharge of consideration is to the holding company i.e. BEL, there is no change in the shareholding pattern pursuant to the scheme coming into effect.

The valuations have been reviewed for fairness and fairness opinions have been issued by Intensive Fiscal Services Private Limited, Merchant Banker.

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of Brigade Enterprises Limited

M.R. Jaishankar

Chairman & Managing Director

DIN: 00191267

Place: Bengaluru

Date: August 8, 2017



BRIGADE

Form No. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126

29th & 30th Floor, World Trade Center, 26/1 Brigade Gateway
Dr. Rajkumar Road, Malleswaram-Rajajinagar
Bangalore – 560 055

Name of the Secured Creditor(s):			e-mail Id:
Registered address:			

I/We, being the Secured Creditor(s) of Brigade Enterprises Limited, hereby appoint:

- 1)of.....having e-mail id.....or failing him
- 2)of.....having e-mail id.....or failing him
- 3)of.....having e-mail id.....or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Secured Creditors Meeting of the Company, to be held on Thursday, 21st September, 2017 at 12:00 p.m. at the Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055 and at any adjournment thereof in respect of such resolution as follows:

Resolution Number	Resolution	Vote (PLEASE MARK (✓) AND NO. OF SHARES)	
		For	Against
1	Approval of Scheme of Arrangement		

Signed this..... day of..... 2017

Signature of member

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder



Route Map to EGM Venue





BRIGADE

BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126

Regd. off.: 29th & 30th Floor, World Trade Center, 26/1 Brigade Gateway
Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560 055

ATTENDANCE SLIP

Serial No. :

Name and Registered
Address of the
Secured Creditor :

Name(s) of the Joint
Secured Creditor(s)
if any :

Name of the Proxy /
Representative, if any :

Signature of Secured
Creditor(s) / Proxy :

Signature of the
Representative :

I hereby record my presence at the Secured Creditors Meeting of the Company held on Thursday, 21st September, 2017 at 12:00 p.m. at the Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055.

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE

Note: Please fill up attendance slip and hand it over at the entrance of the meeting hall. Secured Creditors are requested to bring the copies of the Notice to the Meeting.



BRIGADE

Brigade Enterprises Limited

CIN: L85110KA1995PLC019126

Regd. Off.: 29th & 30th Floors, World Trade Center

Brigade Gateway Campus, 26/1 Dr. Rajkumar Road

Malleswaram-Rajajinagar, Bangalore - 560055

Phone no. 080 41379200, Fax No. 080 41379321

Website : www.brigadegroup.com, Email Id : investors@brigadegroup.com

NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF BRIGADE ENTERPRISES LIMITED	
Day	Thursday
Date	September 21, 2017
Time	1.00 p.m.
Venue	Sheraton Grand Bangalore Hotel, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560055

Sr. No	Contents	Page No.
1	Notice of National Company Law Tribunal Convened Meeting of the Unsecured Creditors of Brigade Enterprises Limited under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	1
2	Explanatory Statement under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013	4
3	Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited	18
4	Valuation Report submitted by B K Ramadhyani & Co. LLP, Chartered Accountants	39
5	Fairness opinion dated December 6, 2016 issued by Intensive Fiscal Services Private Limited, Merchant Banker	63
6	Copy of the Observation Letters issued by National Stock Exchange of India Limited on April 7, 2017 and BSE Limited on April 10, 2017	91
7	Copy of the Complaints Report submitted to BSE Limited on February 15, 2017 and to the National Stock Exchange of India Limited on March 8, 2017	95
8	Report adopted by the Board of Directors of Brigade Enterprises Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013	99
9	Proxy Form	101
10	Attendance Slip	Loose Leaf form



BRIGADE

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AT BENGALURU

In the matter of Section 230 to 232 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Ventures Limited,
Brigade Hospitality Services Limited and

Augusta Club Private Limited

Company Application No. CA(CAA)49/BB/2017

Brigade Enterprises Limited
29th and 30th floor, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore-560055,
Karnataka

...Applicant Company No. 1/ Transferor Company

NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF BRIGADE ENTERPRISES LIMITED, THE APPLICANT COMPANY ("MEETING")

To,

The unsecured creditors of Brigade Enterprises Limited (*"the Applicant Company"* or *"the Transferor Company"* or *"BEL"*)

Notice is hereby given that by an Order dated August 7, 2017 and as may be amended, in the above mentioned Company Application No. CA(CAA)49/BB/2017, the Bengaluru Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the unsecured creditors of Brigade Enterprises Limited, for the purpose of considering and if thought fit, approving with or without modification, the arrangement, proposed in the matter of Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective shareholders ("Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the unsecured creditors of the Applicant Company will be held to transact the following special business at Sheraton Grand, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055, on September 21, 2017 at 1:00 p.m. at which time and place, the said unsecured creditors of the Applicant Company are requested to attend, to consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority :

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (**"Companies Act"**) and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval by the requisite majority of the shareholders and the creditors of the Company as directed by the National Company Law Tribunal, and subject to the approval of Hon'ble National Company Law Tribunal, Bengaluru Bench and further subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, the approval of the unsecured creditors of the Company be and is hereby accorded to Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited ("Scheme") as attached to the notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/ or imposed by the National Company Law Tribunal, Bengaluru Bench and/or any other authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with copy of the Scheme and other annexures including proxy form, attendance slip and postal ballot form are enclosed herewith. Copies of the Scheme and Explanatory Statement under section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company.

Persons entitled to attend and vote at the said meeting, may vote in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Company at 29th and 30th Floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560055, Karnataka, not later than 48 hours before the meeting.

The Tribunal has appointed Shri M R. Jaishankar, Chairman & Managing Director and failing him Shri. P. Om Prakash, Company Secretary & Compliance Officer as Chairperson of the said meeting. The above mentioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the National Company Law Tribunal.

M.R. Jaishankar

Chairperson appointed for the meeting

Place: Bengaluru

Date: August 8, 2017

Registered Office:

29th and 30th floor, World Trade Center,
26/1, Brigade Gateway,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore-560055,
Karnataka

CIN - L85110KA1995PLC019126

Notes:

- (1) All alterations made in the Form of Proxy should be initialled.
- (2) Only unsecured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be a unsecured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors of the Applicant Company. The authorised representative of a body corporate which is a unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
- (3) The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 2 (two) unsecured creditors of the Applicant Company, present in person.
- (4) The unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.

- (5) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 11:00 a.m. to 4:00 p.m. on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
- (6) Mr. K. Rajshekar, (Membership No.:4078, CP No.:2468) Practising Company Secretary has been appointed as the scrutinizer to conduct the voting at the venue of the meeting, in a fair and transparent manner.
- (7) The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through electronic voting system or ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through electronic voting system or ballot or polling paper at the venue of the meeting will be announced on or before September 23, 2017 at the registered office of the Applicant Company and will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.brigadegroup.com besides being communicated to BSE Limited and the National Stock Exchange of India Limited.
- (8) Unsecured creditors as per the books of accounts as on July 31, 2017 will be entitled to exercise their right to vote on the above meeting.



BRIGADE

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AT BENGALURU**

In the matter of Section 230 to 232 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited,
Brigade Hospitality Services Limited and Augusta Club Private Limited

Company Application No. CA(CAA)49/BB/2017

Brigade Enterprises Limited

29th and 30th floor, World Trade Center,
26/1, Brigade Gateway,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore-560055,
Karnataka

...Applicant Company No. 1/ Transferor Company

**EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 OF THE
COMPANIES ACT, 2013 FOR THE MEETING OF THE UNSECURED CREDITORS OF
BRIGADE ENTERPRISES LIMITED**

**DIRECTED TO BE CONVENED BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
BENGALURU BENCH**

Details of the Companies or Parties involved in the Scheme:

- 1. Brigade Enterprises Limited** is referred to as "BEL";
- 2. Brigade Hotel Ventures Limited** is referred to as "BHVL";
- 3. Brigade Hospitality Services Limited** is referred to as or "BHSL";
- 4. Augusta Club Private Limited** is referred to as "or "ACPL".

The Scheme of Arrangement between the above Companies and their respective shareholders is referred to as "the Scheme" or "this Scheme" or "Scheme" and the above Companies together are referred to as "the Applicant Companies". Other definitions contained in the enclosed Scheme will apply to this Statement.

- 1.** This is a Statement accompanying the Notice convening the meeting of the unsecured creditors of BEL.
- 2.** Pursuant to an order dated August 7, 2017 (as may be amended) passed by the Bengaluru Bench of the National Company Law Tribunal ("Tribunal") in the Company Scheme Application No. CA(CAA)49/BB/2017 referred to hereinabove, a meeting of the unsecured creditors of the Company is being convened and held on September 21, 2017 at Sheraton Grand, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055 at 1:00 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective shareholders ("Scheme").

3. Details of the Companies:

3.1 Brigade Enterprises Limited

- (a) Brigade Enterprises Limited ("**BEL**"), a public limited company, was incorporated on November 8, 1995 under the provisions of Companies Act, 1956. Permanent Account Number of BEL is AAACB7459F
- (b) The registered office of BEL is situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BEL are set out in the Memorandum of Association. They are briefly as under:-
- i. *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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.*
 - ii. *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.*
 - iii. *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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.*
 - iv. *To general, 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.*
- (d) BEL is engaged in carrying on the business of property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- (e) There has been no change in the name, registered office and objects of BEL during the last five years.
- (f) The equity shares of BEL are listed on the National Stock Exchange of India Limited and BSE Limited.
- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of BEL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹135,69,05,610/- divided into 13,56,90,561 equity shares of ₹10/- each, fully paid up.

- (h) The details of the promoters and present directors of BEL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052

Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan", 15/3-1, Palace Road, Bangalore – 560 052
3	Mr. M. R. Gurumurthy	'Sundaralakshmi', Spencer Road, Chickmagalur 577 101, Karnataka
4	Mr. M. R. Shivram	3009/2-3, 18th A Cross, 2nd Main, BSK 2nd Stage, Bangalore – 560070, Karnataka
5	Mr. P.V. Maiya	Flat No. 106, Sowmya Springs, Opposite. M.N. Krishna Rao Park, Diwan Madhav Rao Road, Basavanagudi, Bangalore 560 004, Karnataka
6	Dr. K. R. S. Murthy	355, 1st E Cross, 6th Block, 2nd Phase, BSK 3rd Stage, Bangalore - 560085, Karnataka,
7	Mr. Aroon Raman	No.100, 5th Main Paramahansa Road, Yadavagiri, Mysore 570020
8	Mr. Bijou Kurien	#33/2, Grant Road, Bangalore - 560001, Karnataka
9	Ms. Lakshmi Venkatachalam	#301, Johore House, 35/36, 18th Cross 8th Main, Malleswaram Bangalore 560003

3.2 Brigade Hotel Ventures Limited

- (a) Brigade Hotel Ventures Limited ("**BHVL**"), a public limited company, was incorporated on August 24, 2016 under the provisions of Companies Act, 2013. Permanent Account Number of BHVL is AAGCB8612G
- (b) The registered office of BHVL is situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BHVL are set out in the Memorandum of Association. They are as under:-
- a. *To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience 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 and natural cure centres.*
- (d) BHVL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of BHVL during the last five years.
- (f) The equity shares of BHVL are not listed on any stock exchange in India or elsewhere.
- (g) The authorized and the issued, subscribed and paid-up share capital share capital of the BHVL is ₹ 1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 equity shares of ₹ 10/- each.

- (h) The details of the promoters and present directors of BHVL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052
3	Mr. Vineet Verma	L-1609 16th Floor, Brigade Gateway 26/1 Dr.Rajkumar Road, Bangalore 560 055

3.3 Brigade Hospitality Services Limited

- (a) Brigade Hospitality Services Limited (“**BHSL**”), a public limited company, was incorporated on June 1, 2004 under the provisions of Companies Act, 1956. Permanent Account Number of BHSL is AACCB4302P
- (b) The registered office of BHSL is situated at 29th Floor, World Trade Center, Brigade Gateway Campus 26/1, Dr.Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of BHSL are set out in the Memorandum of Association. They are as under:-
- To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.*
- (d) BHSL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of BHSL during the last five years.
- (f) The equity shares of BHSL are not listed on any stock exchange in India or elsewhere.
- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of BHSL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹15,00,00,000 divided into 1,50,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹10,00,00,000 divided into 1,00,00,000 equity shares of ₹10/- each.

- (h) The details of the promoters and present directors of BHSL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Githa Shankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
3	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052
4	Mr. Vineet Verma	L-1609 16th Floor, Brigade Gateway 26/1 Dr.Rajkumar Road, Bangalore 560 055
5	Mr. M. S. Ravindra	Sagar, Hosamane Road Chickmagalur 577101
6	Mr. Mohan Parvatikar	Flat No.31, Viram Apartments, Old No.110, New No.32, 4th Main, Malleswaram Bangalore 560 003
7	Mr. P Balaram Menon	Flat No. D402, Brigade Regency 8th Main, Malleswaram, Bangalore 560 055

3.4 Augusta Club Private Limited

- (a) Augusta Club Private Limited (“ACPL”), a private limited company, was incorporated on September 1, 2016 under the provisions of Companies Act, 2013. Permanent Account Number of ACPL is AAOCA7188E
- (b) The registered office of ACPL is situated at 29 & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560055, Karnataka and e-mail address is investors@brigadegroup.com
- (c) The objects of ACPL are set out in the Memorandum of Association. They are as under:-
- To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.*
- (d) ACPL has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- (e) There has been no change in the name, registered office and objects of ACPL during the last five years.
- (f) The equity shares of ACPL are not listed on any stock exchange in India or elsewhere.

- (g) Capital Structure - The authorized, issued, subscribed and paid up share capital of ACPL as on August 7, 2017 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	₹10,00,000 divided into 1,00,000 equity shares of ₹10/- each
Issued, Subscribed and Paid-up Capital	₹5,00,000 divided into 50,000 equity shares of ₹10/- each.

- (h) The details of the promoters and present directors of ACPL along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1	Brigade Enterprises Limited	29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055
Directors		
Sl. No.	Name	Address
1	Mr. M.R. Jaishankar	Shantiniketan”, 15/3-1, Palace Road, Bangalore – 560 052
2	Ms. Nirupa Shankar	Shantiniketan”, 15/3, Palace Road, Bangalore – 560 052

4. Relationship subsisting between the companies who are parties to the Scheme

BHVL, BHSL and ACPL are the wholly owned subsidiaries of BEL.

5. At the meeting held on December 15, 2016, based on the recommendations of the Audit Committee, the Board of Directors of BEL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of BHVL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of BHSL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

At the meeting held on December 15, 2016, the Board of Directors of ACPL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated November 22, 2016 and Fairness Opinion Report dated December 6, 2016, issued by B.K. Ramadhyani & Co., Chartered Accountants and Intensive Fiscal Services Private Limited, Merchant Banker respectively.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

Brigade Enterprises Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Githa Shankar	Yes	-	-
Mr. M. R. Gurusurthy	Yes	-	-
Mr. M. R. Shivram	Yes	-	-
Mr. P.V. Maiya	Yes	-	-
Dr. K. R. S. Murthy	Yes	-	-
Mr. Bijou Kurien	Yes	-	-
Ms. Lakshmi Venkatachalam	Yes	-	-
Mr. Aroon Raman	Not Present at the Meeting		

Brigade Hotel Ventures Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Nirupa Shankar	Yes	-	-
Mr. Vineet Verma	Yes	-	-
Brigade Hospitality Services Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Githa Shankar	Yes	-	-
Ms. Nirupa Shankar	Yes	-	-
Mr. Balaram Menon	Yes	-	-
Mr. Vineet Verma	Yes	-	-
Mr. M. S. Ravindra	Not Present at the Meeting		
Mr. Mohan Parvatikar	Not Present at the Meeting		
Augusta Club Private Limited			
Name of the Directors	Voted in Favour	Voted Against	Abstain from voting
Mr. M.R. Jaishankar	Yes	-	-
Ms. Nirupa Shankar	Yes	-	-

6. Description of the Scheme

The proposed Scheme provides for the transfer of three business undertakings of the BEL, namely, the hotels business undertaking, integrated clubs and convention centres business undertaking and Augusta Club business undertaking of the BEL, on a going concern basis to BHVL, BHSL and ACPL respectively with effect from the Appointed Date of October 1, 2016, pursuant to the provisions of Sections 230 to 232 and other applicable sections of the Companies Act, 2013 and rules thereunder.

7. Rationale of The Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others

- (i) The Board of Directors of BEL recognize that the following business undertakings have their own independent identity and have future growth potential:
 - a) Hotels;
 - b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”);
 - c) Augusta Club.
- (ii) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (iii) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (iv) With the experience BEL has gained over the years in real estate business and property development, BEL will be able to focus on the remaining business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (v) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by BEL to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

8. Key salient features of the scheme and details of the capital or debt restructuring proposed in the Scheme:

- a) “Appointed Date” for the Scheme means October 1, 2016 or such other date as the Tribunal may direct/ fix.

- b) "Effective Date" means the date on which the order/s sanctioning the Scheme passed by the Authority under Sections 230 to 233 of the Companies Act, 2013 are filed with the Registrar of Companies, Karnataka.
- c) The Scheme provides for the transfer pursuant to the provisions of Sections 230 to 233 of the Companies Act, 2013 and Rules thereunder.
- d) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the hotels business undertaking of BEL will be transferred on a going concern basis to BHVL, the integrated clubs and convention centres business undertaking will be transferred on a going concern basis to BHSL and the Augusta Club business undertaking of BEL will be transferred, on a going concern basis to ACPL, subject to confirmation of the Hon'ble National Company Law Tribunal, Bengaluru Bench, within whose jurisdictions the registered offices of BEL, BHVL, BHSL and ACPL are situated.
- e) The transfer of the business undertakings shall be accounted for in accordance with applicable Accounting Standards and generally accepted accounting principles, as may be amended from time to time.
- f) As consideration for the transfer of the hotel business undertaking to BEL, BHVL will discharge a total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) either-
- by issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each at par to BEL; or
 - By payment of cash or cash equivalent consideration within a defined period as may be agreed between the BEL and BHVL; or
 - By a combination of (a) and (b) above.
- g) As consideration for the transfer of the integrated clubs and convention centres business undertaking, BHSL will discharge a total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) either:
- by issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each at par to BEL; or
 - By payment of cash or cash equivalent consideration within a defined period as may be agreed between the BEL and BHSL; or
 - By a combination of (a) and (b) above.
- h) As consideration for the transfer of the Augusta Club business undertaking of BEL, ACPL will discharge a total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) either:
- By issue and allotment of Optionally Convertible Redeemable Preference Shares of ₹100/- (Rupees One Hundred) each at par to BEL; or
 - By payment of cash or cash equivalent consideration within a defined period as may be agreed between BEL and ACPL; or
 - By a combination of (a) and (b) above.
- i) The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

9. Summary of valuation reports including basis of valuation and fairness opinions

(a) Summary of valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the hotel business undertaking of BEL proposed to be transferred to BHVL

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the hotel business undertaking of BEL proposed to be transferred to BHVL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the hotels business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the hotels business undertaking is being transferred to BHVL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the hotels business undertaking.

(b) Summary of fairness opinion from Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the hotel business undertaking

A fairness opinion on the valuation report of the hotel business undertaking has been obtained from Intensive Fiscal Services Private Limited, Merchant Bankers. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the hotels segment of BEL is fair and reasonable and not prejudicial to the public shareholders.

(c) Summary of Valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the integrated clubs and convention centres business undertaking of BEL proposed to transferred to BHSL

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the clubs and convention centres business undertaking of BEL proposed to be transferred to BHSL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the integrated clubs and convention centres business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the integrated clubs and convention centres business undertaking is being transferred to BHSL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the integrated clubs and convention centres business undertaking.

(d) Summary of fairness opinion issued by Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the clubs and convention centres business undertaking

A fairness opinion on the valuation report of the integrated clubs and convention centres business undertaking has been obtained from Intensive Fiscal Services Private Limited. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the integrated clubs and convention centres business undertaking of BEL is fair and reasonable and not prejudicial to the public shareholders.

(e) Summary of Valuation Report obtained from B.K. Ramadhyani & Co. LLP in respect of the Augusta Club business undertaking of BEL proposed to transferred to ACPL

BEL engaged B.K. Ramadhyani & Co. LLP (BKR LLP) for calculating the value as on September 30, 2016 of the Augusta Club business undertaking of BEL proposed to be transferred to ACPL.

Accordingly, BKR LLP issued a valuation report dated November 22, 2016.

The calculated value of the Augusta Club business undertaking has been determined using the net asset value method. The calculated value represents the value of the undertaking as on September 20, 2016.

In the opinion of BKR LLP, since the Augusta Club business undertaking is being transferred to ACPL which is the wholly owned subsidiary of BEL, the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Augusta Club business undertaking.

(f) Summary of fairness opinion issued by Intensive Fiscal Services Private Limited, Merchant Banker on the valuation report issued by BKR LLP in respect of the proposed transfer of the Augusta Club business undertaking

A fairness opinion on the valuation report of the Augusta Club business undertaking has been obtained from Intensive Fiscal Services Private Limited. The merchant banker is of the opinion that the valuation report issued by BKR LLP on the calculated value of the Augusta Club business undertaking of BEL is

fair and reasonable and not prejudicial to the public shareholders.

10. The scheme does not involve any capital or debt restructuring. The liability of the creditors of BEL, is neither being reduced nor being extinguished.
11. Amounts due to unsecured creditors as on March 31, 2017

Name of the Company	Amount due to Unsecured Creditors (Amount in Rupees)
BEL	384,20,92,961
BHVL	48,42,628
BHSL	3,51,92,731.89
ACPL	25,000

12. Effect of the Scheme on various parties

- a) Under the Scheme, no arrangement is sought to be entered into between BEL and its equity shareholders (promoter shareholders and non-promoter shareholders). The transfer of the business undertakings are being made to the wholly owned subsidiaries of BEL and as such, the interests of the members of BEL are not being affected in any manner.
- The rights and interest of the promoters and non-promoter shareholders of companies involved in the Scheme will not be prejudicially affected by the Scheme. The scheme contemplates issuance of optionally convertible redeemable preference shares by BHVL, BHSL and ACPL to BEL in discharge of the consideration payable for the transfer of the business undertakings. Since the issuance of the preference shares is to the holding company BEL, there is no change in the shareholding pattern of the subsidiary companies, namely, BHVL, BHSL and ACPL pursuant to the scheme coming into effect.
- b) The rights and interest of the secured and unsecured creditors of companies involved in the Scheme will not be prejudicially affected by the Scheme, upon the Scheme coming into effect, the respective subsidiaries shall meet the liabilities of the respective business undertaking of BEL as they arise in the ordinary course of business. Further the rights and interests of the creditors will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
- c) As on date, there are no debenture holders in BEL, hence the question of effect of the Scheme on debenture trustees or on debenture holders does not arise. As on date, BEL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.
- d) The rights and interests of the employees of the transferred undertakings will not be prejudicially affected by the Scheme, as all the staff and employees of transferred undertakings, who are in service of BEL as on the Effective Date shall, on and from the Effective Date be deemed to have become staff and employees of BHVL, BHSL or ACPL, as the case may be, without any break or interruption in service and on the basis of continuity of service, and the terms and conditions of their employment with BHVL, BHSL or ACPL, as the case may be, shall not be less favourable than those applicable to them with reference to BEL. Services of such employees of BEL shall be taken into account from the date of their appointment with BEL for the purposes of all retirement benefits and all other entitlements for which they may be eligible.
13. The Directors or KMPs or their relatives of the respective Applicant Companies do not have any other interest in the Scheme otherwise than that as shareholders in any of companies involved in the scheme. Further, none of the managers, key managerial personnel and/or relatives of the directors / KMPs of respective Companies is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the directors of respective companies have any material interest in the scheme.
14. The copy of draft scheme has been filed with the Registrar of Companies, Karnataka.
15. No investigation or proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against BEL, BHVL, BHSL and ACPL.
16. To the knowledge of the companies, no winding up petition has been initiated against BEL, BHVL, BHSL and ACPL under the provisions of Companies Act, 1956 or the relevant provisions of Companies Act, 2013.

17. The Pre-Arrangement shareholding pattern of the companies and the post-arrangement (expected) shareholding pattern of BEL, BHVL, BHSL and ACPL are as under:

(a) **Pre and post arrangement shareholding pattern of BEL**

Sl. No.	Category	Pre-Scheme shareholding of BEL		Post -Scheme shareholding (expected) of BEL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1	Promoter & Promoter Group	6,36,09,256	46.88	6,36,09,256	46.88
2	Public	7,20,81,305	53.12	7,20,81,305	53.12
	Total	13,56,90,561	100.00	13,56,90,561	100.00

(b) **Pre and post Arrangement shareholding pattern of BHVL**

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of BHVL		Post -Scheme shareholding of BHVL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	9,99,700	99.97%	9,99,700	99.97%
2.	Mr. M.R. Jaishankar*	50	0.005%	50	0.005%
3.	Ms. Nirupa Shankar*	50	0.005%	50	0.005%
4.	Mr. Vineet Verma*	50	0.005%	50	0.005%
5.	Mr. Pradyumna Krishnakumar*	50	0.005%	50	0.005%
6.	Mr. Suresh Yadwad*	50	0.005%	50	0.005%
7.	Mr. Vishal Mirchandani*	50	0.005%	50	0.005%
	Total	10,00,000	100%	10,00,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the hotel business undertaking, BHVL may discharge the total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of ₹ 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHVL.

Hence, post arrangement, BEL may hold 280,43,000 OCRPS in BHVL.

(c) **Pre and post Arrangement shareholding pattern of BHSL:**

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of BHSL		Post-Scheme shareholding of BHSL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	99,89,600	99.90%	99,89,600	99.90%
2.	Mr. M.R. Jaishankar*	5000	0.05%	5000	0.05%
3.	Mrs. Githa Shankar	5000	0.05%	5000	0.05%
4.	Brigade Enterprises Limited jointly with Mr. M.R. Jaishankar	100	0.0%	100	0.0%
5.	Brigade Enterprises Limited jointly with Mrs. Githa Shankar	100	0.0%	100	0.0%
6.	Brigade Enterprises Limited jointly with Ms.Nirupa Shankar	100	0.0%	100	0.0%
7.	Brigade Enterprises Limited jointly with Mr. Vineet Verma	100	0.0%	100	0.0%
	Total	1,00,00,000	100%	1,00,00,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the integrated convention centres and clubs business undertaking, BHSL may discharge the total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of ₹ 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHSL.

Thus, post arrangement, BEL may hold 29,59,000 OCRPS in the BHSL.

(d) Pre and post arrangement shareholding pattern of ACPL:

Equity share capital

Sl. No.	Description	Pre-Scheme shareholding of ACPL		Post-Scheme shareholding of ACPL	
		No. of fully paid up equity shares held	% total no. of shares held	No. of fully paid up equity shares held	% total no. of shares held
1.	BEL	49,999	99.99%	49,999	99.99%
2.	Om Prakash P.*	1	0.01%	1	0.01%
	Total	50,000	100%	50,000	100%

*Beneficial interest is with BEL.

As consideration for the transfer of the integrated convention centres and clubs business undertaking, BHSL may discharge the total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) by issue and allotment of optionally convertible redeemable preference shares (OCRPS) of ₹ 100/- (Rupees One Hundred) each at par to BEL, upon coming into effect of this Scheme and upon vesting and transfer of the undertaking in BHSL.

Thus, post arrangement, BEL may hold 3,25,000 OCRPS in the ACPL.

18. The pre and post Scheme capital structure of the companies are as under:

(a) Pre and post Scheme capital structure of BEL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	15,00,00,000	150,00,00,000	15,00,00,000	150,00,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	13,56,90,561	135,69,05,610	13,56,90,561	135,69,05,610

(b) Pre and post Scheme capital structure of BHVL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			2,80,43,000	280,43,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			2,80,43,000	280,43,00,000

(c) Pre and post Scheme capital structure of BHSL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	1,50,00,000	15,00,00,000	1,00,00,000	10,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			29,59,000	29,59,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	1,50,00,000	15,00,00,000	1,00,00,000	10,00,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			29,59,000	29,59,00,000

(d) Pre and post Scheme capital structure of ACPL:

Particulars	Pre-scheme capital structure		Post-scheme capital structure (expected)	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Authorised capital				
Equity shares of ₹ 10 each	1,00,000	10,00,000	50,000	5,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			3,25,000	3,25,00,000
Issued, subscribed and paid up capital				
Equity shares of ₹10/- each	1,00,000	10,00,000	50,000	5,00,000
Optionally convertible redeemable preference shares of ₹ 100 each			3,25,000	3,25,00,000

19. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or amalgamation.

BEL has obtained no objection from BSE and NSE so as to enable BEL to file the draft scheme with the National Company Law Tribunal. The copies of the said no-objection letters have been appended to the notice.

20. On the Scheme being approved by requisite majority of the shareholders and creditors of the respective Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, all the Companies will file a petition with the Bengaluru Bench of National Company Law Tribunal for sanction of the Scheme.

21. The following documents will be open for inspection by the unsecured creditors of BEL up to 1 (one) day prior to the date of the meeting at its registered office between 11:00 a.m. to 4:00 p.m. on all working days, except Saturdays, Sundays and public holidays:

- Copy of the order dated August 7, 2017 (as may be amended) of the Tribunal at Bengaluru passed in Company Scheme Application No.CA(CAA)49/BB/2017 directing the convening of the meeting of the equity shareholders of BEL;
- Latest audited financial statements of BEL, BHVL, BHSL and ACPL for the year 2016-17 including consolidated financial statements;
- Certificate issued by S.R. Batliboi & Associates LLP to the effect that the accounting treatment proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
- Copy of the fairness opinions issued by Intensive Fiscal Services Private Limited, Merchant Banker to the valuation report of the chartered accountants;
- Copy of the applications filed by BEL, BHVL, BHSL and ACPL along with annexures before the National Company Law Tribunal, Bengaluru Bench;

- (f) Copy of the scheme of arrangement;
- (g) Copy of the valuation reports issued by B.K. Ramadhyani & Co. LLP.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013. A copy of the scheme, explanatory statement and proxy form may be obtained from the registered office of BEL.

Mr. M.R. Jaishankar
Chairperson appointed for the meeting

Place: Bengaluru
Date: August 8, 2017

Registered Office:

Brigade Enterprises Limited
29th and 30th Floor, World Trade Center,
26/1, Brigade Gateway Campus,
Dr. Rajkumar Road,
Malleswaram-Rajajinagar
Bangalore-560055,
Karnataka

CIN - L85110KA1995PLC019126

**SCHEME OF ARRANGEMENT
BETWEEN
BRIGADE ENTERPRISES LIMITED
("the Transferor Company")
AND
BRIGADE HOTEL VENTURES LIMITED
("the Transferee Company 1")
AND
BRIGADE HOSPITALITY SERVICES LIMITED
("the Transferee Company 2")
AND
AUGUSTA CLUB PRIVATE LIMITED
("the Transferee Company 3")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
Under section 230 to 233 of the Companies Act, 2013**

This Scheme of Arrangement is presented pursuant to Sections 230 to 233 and other applicable provisions of the Companies Act, 2013 for transfer of the hotels, clubs and convention centres business undertakings of Brigade Enterprises Limited into Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited.

THE SCHEME

The Scheme is divided into the following parts:

- i) **PART I – Dealing with the introduction and objective of the Scheme.**
- ii) **PART II – Dealing with definitions and share capitals.**
- iii) **PART III – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited.**
- iv) **PART IV – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited.**
- v) **PART V – Scheme of Arrangement of Brigade Enterprises Limited and Augusta Club Private Limited.**
- vi) **PART VI- Dealing with the Remaining Business of the Transferor Company**
- vii) **PART VII - Dealing with general terms and conditions.**

PART I

Dealing with the Introduction and Objective of the Scheme

Introduction

Transferee Company

- (i) BRIGADE HOTEL VENTURES LIMITED
- (ii) BRIGADE HOTEL VENTURES LIMITED (**"Transferee Company 1"**) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986). The Transferee Company 1 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOTEL VENTURES LIMITED is engaged, inter-alia, in the business of:

To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience 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 and natural cure centres

- (iii) BRIGADE HOSPITALITY SERVICES LIMITED
- (iv) BRIGADE HOSPITALITY SERVICES LIMITED (**"Transferee Company 2"**) is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060). The Transferee Company 2 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOSPITALITY SERVICES LIMITED is engaged, *inter-alia, in the business of:*

To establish and carry on 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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.

- (v) AUGUSTA CLUB PRIVATE LIMITED
- (vi) AUGUSTA CLUB PRIVATE LIMITED (**"Transferee Company 3"**) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214). The Transferee Company 3 is the wholly owned subsidiary of the Transferor Company.

AUGUSTA CLUB PRIVATE LIMITED is engaged, *inter-alia, in the business of:*

To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres.

Transferor Company

Brigade Enterprises Limited

Brigade Enterprises Limited (“Transferor Company”) is a company incorporated under the companies act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleshwaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126). The shares of Brigade Enterprises Limited is listed on the BSE Limited and on the National Stock Exchange of India Limited.

Brigade Enterprises Limited is engaged, *inter-alia, in:*

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) 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.
- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

OBJECTIVES OF THE SCHEME

The circumstances that have necessitated or justified the proposed Scheme and its main benefits are, inter alia, summarised as under:

- i. The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
 - a) Hotels (“Hotels”);
 - b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”);
 - c) Augusta Club.

Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.

- ii. This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- iii. With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- iv. Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

PART – II

Dealing with Definitions and Share Capitals

1. DEFINITIONS

- 1.1. **“Act”** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2. **“Appointed Date”** means October 1, 2016 or such other date as may be approved by the Authority.
- 1.3. **“Authority”** shall mean the National Company Law Tribunal or such other authority having jurisdiction under the Act to sanction the Scheme;
- 1.4. **“Companies”** collectively means the Transferor Company, the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.5. **“Effective Date”** means the date on which the order/s sanctioning the Scheme passed by the Authority under Sections 230 to 233 of the Act, are filed with the Registrar of Companies, Karnataka.
- 1.6. **“Record date”** means the date to be fixed by the Board of Directors of the respective Transferee Companies for purpose of issue of Transferee Company 1 OCRPS, Transferee Company 2 OCRPS, Transferee Company 3 OCRPS of the Transferee Company 1, Transferee Company 2, Transferee Company 3 as per this Scheme.
- 1.7. **“Remaining Undertaking” or “Remaining Business”** means all the assets, liabilities, activities of the Transferor Company other than the assets and liabilities of the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 as mentioned above in Clauses 1.5, 1.6 and 1.7.
- 1.8. **“Transferor Company”** means Brigade Enterprises Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka.
- 1.9. **“Transferred Undertaking 1”** means the Hotels Business Undertaking of the Transferor Company which are operational or under construction as on the Appointed Date and which is being transferred to the Transferee Company 1, as laid out in Part A of Schedule I of the Scheme.
- 1.10. **“Transferred Undertaking 2”** means the Integrated Clubs and Convention Centres Business Undertaking of the Transferor Company which is being transferred to the Transferee Company 2 as laid out in Part B of Schedule I of the Scheme other than the club being transferred to Transferred Undertaking 3.
- 1.11. **“Transferred Undertaking 3”** means ‘Augusta Club’ Business Undertaking of the Transferor Company which is being transferred to the Transferee Company 3 as laid out in Part C of Schedule I of the Scheme.

- 1.12. **“Transferred Undertakings”** collectively means the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 and shall include (without limitation):
- (a) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all plant and machinery, land and buildings, offices, roads and culverts, tube well installations, plant and machinery, generators, equipments, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories, investments, including stocks, receivables, goodwill, industrial/commercial/food and other licenses and rights, software products, design, developments, tools, operating systems, trademarks and other intellectual property rights, leases and tenancy rights, other interests, rights or powers of every kind, nature and description whatsoever pertaining to or relatable to the respective Transferred Undertakings;
 - (b) All liabilities present and future and the specific contingent liabilities pertaining to or relatable to the respective Transferred Undertakings;
 - (c) All rights and licenses, all assignments and grants thereof, all permits, approvals, registrations, notifications, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of Central /State Governments, quality certifications and approvals (both Indian and foreign), product registrations (both Indian and foreign), trade registrations, regulatory approvals, entitlements, industrial and other licenses, the registrations /benefits under various schemes and such other schemes, registrations/approvals/licenses from associations, societies, Central Government, any State Government, any local authority, tourism development organisation, Customs, Central Excise, Income Tax, Service Tax, Sales Tax, Value Added Tax, Reserve Bank of India, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the project and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the respective Transferred Undertakings, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by the Transferor Company in relation to the respective Transferred Undertakings, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company in relation to the respective Transferred Undertakings or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Transferor Company was party), powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests, in connection with or relating to the respective Transferred Undertakings;
 - (d) All employees of the Transferor Company substantially engaged in the Transferred Undertakings and those employees that are determined by the Board of Directors of the Transferor Company to be substantially engaged in or in relation to the business of the respective Transferred Undertakings;
 - (e) All deposits and balances with Government, semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Transferor Company, directly or indirectly in connection with or in relation to the business of the Transferred Undertakings;
 - (f) All books, records, files, papers, product specifications and process information records, standard operating procedures, computer programmes along with their licenses, manuals and back-up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the business of the Transferred Undertakings;
 - (g) All trademarks, trade names, patents and domain names, copyrights, industrial designs, building plan approvals, NOCs, sanctions and licenses, trade secrets, product registrations and other

intellectual property and all other interests exclusively relating to the goods or services being dealt with by the business of the Transferred Undertakings but shall not include any assets or liabilities relating to the remaining business of the Transferor Company.

Provided however that any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Transferred Undertakings or whether it arises out of the activities or operations of the Transferred Undertakings shall be decided by the Transferor Company, whose decision will be final and binding on the Transferee Companies.

- 1.13. **“Transferee Company 1”** means Brigade Hotel Ventures Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 [was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986).
- 1.14. **“Transferee Company 1 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 1 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 1 as on the record date.
- 1.15. **“Transferee Company 2”** means Brigade Hospitality Services Limited is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060).
- 1.16. **“Transferee Company 2 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 2 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 2 as on the record date.
- 1.17. **“Transferee Company 3”** means Augusta Club Private Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214).
- 1.18. **“Transferee Company 3 OCRPS”** means Optionally Convertible Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 3 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 3 as on the record date.
- 1.19. **“Transferee Companies”** collectively mean the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.20. **“Scheme”** means the scheme of arrangement as set out herein in its present form, or with any modification(s) approved or imposed or directed by the Authority.

2. OPERATIVE DATE

The Scheme set out herein in its present form with any modification(s) approved or imposed or directed by the Authority shall be operative from the Effective Date but shall be deemed to be effective from the Appointed Date.

3. BACKGROUND

- 3.1. The share capital of Brigade Hotel Ventures Limited (Transferee Company 1) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital divided into 10,00,000 equity shares of ₹ 10/- each	1,00,00,000
Issued, subscribed and paid up equity share capital of 10,00,000 equity shares of ₹ 10/- each.	1,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 1.

- 3.2. The share capital of Brigade Hospitality Services Limited (Transferee Company 2) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,50,00,000 equity shares of ₹10/- each	15,00,00,000
Issued, subscribed and paid up equity share capital of 1,00,00,000 equity shares of ₹ 10/- each.	10,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 2.

- 3.3. The share capital of Augusta Club Private Limited (Transferee Company 3) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,00,000 equity shares of ₹ 10/- each	10,00,000
Issued, subscribed and paid up equity share capital of 50,000 equity shares of ₹10/- each.	5,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 3.

- 3.4. The share capital of the Brigade Enterprises Limited (Transferor Company) as of September 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each	₹150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of ₹10/- each, fully paid up	₹ 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 418325 ESOP shares on 14th November, 2016. The details of share capital as on November 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10/- each	₹150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of ₹10/- each, fully paid up	₹ 113,63,59,900

The issued, subscribed and paid-up share capital of the Transferor Company as on 7th August, 2017 is as follows:

Particulars	Amount in Rupees
Authorised share capital of ₹ 150,00,00,000 divided into 15,00,00,000 equity shares of ₹ 10/- each	₹ 150,00,00,000
Issued, subscribed and paid up share capital of 13,56,90,561 equity shares of ₹ 10/- each, fully paid up	₹ 135,69,05,610

PART – III

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited:

4. The transfer of the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) into Brigade Hotel Ventures Limited (Transferee Company 1) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 4.1 All the properties of the Transferred Undertaking 1 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
 - 4.2 All the liabilities relating to the Transferred Undertaking 1 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;

- 4.3 The properties and the liabilities, if any, relating to the Transferred Undertaking 1 being transferred by the Transferor Company are transferred to Transferee Company 1 at values appearing in the books of the Transferor Company on the Appointed Date;
- 4.4 The Transferee Company 1 shall issue, in consideration of the transfer, either Transferee Company 1 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 4.5 The transfer of the Transferred Undertaking 1 to the Transferee Company 1 will be on a going concern basis.

5. TRANSFER OF ASSETS

- 5.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 1 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 1 on a going concern basis, so as to become the properties of Transferee Company 1.
- 5.2 All assets and properties of the Transferred Undertaking 1 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 1.
- 5.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 1 which the Transferor Company owns, cannot be transferred to the Transferee Company 1 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 1. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 1 to transfer all assets and liabilities in relation to the Transferred Undertaking 1 as a "going concern" and that the provision of this clause 5.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme .

6. TRANSFER OF LIABILITIES

- 6.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 1 shall be deemed to be transferred to and vested in the Transferee Company 1 so as to become the liabilities of the Transferee Company 1.

7. TRANSFER OF THE TRANSFERRED UNDERTAKING 1 ON A GOING CONCERN BASIS

- 7.1 With effect from the Appointed Date, the Transferred Undertaking 1 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 1.
- 7.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 1, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 1.

8. APPOINTED DATE

- 8.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 4, 5 and 6 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 1 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 1 on behalf of itself.

Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 1 until such time as the Scheme takes effect.

- 8.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 1, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 1 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

9. TRANSFER OF EMPLOYEES

- 9.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 1 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 1, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 1 from the Transferor Company into the Transferee Company 1.
- 9.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 1 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 1.

10. LEGAL PROCEEDINGS

- 10.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 1 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clause 4, 5 and 6 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 1 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 1 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 1.

11. CONTRACTS, DEEDS, ETC.

- 11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 1 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 1, as the case may be, and may be enforced by or against Transferee Company 1 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 1 had been a party thereto. The Transferee Company 1 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 1 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 1 of Transferor Company to give effect to the provisions of this Scheme.

12. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

- 12.1 With effect from the Appointed Date and up to the Effective Date.
- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 1 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 1 for and on account of and in trust for the Transferee Company 1.
 - (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 1 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 1; and

- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

12.2 The Transferee Company 1 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 1 may require to carry on the business of the Transferred Undertaking 1.

13. CONSIDERATION

13.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 1 of the Transferor Company into the Transferee Company 1 and as consideration for the Transfer of the Transferred Undertaking 1, the Transferee Company 1 will discharge a total all-inclusive lump-sum consideration of ₹280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) either-

- a) by issue and allotment of Transferee Company 1 OCRPS of ₹ 100/- (Rupees One Hundred) each at part to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 1; or
- c) By a combination of (a) and (b) above.

13.2 The issue and allotment of Transferee Company 1 OCRPS in the Transferee Company 1 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

14. ACCOUNTING TREATMENT

14.1 In the books of the Transferor Company:

Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 1, as laid out in Part A of Schedule I shall stand closed on transfer to the Transferee Company 1, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 1 which will be transferred in entirety to the Transferee Company 1 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 1 transferred to the Transferee Company 1.

- a) The assets and the liabilities of the Transferred Undertaking 1 being transferred to the Transferee Company 1 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- b) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

14.2 In the books of the Transferee Company 1:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 1 will be recorded in the books of the Transferee Company 1 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated here in above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 1.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 1 would be duly reflected in the financial statements of the Transferee Company 1 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 1.

15. TAX

15.1 Upon the Scheme becoming effective, the Transferee Company 1 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax

returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.

- 15.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroi duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 1 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 1 after the Appointed Date, the same shall be deemed to be paid by the Transferee Company 1, and shall, in all proceedings, be dealt with accordingly.
- 15.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 1 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 1 which alone shall be entitled to claim credit for such tax deducted or paid.
- 15.4 Upon the Scheme becoming effective, Transferee Company 1 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 1.

PART – IV

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited:

16. The transfer of the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) into Brigade Hospitality Services Limited (Transferee Company 2) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
 - 16.1 All the properties of the Transferred Undertaking 2 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
 - 16.2 All the liabilities relatable to the Transferred Undertaking 2 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
 - 16.3 The properties and the liabilities, if any, relatable to the Transferred Undertaking 2 being transferred by the Transferor Company are transferred to Transferee Company 2 at values appearing in the books of the Transferor Company on the Appointed Date;
 - 16.4 The Transferee Company 2 shall issue, in consideration of the transfer, either Transferee Company 2 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
 - 16.5 The transfer of the Transferred Undertaking 2 to the Transferee Company 2 will be on a going concern basis.

17. TRANSFER OF ASSETS

- 17.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 2 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 2 on a going concern basis, so as to become the properties of Transferee Company.
- 17.2 All assets and properties of the Transferred Undertaking 2 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery,

shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 2.

- 17.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 2 which the Transferor Company owns, cannot be transferred to the Transferee Company 2 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 2. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 2 to transfer all assets and liabilities in relation to the Transferred Undertaking 2 as a “going concern” and that the provision of this clause 17.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme.

18. TRANSFER OF LIABILITIES

- 18.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 2 shall deemed to be transferred to and vested in the Transferee Company 2 so as to become the liabilities of the Transferee Company 2.

19. TRANSFER OF THE TRANSFERRED UNDERTAKING 2 ON A GOING CONCERN BASIS

- 19.1 With effect from the Appointed Date, the Transferred Undertaking 2 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 2.
- 19.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 2, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 2.

20. APPOINTED DATE

- 20.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 16, 17 and 18 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 2 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 2 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 2 until such time as the Scheme takes effect.
- 20.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 2, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 2 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

21. TRANSFER OF EMPLOYEES

- 21.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 2 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 2, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 2 from the Transferor Company into the Transferee Company 2.
- 21.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 2 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 2.

22. LEGAL PROCEEDINGS

22.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 2 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clauses 16, 17 and 18 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 2 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 2 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 2.

23. CONTRACTS, DEEDS, ETC.

23.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 2 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 2, as the case may be, and may be enforced by or against Transferee Company 2 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 2 had been a party thereto. The Transferee Company 2 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 2 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 2 of Transferor Company to give effect to the provisions of this Scheme.

24. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

24.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 2 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 2 for and on account of and in trust for the Transferee Company 2.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 2 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 2; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

24.2 The Transferee Company 2 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 2 may require to carry on the business of the Transferred Undertaking 2.

25. CONSIDERATION

25.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 2 of the Transferor Company into the Transferee Company 2 and as consideration for the transfer of the Transferred Undertaking 2, the Transferee Company 2 will discharge a total all-inclusive lump-sum consideration of ₹29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) either:

- a) by issue and allotment of Transferee Company 2 OCRPS of ₹ 100/- (Rupees One Hundred) each at part to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 2; or
- c) By a combination of (a) and (b) above.

25.2 The issue and allotment of Transferee Company 2 OCRPS in the Transferee Company 2 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956

to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

26. ACCOUNTING TREATMENT

26.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 2, as laid out in Part B of Schedule I shall stand closed on transfer to the Transferee Company 2, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 2 which will be transferred in entirety to the Transferee Company 2 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 2 transferred to the Transferee Company 2.
- b) The assets and the liabilities of the Transferred Undertaking 2 being transferred to the Transferee Company 2 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

26.2 In the books of the Transferee Company 2:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 2 will be recorded in the books of the Transferee Company 2 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 2.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 2 would be duly reflected in the financial statements of the Transferee Company 2 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 2.

27. TAX

- 27.1 Upon the Scheme becoming effective, the Transferee Company 2 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 27.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroi duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 2 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 2, and shall, in all proceedings, be dealt with accordingly.
- 27.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 2 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 2 which alone shall be entitled to claim credit for such tax deducted or paid.
- 27.4 Upon the Scheme becoming effective, Transferee Company 2 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 2.

PART – V

Scheme of arrangement of Brigade Enterprises Limited and Augusta Club Private Limited:

28. The transfer of the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) into August Club Private Limited (Transferee Company 3) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 28.1 All the properties of the Transferred Undertaking 3 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
- 28.2 All the liabilities relating to the Transferred Undertaking 3 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
- 28.3 The properties and the liabilities, if any, relating to the Transferred Undertaking 3 being transferred by the Transferor Company are transferred to Transferee Company 3 at values appearing in the books of the Transferor Company on the Appointed Date;
- 28.4 The Transferee Company 3 shall issue, in consideration of the transfer, either Transferee Company 3 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 28.5 The transfer of the Transferred Undertaking 3 to the Transferee Company 3 will be on a going concern basis.

29. TRANSFER OF ASSETS

- 29.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 3 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 3 on a going concern basis, so as to become the properties of Transferee Company.
- 29.2 All assets and properties of the Transferred Undertaking 3 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 3.
- 29.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 3 which the Transferor Company owns, cannot be transferred to the Transferee Company 3 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 3. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 3 to transfer all assets and liabilities in relation to the Transferred Undertaking 3 as a “going concern” and that the provision of this clause 29.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme .

30. TRANSFER OF LIABILITIES

- 30.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 3 shall be deemed to be transferred to and vested in the Transferee Company 3 so as to become the liabilities of the Transferee Company 3.

31. TRANSFER OF THE TRANSFERRED UNDERTAKING 3 ON A GOING CONCERN BASIS

- 31.1 With effect from the Appointed Date, the Transferred Undertaking 3 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 3.

31.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 3, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 3.

32. APPOINTED DATE

32.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 28, 29 and 30 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 3 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 3 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 3 until such time as the Scheme takes effect.

32.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 3, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of Transferee Company 3 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

33. TRANSFER OF EMPLOYEES

33.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 3 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 3, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 3 from the Transferor Company into the Transferee Company 3.

33.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 3 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 3.

34. LEGAL PROCEEDINGS

34.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 3 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clauses 28, 29 and 30 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 3 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 3 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 3.

35. CONTRACTS, DEEDS, ETC.

35.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 3 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 3, as the case may be, and may be enforced by or against Transferee Company 3 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 3 had been a party thereto. The Transferee Company 3 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 3 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferred Undertaking 3 of Transferor Company to give effect to the provisions of this Scheme.

36. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

36.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 3 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 3 for and on account of and in trust for the Transferee Company 3.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 3 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 3; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

36.2 The Transferee Company 3 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 3 may require to carry on the business of the Transferred Undertaking 3.

37. CONSIDERATION

37.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 3 of the Transferor Company into the Transferee Company 3, and as consideration for the transfer of the Transferred Undertaking 3, the Transferee Company 3 will discharge a total all-inclusive lump-sum consideration of ₹3,25,00,000 (Rupees Three Crore Twenty Five lakhs) either:

- a) By issue and allotment of Transferee Company 3 OCRPS of ₹100/- (Rupees One Hundred) each at part to the Transferor Company ; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 3; or
- c) By a combination of (a) and (b) above.

37.2 The issue and allotment of Transferee Company 3 OCRPS in the Transferee Company 3 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

38. ACCOUNTING TREATMENT

38.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 3, as laid out in Part C of Schedule I shall stand closed on transfer to the Transferee Company 3, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 3 which will be transferred in entirety to the Transferee Company 3 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 3 transferred to the Transferee Company 3.
- b) The assets and the liabilities of the Transferred Undertaking 3 being transferred to the Transferee Company 3 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

38.2 In the books of the Transferee Company 3:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 3 will be recorded in the books of the Transferee Company 3 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated herein above and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 3
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 3 would be duly reflected in the financial statements of the Transferee Company 3 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 3.

39. TAX

- 39.1 Upon the Scheme becoming effective, the Transferee Company 3 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.
- 39.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroi duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 3 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 3 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 3, and shall, in all proceedings, be dealt with accordingly.
- 39.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 3 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 3 which alone shall be entitled to claim credit for such tax deducted or paid
- 39.4 Upon the Scheme becoming effective, Transferee Company 3 is expressly permitted to claim refunds/ credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 3 .

PART VI

Dealing with the Remaining Business of Transferor Company

40. All the assets, liabilities and obligations pertaining to the Remaining Business shall continue to belong to and be managed by the Transferor Company.
41. The Remaining business shall continue to belong to and be vested in and be continued to be owned and managed by the Transferor Company. All legal, taxation or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Companies shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company in relation to the Remaining Business.
42. Notwithstanding the transfer of the Transferred Undertakings to the Transferee Companies operative from the Appointed Date:
 - (i) The Transferor Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and

- (ii) All profits and cash accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profits/cash or losses, as the case may be, of the Transferor Company.
43. All the assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after Appointed Date shall belong to and continue to remain vested in the Transferor Company.

PART- VII

Dealing with General Terms and Conditions

44. CONDITIONALITY OF THE SCHEME

44.1 This Scheme is and shall be conditional upon and subject to:

- (i) The approval by the requisite majorities of the members of Transferor Company and Transferee Companies. The approval of the members of the Transferor Company will also be obtained by postal ballot and e-voting
- (ii) The certified copies of the Order of the Authority under Sections 230 to 233 of the Act sanctioning the Scheme being filed with the Registrar of Companies of Karnataka.

45. APPLICATION TO AUTHORITY

45.1 The Transferor Company and the Transferee Companies shall, with all reasonable dispatch, make application to the Authority where the registered offices of the companies are situated, for sanctioning the Scheme of Arrangement under Sections 230 to 233 of the Act or such other applicable provisions under the Act.

46. MODIFICATION OR AMENDMENTS TO THE SCHEME

46.1 The Transferor Company and the Transferee Companies, by their respective Boards of Directors, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors). The Transferor Company and the Transferee Companies, by their respective Boards of Directors, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

47. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferor Company.

48. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the Authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

SCHEDULE I**PART A**

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hotel Ventures Limited (Transferee Company 1) as on 30/9/2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS		₹ In Lakhs	₹ In Lakhs
(1) Non - current assets			
(a) Land		2,326	
Building		19,835	
Plant & machinery		3,514	
Furniture & Fixtures		2,049	
Computers, software & vehicles		121	
Capital work in progress		7,323	
		35,168	
(b) Non - current investments		9,210	
(c) Long term loans and advances		1,673	
(d) Other Non- current assets		-	
			46,051
(2) Current Assets			
(a) Inventories		741	
(b) Trade receivables		788	
(c) Cash and bank balances		933	
(d) Short term loans and advances		1,453	
(e) Other current assets		618	
			4,533
TOTAL			50,583
SCHEDULE OF LIABILITIES		₹ In Lakhs	₹ In Lakhs
(1) Non - Current liabilities			
(a) Long term borrowings		17,913	
(b) Other long term liabilities		855	
			18,768
(2) Current Liabilities			
(a) Other current liabilities		3,773	
			3,773
TOTAL			22,541

Note: The assets and liabilities listed above pertaining to the hotels business undertaking, specifically includes the assets and liabilities pertaining to the following as on October 1, 2016:

1. Grand Mercure – Bangalore.
2. Sheraton Grand – Bangalore
3. Grand Mercure – Mysuru
4. Holiday Inn Express Race Course Road – Bangalore
5. Four Points by Sheraton – Kochi.
6. IBIS Styles – Mysuru
7. Vaikom Project.
8. Holiday Inn Chennai OMR IT Expressway – Investment.

PART B

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hospitality Services Limited (Transferee Company 2) as on October 1, 2016, specifically, but not limited to, the following :

SCHEDULE OF ASSETS		₹ In Lakhs	₹ In Lakhs
(1) Non - Current assets			
(a)	Land	581	
	Building	2,376	
	Plant & machinery	0.4	
	Furniture & Fixtures	2	
TOTAL			2,959

Note: Above assets pertains to the following Clubs & Convention centers in BEL books as on October 1, 2016.

1. The Woodrose Club - Bangalore.
2. MLR Convention Center JP Nagar – Bangalore.
3. MLR Convention Center Whitefield – Bangalore.
4. Galaxy Club – Bangalore.

PART C

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) would be transferred to Augusta Club Private Limited (Transferee Company 3) as on October 1, 2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS		₹ In Lakhs	₹ In Lakhs
(1) Non - Current assets			
(a)	Land	15	
	Building	310	
TOTAL			325

Note: Above assets pertains to Augusta Club in BEL books as on 30.09.2016.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/092

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Hotels business undertaking of the company Brigade Enterprises Limited (BEL) (hereinafter called as "Hotels") as at September 30, 2016 for the proposed transfer of the business segment to its wholly owned subsidiary, Brigade Hotels Ventures Limited, (hereinafter called as "BHVL" or "the Subsidiary")

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Hotels as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.

Based on the calculation so made, the calculated value of the Hotels as at September 30, 2016 works out to approx. INR 28,043 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of BEL as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully,
For B.K. RAMADHYANI & CO. LLP,
Chartered Accountants


R Satyanarayana Murthi
Partner

Encl: Calculation report

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, 8th Main, Chitrapur Bhavan,
8th Main, 15th Cross, Mallewaram,
BANGALORE - 560 055.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

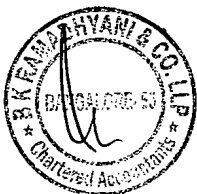
4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Mallewaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Hotels segment of Brigade Enterprises Limited for the proposed transfer to Brigade Hotels Venture Limited as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	3 – 4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 – 5
7.	PRESENT CAPITAL STRUCTURE OF BEL AND BHVL (NEW SPV)	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	5 – 6
9.	CALCULATED VALUE OF HOTELS BUSINESS	6
10.	DISCLAIMERS AND REPRESENTATION	6 – 7
11.	STATEMENT OF LIMITING CONDITIONS	7 – 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Hotels business segment of Brigade Enterprises Limited for the proposed transfer to Brigade Hotels Venture Limited ("BHVL" or "the Subsidiary") as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Hotels Business Undertaking of Brigade Enterprises Limited (BEL) (herein after called as "Hotels undertaking") as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Hotels Business Undertaking for the proposed transfer to BHVL being a wholly owned subsidiary of BEL

2. Company Overview:

Brigade Hotels Ventures Limited (BHVL):

BHVL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. BHVL is proposed to take over the Hotels Business Undertaking of BEL. All the assets and liabilities including land and building, rights and obligations, contracts, licenses etc. pertaining to the Hotels business undertaking would be transferred to the Subsidiary as a whole on a going concern basis.

Brigade Enterprises Limited (BEL):

BEL was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore.

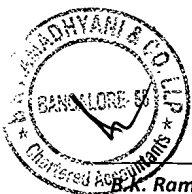
Currently, BEL has 7 properties in Hotels out of which 3 are operational and the balance 4 are either under construction or development of hotels.

BEL proposes to transfer the entire Hotels Business Undertaking to the subsidiary w.e.f September 30, 2016. All the assets and liabilities including capital work in progress pertaining to the Hotels Business Undertaking would be transferred to the Subsidiary as on the Calculation date. We have been approached by BEL to arrive at the calculated value of the Hotels Business Undertaking as on the Calculation date for the proposed transfer.

3. Base for arrived value:

The base for the calculated value of the Hotels Business Undertaking are the following: -

- a) Book value of assets and liabilities of the Hotels Business Undertaking including under construction/development as at September 30, 2016.
- b) Discussions with management of BEL.



B. K. Ramadhyani & Co LLP

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Hotel Business Undertaking as at September 30, 2016. or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and its subsidiary for the said transfer of Hotels Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

Our calculation of the value of the Hotels business undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 1 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Hotels business undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

6.1 As per the terms of engagement, we have been engaged to arrive at the calculated value of the Hotels Business Undertaking. We have been given to understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Hotels Business Undertaking to allow the growth and development of the hotel undertaking as a standalone business into one of the leading hotel business in the Country.

Since the Hotels business undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Hotels Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.



B. K. Ramadhyani & Co LLP

6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the hotels business undertaking.

7. Present Capital Structure of BEL and BHVL:

7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

BHVL:

Name of the shareholder	% of holding
BEL	100

8. Calculation of value of the Hotels Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Hotels Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	43,667
Less: Accumulated depreciation	15,822
Net Block	27,845
Capital Work in Progress (At cost)	7,323
Non-current investment	9,210
Long term loans and advances	1,673



B. K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

Current Assets:	
Inventories (lower of cost or net realisable value)	741
Trade receivables	788
Cash and bank balances	933
Short term loans and advances	1,453
Other current assets	618
TOTAL ASSETS	50,584
Less: Liabilities	
Secured Loans (sanctioned for specific on-going hotel projects)	17,913
Non - Current Liabilities	855
Current Liabilities	3,773
TOTAL LIABILITIES	22,541
NET ASSETS VALUE OF HOTELS	28,043

Note: The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016. The above assets and liabilities includes assets and liabilities of the entire Hotels Business Undertaking of BEL.

9. Calculated value of the Hotels as at September 30, 2016:

The calculated value of the Hotels Business Undertaking as per net assets value method arrived at above would be approx. Rs. 28,043 lakhs.

10. Disclaimers and representations by management of BEL:

- 10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*
- 10.2 *There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.*
- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the business.*
- 10.4 *Management has represented to us that there are no contingent liabilities as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*



B. K. Ramadhyani & Co LLP

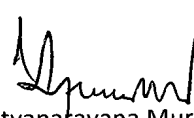
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, BHVL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*
- 11.7 *The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.*
- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*



B. K. Ramadhyani & Co LLP

11.10 *The calculated value of Hotels business undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani & Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
10th Cross, 4th Floor, Ch. Kur. Chavan,
& Amin, 10th Cross, Malleswaram,
BANGALORE - 560 055.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/093

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking of Brigade Enterprises Limited (BEL) (hereinafter called as "Clubs & Conventions Business Undertaking") as at September 30, 2016 for the proposed transfer of the business segment to its wholly owned subsidiary Brigade Hospitality Services Limited (hereinafter referred to as "BHSL" or "the Subsidiary")

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.


Based on the calculation so made, the calculated value of the Clubs and Convention Business Undertaking as at September 30, 2016 works out to approx. INR 2,959 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of Brigade Enterprises Limited as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully
For B.K. RAMADHYANI & CO. LLP
Chartered Accountants

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 08, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.


Satyanarayana Murthi
Partner

Encl: Calculation report

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP-Identification No. AAD-7041

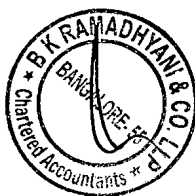
4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Malleshwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Clubs and Convention Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Brigade Hospitality Services Limited ("BHSL") as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 - 5
7.	PRESENT CAPITAL STRUCTURE OF BRIGADE ENTERPRISES LIMITED AND BHSL	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	6
9.	CALCULATED VALUE OF CLUBS AND CONVENTION CENTER BUSINESS	6
10.	DISCLAIMERS AND REPRESENTATIONS	6 - 7
11.	STATEMENT OF LIMITING CONDITIONS	7 - 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Clubs and Convention Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Brigade Hospitality Services Limited ("BHSL" or "the Subsidiary") as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Clubs and Convention Business Undertaking of Brigade Enterprises Limited (BEL) as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Clubs and Convention Business Undertaking for the proposed transfer to BHSL.

2. Company Overview:

BHSL

BHSL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. BHSL is proposed to take over the Clubs and Convention Business Undertaking owned by BEL. The assets and liabilities including land and building, contracts, licenses etc. owned by BEL and pertaining to the Clubs and Convention Business Undertaking would be transferred to BHSL.

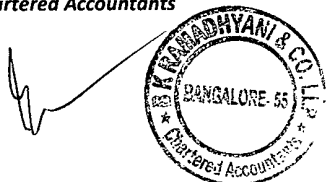
Brigade Enterprises Limited (BEL):

Brigade Enterprises Limited was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore. The company has been engaged in the businesses of real estate and hospitality.

The Clubs and Conventions Business Undertaking proposed to be transferred to BHSL comprising of the following clubs and convention centers viz., Woodrose club, Galaxy club, MLR Convention center (JP Nagar), MLR Convention center (Whitefield) as a whole on a going concern basis.

We understand that BEL is proposing to transfer the above to BHSL w.e.f September 30, 2016. All the assets and liabilities of the Clubs and Convention Centers Business Undertaking as appearing in BEL books as on that date would be transferred to BHSL. We have been approached by BEL to arrive at the calculated value of Clubs and convention centers business undertaking.

*B.K. Ramadhyani & Co. LLP.,
Chartered Accountants*



B. K. Ramadhyani & Co LLP

3. Base for arrived value:

The base for the calculated value of the Clubs and Convention Centers Business Undertaking are the following: -

- a) Book value of assets and liabilities of the Clubs and Convention Centers Business Undertaking as at September 30, 2016.
- b) Discussions with management of BEL.

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Clubs and convention centers as at September 30, 2016. or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and BHSL for the said transfer of Clubs and Convention Centers Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

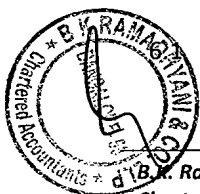
Our calculation of the value of the Clubs and Convention Centers Business Undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 2 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Clubs and Convention Centers Business Undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

As per the terms of engagement, we have been engaged to arrive at the calculated value of the Clubs and Convention Centers Business Undertaking. We have been given to



B. K. Ramadhyani & Co LLP

understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Clubs and Convention Centers Business Undertaking to allow growth and development of the Clubs and Convention Centers undertaking as a standalone business into one of the leading business in the Country

Since the Clubs and Convention Centers Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Clubs and Convention Centers Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.

- 6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Clubs and Convention Centers Business Undertaking.

7. Present Capital Structure of BEL and BHSL:

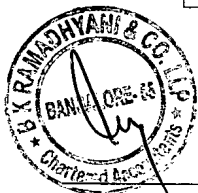
- 7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

BHSL:

Name of the shareholder	% of holding
BEL	100



B. K. Ramadhyani & Co LLP

8. Calculation of value of the Clubs and Convention Centers Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Clubs and Convention Centers Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	5,650
Less: Accumulated depreciation	2,691
Net Block	2,959
Current Assets	Nil
TOTAL ASSETS	2,959
Less: Liabilities	Nil
TOTAL LIABILITIES	Nil
NET ASSETS VALUE OF CLUBS AND CONVENTION CENTERS BUSINESS UNDERTAKING	2,959

Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Clubs and Convention Centers Business Undertaking for consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

9. Calculated value of the Clubs and Convention Centers Business Undertaking as at September 30, 2016:

The calculated value of the Clubs and Convention Centers Business Undertaking as per net assets value method arrived at above would be approx. Rs. 2,959 lakhs.

10. Disclaimers and representations by management of BEL:

10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*

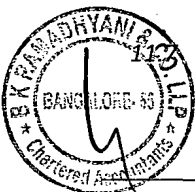
There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.



B. K. Ramadhyani & Co LLP

- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the Clubs and Convention Centers Business Undertaking.*
- 10.4 *Management has represented to us that there are no contingent liabilities pertaining to the Clubs and Convention Centers Business Undertaking as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for the purpose of arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, BHSL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*

The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.



B. K. Ramadhyani & Co LLP

- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*
- 11.10 *The calculated value of Clubs and Convention Centers Business Undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani &Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, #4-B, Champsur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.



B. K. Ramadhyani & Co LLP
Chartered Accountants

Ref. BKR/2016-17/094

November 22, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore

Dear Sirs,

Sub: Engagement to arrive at the calculated value of the Augusta Club Business Undertaking of Brigade Enterprises Limited (BEL) as at September 30, 2016 for the proposed transfer to Augusta Club Private Limited ("ACPL" or "the Subsidiary"), being a wholly owned subsidiary of BEL.

This is with reference to the engagement letter dated July 26, 2016 requesting us to carry out an exercise to arrive at the calculated value of the Augusta Club Business Undertaking as at September 30, 2016 in terms of Net assets value method. In the context, we have performed a calculation engagement as that term is defined in the Business Valuation Practice Standard ('BVPS') of the Institute of Chartered Accountants of India.

Based on the calculation so made, the calculated value of the Augusta Club Business Undertaking as at September 30, 2016 works out to approx. INR 325 lakhs. This calculated value is subject to the statement of assumptions, limiting conditions and the representations received from the management of Brigade Enterprises Limited as detailed in the report enclosed. We have no obligation to update this report or calculated value for information that may come to our attention after the date of this report.

We hope you will feel free to consult us on any matter needing further clarification.

Thank you

Yours faithfully,
For B.K. RAMADHYANI & CO. LLP,
Chartered Accountants


R Satyanarayana Murthi
Partner

Encl: Calculation report

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, 8th Main, 15th Cross, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Malleshwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

B. K. Ramadhyani & Co LLP

Report on calculated value of Augusta Club Business Undertaking of Brigade Enterprises Limited for the proposed transfer to Augusta Club Private Limited as at September 30, 2016

Table of Contents

SL NO.	PARTICULARS	PAGE NO.
1.	INTRODUCTION	3
2.	COMPANY OVERVIEW	3
3.	BASE FOR ARRIVED VALUE	3 - 4
4.	CALCULATION PREMISE	4
5.	CALCULATION DATE	4
6.	APPROACH TO CALCULATION	4 - 5
7.	PRESENT CAPITAL STRUCTURE OF BRIGADE ENTERPRISES LIMITED AND ACPL	5
8.	CALCULATED VALUE AS PER NET ASSETS VALUE METHOD	5 - 6
9.	CALCULATED VALUE	6
10.	DISCLAIMERS AND REPRESENTATIONS	6 - 7
11.	STATEMENT OF LIMITING CONDITIONS	7 - 8



B. K. Ramadhyani & Co LLP

Report on calculated value of Augusta Club of Brigade Enterprises Limited for the proposed transfer to Augusta Club Private Limited as at September 30, 2016

1. Introduction:

We have performed a calculation engagement, as that term is defined in the "Business Valuation Practice Standard" (BVPS) of the Institute of Chartered Accountants of India, to arrive at calculated value of the Augusta Club Business Undertaking of Brigade Enterprises Limited (BEL) (herein after called as "Augusta Club") as at September 30, 2016 ('Calculation Date') in terms of net assets value method. The purpose of the calculation is to arrive at the calculated value of the Augusta Club for the proposed transfer to August Club Private Limited (hereinafter called as "ACPL").

2. Company Overview:

ACPL

ACPL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. ACPL proposes to take over the Augusta Club Business Undertaking from BHSL. All assets and liabilities including land and building, rights, contracts, licenses etc. pertaining to the Augusta Club Business Undertaking would be transferred to ACPL on a going concern basis.

Brigade Enterprises Limited (BEL):

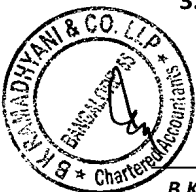
Brigade Enterprises Limited was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore. The company has been engaged in the businesses of real estate and hospitality.

We understand that BEL is proposing to transfer the Augusta club Business Undertaking to ACPL w.e.f September 30, 2016. All the assets and liabilities of the Augusta club Business Undertaking as appearing in BEL books as on that date would be transferred to ACPL. We have been approached by BEL to arrive at the calculated value of Augusta Club Business Undertaking.

3. Base for arrived value:

The base for the calculated value of the Augusta Club are the following: -

- a) Book value of assets and liabilities of the Augusta Club as at September 30, 2016.



B. K. Ramadhyani & Co LLP

b) Discussions with management of BEL.

We wish to expressly clarify that we have not carried out audit/review/validation of any kind of the assets and liability position of the Augusta Club Business Undertaking as at September 30, 2016 or all other data provided to us by the respective managements. All data as furnished by the respective managements have been adopted as such. We also wish to clarify that we have not perused historical financial statements of BEL to validate assets and liability position. We have not been made available with the business transfer agreement, if any, entered between BEL and ACPL for the said transfer of Augusta Club Business Undertaking. Accordingly, we have not gone through and validated the contractual terms, if any, contained therein.

4. Calculation Premise:

Our calculation of the value of the Augusta Club Business Undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 2 above. We have placed reliance on the book values of the assets and liabilities provided to us by the management. No assets or liabilities are marked to market as on the Calculation date.

5. Calculation Date:

The calculated value contained herein is not intended to represent the calculated value of the Augusta Club Business Undertaking at any time other than the Calculation Date which is September 30, 2016 (after closing). Changes in market conditions or in business plans may result in a calculated value substantially different than that presented at the stated Calculation Date. We assume no responsibility for changes in market conditions or in business plans.

6. Approach to Calculation:

6.1 As per the terms of engagement, we have been engaged to arrive at the calculated value of the Augusta Club Business Undertaking. We have been given to understand that the entire exercise is a restructuring exercise to allow appropriate of dedicated attention and focus to the development of Augusta Club Business on a standalone basis.

Since the Augusta Club Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not be in any way prejudicially affected based on the consideration to be attributed to the August Club Business Undertaking. We have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.



B.K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

6.2 The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Augusts Club Business Undertaking.

7. Present Capital Structure of BEL:

7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

BEL:

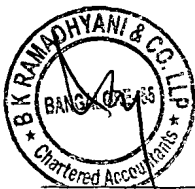
Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

ACPL:

Name of the shareholder	% of holding
BEL	100

8. Calculation of value of the Augusta Club Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Augusta Club Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:



B. K. Ramadhyani & Co LLP

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	630
Less: Accumulated depreciation	305
Net Block	325
Current Assets	Nil
TOTAL ASSETS	325
Less: Liabilities	Nil
TOTAL LIABILITIES	Nil
NET ASSETS VALUE OF AUGUSTA CLUB	325

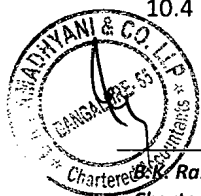
Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Augusta Club Business Undertaking for a consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

9. Calculated value of the Augusta Club as at September 30, 2016:

The calculated value of the Augusta Club Business Undertaking as per net assets value method arrived at above would be approx. Rs.325 lakhs.

10. Disclaimers and representations by management of BEL:

- 10.1 *Managements have represented that the assets and liabilities furnished to us are the book values as at September 30, 2016 considering all closure entries being passed in the books of accounts.*
- 10.2 *There are no assets or liabilities that are omitted or lying in corporate books not being allocated. All data as furnished by the management have been assumed to be correct and complete.*
- 10.3 *Management has informed us that there are no idle/non-operating/surplus assets carried by BEL which needs an adjustment while arriving at the calculated value of the business.*
- 10.4 *Management has represented to us that there are no contingent liabilities as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*



B. K. Ramadhyani & Co. LLP.,
Chartered Accountants

B. K. Ramadhyani & Co LLP

- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for the purpose of arriving at the calculated value of the business segment of BEL.*
- 11. Statement of Limiting Conditions:**
- 11.1 *Our calculated value of the business of BEL is based upon the agreed upon terms as discussed in paragraph 6.1, reliance being placed on assets and liabilities as provided by BEL as at September 2016. We do not express an opinion or offer any form of assurance regarding its reliability, accuracy, achievability or completeness.*
- 11.2 *This report has been prepared solely for the purpose stated and should not be used for any other purpose. Furthermore, the report and calculated value are not intended by us and should not be construed to be investment advice.*
- 11.3 *Our compensation is not contingent on any action or event resulting from the analysis, opinion or conclusion in or from the use of this report.*
- 11.4 *No responsibility is assumed for information furnished by the management i.e., assets and liabilities as at September 2016 and information furnished to us is believed to be complete, validated, free of errors, achievable targets and reliable.*
- 11.5 *We assume that BEL, ACPL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*
- 11.6 *Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.*
- 11.7 *The terms of this engagement do not require us to give testimony in court or to the Reserve Bank of India or the Authority for Advanced Rulings or the Income tax authorities, whether in attendance during any hearings with reference to BEL, New SPV or otherwise.*
- 11.8 *The analysis, opinions and conclusions presented in the report apply to this engagement only and should not be used out of context presented herein. The report is valid only for the effective date specified herein and only for the purpose specified herein.*
- 11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*



B. K. Ramadhyani & Co LLP

11.10 *The calculated value of Augusta Club Business Undertaking arrived at herein is based on the assumption that the requisite level of management expertise and effectiveness will be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.*

For B.K. Ramadhyani & Co. LLP.,
Chartered Accountants



R Satyanarayana Murthi
Partner

Bangalore

Date: November 22, 2016

BK RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
13, 12, & 4-a, G. H. Road, Chayan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of the Hotels business undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Brigade Hotels Ventures Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited (hereinafter called as "BEL or the Transferor Company") for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited (hereinafter called as "BHVL" or "the Transferee Company")" issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner

1) **Background & Purpose of Engagement**

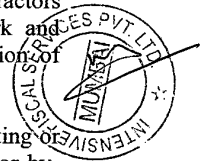
BRIGADE ENTERPRISES LIMITED

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited, having scrip code as "532929" and Security ID as "BRIGADE".

❖ **Main Object Clause of the company is as follows:-**

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) To carry on the business of manufacture, process, buying, selling, trading, importing, exporting of coffee, tea, spices, or any other agricultural or plantation products or by-



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 1 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016 . The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 2 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

BRIGADE HOTELS VENTURES LIMITED (BHVL)

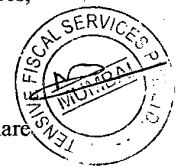
BRIGADE HOTEL VENTURES LIMITED (“Transferee Company”) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560055 was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986). The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres

❖ **The share capital of the Brigade Hotel Ventures Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of BHVL stands as follows:-



MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



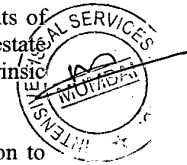
Particulars	Amount in Rupees
Authorised share capital divided into 10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Issued, subscribed and paid up equity share capital of 10,00,000 equity shares of Rs. 10/- each.	1,00,00,000

As on date, following are the beneficial Shareholder of the BHVL:

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Brigade Enterprises Limited	9,99,700	99.97
2	M.R. Jaishankar (Holding in fiduciary Capacity)	50	0.005
3	Nirupa Shankar (Holding in fiduciary Capacity)	50	0.005
4	Vineet Verma(Holding in fiduciary Capacity)	50	0.005
5	Pradyumna Krishnakumar (Holding in fiduciary Capacity)	50	0.005
6	Suresh Yadwad (Holding in fiduciary Capacity)	50	0.005
7	Vishal Mirchandani(Holding in fiduciary Capacity)	50	0.005
	TOTAL	10,00,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- i. hotels("Hotels");
 - ii. MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - iii. Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.



MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (e) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by management in conducting Fairness Opinion on Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.

1. Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”.
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company
3. Detailed profile of BEL and BHVL Company;
4. Memorandum and Articles of Association of BEL and BHVL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A)



MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.
7. Management Representation dated December 06, 2016
8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.

4) Content of Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:

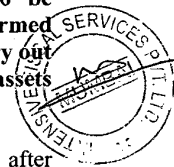
Summary of Report is as under:

i) The Transfer:

- Transfer of Hotels business undertaking of the company Brigade Enterprises Limited to its wholly owned subsidiary, Brigade Hotels Ventures Limited.
- BEL has 7 properties in Hotels out of which 3 are operational and the balance 4 properties are either under construction or development of hotels.
- BEL proposes to transfer the entire Hotels Business Undertaking to the subsidiary w.e.f September 30, 2016. All the assets and liabilities including capital work in progress pertaining to the Hotels Business Undertaking would be transferred to the Subsidiary as on the Calculation date at its book value.

ii) Approach to Valuation:

- As per the terms of engagement, the valuer has been engaged to arrive at the calculated value of the Hotels Business Undertaking. Valuer has been given to understand that the entire exercise is an internal restructuring exercise to provide focused leadership and management attention to the Hotels Business Undertaking so as to allow the growth and development of the hotel undertaking as a standalone business into one of the leading hotel business in the Country.
- **Since the Hotels business undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Hotels Business Undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**
- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the hotels business undertaking.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 6 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
dfnd@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



iii) **Calculation of value of the Hotels Business Undertaking as per net assets value method as at September 30, 2016.**

The calculated value of the Hotels Business Undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT IN RS. LAKHS
Fixed Assets including Land (Gross block)	43,667
Less: Accumulated depreciation	15,822
Net Block	27,845
Capital Work in Progress (At cost)	7,323
Non-current investment	9,210
Long term loans and advances	1,673
Current Assets:	
Inventories (lower of cost or net realisable value)	741
Trade receivables	788
Cash and bank balances	933
Short term loans and advances	1,453
Other current assets	618
TOTAL ASSETS	50,584
Less: Liabilities	
Secured Loans (sanctioned for specific on-going hotel projects)	17,913
Non - Current Liabilities	855
Current Liabilities	3,773
TOTAL LIABILITIES	22,031
NET ASSETS VALUE OF HOTELS	28,043

Note: The assets and liabilities considered above are as furnished by the management. We understand the same are book values as at September 30, 2016. The above assets and liabilities include assets and liabilities of the entire Hotels Business Undertaking of BEL.

iv) **Calculated value of the Hotels as at September 30, 2016:**
“The calculated value of the Hotels Business Undertaking as per net assets value method arrived at above would be approx. Rs.28,043 lakhs.”

5) **Fairness Opinion on “Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-**



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 7 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@yaho.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below.

We state that in our opinion, "the Report on Calculated Value of Hotels Segment of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hotels Ventures Limited as per net assets value method arrived at approx. Rs.28,042 lakhs issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders."

6) Disclaimer/Limitation/Warranties And Caveats

- a) This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b) We have provided this Report based on the information provided, explanation given, Draft Scheme of Arrangement provided to us, representations made by management of BEL & BHVL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited or independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & BHVL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c) All the Disclaimer & Representations along with limiting conditions forming part of basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d) This Report is issued on the understanding that the Management of BEL & BHVL has drawn our attention to all matters of which they are aware concerning the financial



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 8 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

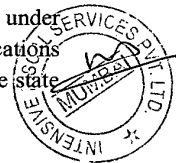
admin@intensivefiscal.com;
difs@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.

- e) We have no present interest in BEL & BHVL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & BHVL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f) We owe responsibility to only the directors of the Company who have retained us and nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & BHVL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.
- g) In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 9 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsi@yahoo.co.in

www.intensivefiscal.com

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

**Thanks & Best Regards,
For Intensive Fiscal Services Pvt. Ltd**

Meenal Poddar
Meenal Poddar
Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 10 of 10

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001:2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Brigade Hospitality Services Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited (hereinafter called as "BEL or the Transferor Company") for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited, (hereinafter called as "BHSL" or "the Transferee Company") issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants, having LLP Identification No. AAD - 7041 dated November 22, 2016 signed by Mr. R SatyanarayanaMurthi, Partner.

1) Background & Purpose of Engagement**BRIGADE ENTERPRISES LIMITED**

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited having scrip code as "532929" and Security ID as "BRIGADE".

❖ Main Object Clause of the company is as follows:-

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- (b) 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-

**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
dfsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 one the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.
- (d) To general, 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.

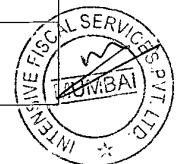
❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016 . The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 2 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001: 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

BRIGADE HOSPITALITY SERVICES LIMITED (BHSL)

BRIGADE HOSPITALITY SERVICES LIMITED (“Transferee Company”) is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004 (CIN. U55101KA2004PLC034060). The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on in India or elsewhere the business to establish, construct, erect, build, own, purchase, acquire, undertake, promote, run, manage, own, lease, convert, commercialize, 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 centers, 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 salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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]

❖ **The share capital of the Brigade Hospitality Services Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of BHSL stands as follows:-

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

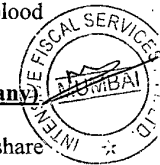
914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@ yahoo.co.in



MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



Particulars	Amount in Rupees
Authorised share capital is divided into 1,50,00,000 equity shares of Rs.10/- each	15,00,00,000
Issued, subscribed and paid up equity share capital of 1,00,00,000 equity shares of Rs. 10/- each.	10,00,00,000

As on date, following are the beneficial Shareholder of the BHSL

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Brigade Enterprises Limited	99,89,600	99.90
2	M. R. Jaishankar (Holding in fiduciary Capacity)	5,000	0.05
3	Githa Shankar (Holding in fiduciary Capacity)	5,000	0.05
4	Brigade Enterprises Ltd. jointly with Mr. M. R. Jaishankar (Holding in fiduciary Capacity)	100	0.00
5	Brigade Enterprises Ltd. jointly with Ms. Githa Shankar (Holding in fiduciary Capacity)	100	0.00
6	Brigade Enterprises Ltd. jointly with Ms. Nirupa Shankar (Holding in fiduciary Capacity)	100	0.00
7	Brigade Enterprises Ltd. jointly with Mr. Vineet Varma (Holding in fiduciary Capacity)	100	0.00
	TOTAL	1,00,00,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page 4 of 9

Contact:
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.

- (e) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

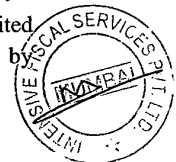
2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report on Calculated Value of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited” (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by the management in conducting Fairness Opinion Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for the proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.

1. Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for the proposed transfer to its wholly owned subsidiary of Brigade Hospitality Services Limited” issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”.
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company.
3. Detailed profile of BEL and BHSL Company.
4. Memorandum and Articles of Association of BEL and BHSL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A).
6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory
CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 5 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



7. Management Representation dated December 06, 2016
 8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.
- 4) **Content of Report on Calculated Value of Clubs and Convention Centers Business undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants.**

Summary of Report is as under:

1. The Transfer:

- Transfer of Clubs and Convention Centers Business undertaking of the company Brigade Enterprises Limited to its wholly owned subsidiary, Brigade Hospitality Services Limited.
- The Clubs and Conventions Business Undertaking proposed to be transferred to BHSL comprising of the following clubs and convention centers viz., Woodrose club, Galaxy club, MLR Convention center (JP Nagar), MLR Convention center (Whitefield) as a whole on a going concern basis.
- BEL is proposing to transfer the above to BHSL w.e.f September 30, 2016. All the assets and liabilities of the Clubs and Convention centers Business Undertaking as appearing in BEL books as on that date would be transferred to BHSL. Valuer have been approached by BEL to arrive at the calculated value of Clubs and convention centers business undertaking.

2. Approach to Valuation:

- As per the terms of engagement, Valuer have been engaged to arrive at the calculated value of the Clubs and Convention Centers Business undertaking. Valuer have been given to understand that the entire exercise is a restructuring exercise to provide focused leadership and management attention to the Clubs and Convention Centers Business undertaking so as to allow growth and development of the Clubs and Convention Centers undertaking as a standalone business into one of the leading business in the Country.
- **Since the Clubs and Convention Centers Business undertaking is being transferred to a wholly owned subsidiary of BHSL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Clubs and Convention Centers Business undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 8 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the Clubs and Convention Centers Business undertaking.

3. Calculation of value of the Clubs and Convention Centers Business undertaking as per net assets value method as at September 30, 2016.

The calculated value of the Clubs and Convention Centers Business undertaking as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT (IN LAKHS)
Fixed Assets including Land (Gross block)	5,650
Less: Accumulated depreciation	2,691
Net Block	2,959
Current Assets	NIL
TOTAL ASSETS	2,959
Less: Liabilities	NIL
TOTAL LIABILITIES	NIL
NET ASSETS VALUE OF CLUBS AND CONVENTION CENTERS BUSINESS UNDERTAKING	2,959

Note: BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Clubs and Convention Centers Business Undertaking for consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.

4. Calculated value of the Clubs and Convention Centers Business undertaking as at September 30, 2016:

"The calculated value of the Clubs and Convention Centers Business undertaking as per net assets value method arrived at above would be approx. Rs.2,959 lakhs."

5) Fairness Opinion on "Report on Calculated Value of Clubs and Convention Centers Business undertaking for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-

Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below:-

We state that in our opinion, "the Report on Calculated Value of Clubs and Convention Centers Business undertaking for proposed transfer to its wholly owned subsidiary Brigade Hospitality Services Limited as per net assets value method arrived at approx. Rs.2,959 lakhs issued by B.K.RAMADHYANI & CO. LLP,



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory
CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page 8 of 9
Contact

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@yahoo.co.in

MERCHANT BANKER CATEGORY - I

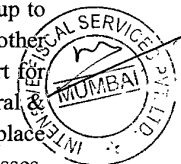
(An ISO 9001 : 2000 Certified Company)



Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satvanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders.”

6) Disclaimer/Limitation/Warranties And Caveats

- a. This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b. We have provided this Report based on the information provided, explanation given, Draft Scheme of Amalgamation provided to us, representations made by management of BEL & BHSL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & BHSL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c. All the Disclaimer & Representations along with limiting conditions forming part of & basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d. This Report is issued on the understanding that the Management of BEL & BHSL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred,



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 8 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsi@yahoo.co.in

www.intensivefiscal.com

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.

- e. We have no present interest in BEL & BHSL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & BHSL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f. We owe responsibility to only the directors of the Company who have retained us and nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & BHSL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.
- g. In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.

We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

**Thanks & Best Regards,
For Intensive Fiscal Services Pvt. Ltd.**

Meenal Poddar
Meenal Poddar

Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 9 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001:2000 Certified Company)



December 06, 2016

To,
The Board of Directors
Brigade Enterprises Limited
Bangalore.

Re: Fairness Opinion on the Valuation Report issued by Chartered Accountant for the proposed transfer of Augusta Club Business Undertaking of the company Brigade Enterprises Limited as at September 30, 2016 to its wholly owned subsidiary, Augusta Club Private Limited.

Dear Sir,

As per the Engagement letter dated November 24, 2016 we are pleased to provide Fairness Opinion on "Report on Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited (*hereinafter called as "BEL or the Transferor Company"*) for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited (*hereinafter called as "ACPL" or "the Transferee Company"*) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

1) **Background & Purpose of Engagement**

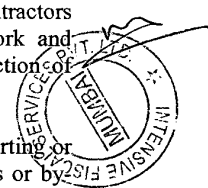
BRIGADE ENTERPRISES LIMITED

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126)

BEL is listed at BSE Limited and National Stock Exchange of India Limited having scrip code as "532929" and Security ID as "BRIGADE".

❖ **Main Object Clause of the company is as follows:-**

- (a) 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, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) 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



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 1 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.

- (c) 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 whatsoever, 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.
- (d) 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.

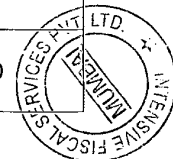
❖ **The share capital of the Brigade Enterprises Limited (Transferor Company)**

As per the Standalone & Consolidated Unaudited Financial Results for the 6 months ended September 30, 2016, the details of share capital is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 4,18,325 ESOP shares on 14th November, 2016. The details of share capital as on 14th November, 2016 is as follows:-

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Page 2 of 9
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



The following is the Shareholding pattern of BEL as on 14th November, 2016:-

Sr. No.	Holding	No. of Shareholders	No. of Shares	% of total paid up capital
1	Promoter	11	6,37,34,256	56.09
2	Non-Promoter	56,251	4,99,01,734	43.91
	Total	56,262	11,36,35,990	100.00

AUGUSTA CLUB PRIVATE LIMITED (ACPL)

AUGUSTA CLUB PRIVATE LIMITED (“Transferee Company”) is an existing company incorporated on September 01, 2016 under the Companies Act, 2013 having CIN No. (CIN U74999KA2016PTC096214). ACPL have its registered office at 29&30thFloor, World Trade Center, Brigade Gateway Campus 26/1, Rajkumar Road, Malleswaram-Rajajinagar Bangalore -560055. The Transferee Company is the wholly owned subsidiary of the Transferor Company.

❖ **Main Object Clause of the company is as follows:-**

- (a) To establish and carry on 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 victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper 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 and natural cure centres

❖ **The share capital of the Augusta Club Private Limited (Transferee Company)**

As per the Unaudited Financial Results available for months September 30, 2016, the share capital details of ACPL stands as follows:-

INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 3 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in



MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



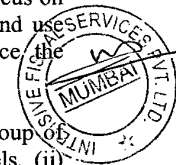
Particulars	Amount in Rupees
Authorised share capital is divided into 1,00,000 equity shares of Rs.10/- each	10,00,000
Issued, subscribed and paid up equity share capital of 50,000 equity shares of Rs.10/- each.	5,00,000

As on date, following are the beneficial Shareholder of the ACPL

Sr. No.	Name of Shareholder	No. of shares	% of Shareholding
1	Brigade Enterprises Limited	49,999	99.99
2	Om Prakash P (Holding in fiduciary Capacity)	01	0.01
	TOTAL	50,000	100.00

❖ **Objective of Transfer**

- (a) The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
- hotels("Hotels");
 - MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram- Rajajinagar ("Convention Center and Integrated Clubs");
 - Augusta Club.
- (b) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (c) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (d) With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use the specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (e) Overall, the Scheme of Arrangement is intended to restructure within the group companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres' and (iii) Residents clubs business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 4 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001 : 2000 Certified Company)



management of the companies to vigorously pursue growth and expansion of the respective divisions.

2) Scope of Engagement:-

BEL has approached Intensive Fiscal Services Private Limited, (“Intensive”), SEBI Registered Category I Merchant Banker (SEBI Reg. No. INM000011112) to give Fairness Opinion on “Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited (Enclosed as Annexure B) issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner.

3) Source of Information:

We have relied on the following information of both the Companies as certified by the management in conducting Fairness Opinion on Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B” as attached herewith.

1. Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants as per “Annexure B”
2. Audited Annual Report of BEL as on March 31, 2015, March 31, 2016 & Unaudited Financial Results for the 6 (Six) months ended September 30, 2016 provided by Company
3. Detailed profile of BEL and ACPL Company
4. Memorandum and Articles of Association of BEL and ACPL.
5. Draft Scheme of Arrangement pursuant to section 391/394 of the Companies Act, 1956 provided by Company. (Enclosed Annexure A)
6. Shareholding Pattern as on September 30, 2016 & November 14, 2016.
7. Management Representation dated December 06, 2016
8. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 5 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsai@yahoo.co.in

MERCHANT BANKER CATEGORY - I
(An ISO 9001:2000 Certified Company)



4) Content of Report on Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:

Summary of Report is as under:

1. The Transfer:

- Transfer of **Augusta Club Business Undertaking** of the company Brigade Enterprises Limited to its wholly owned subsidiary, **Augusta Club Private Limited**.
- BEL is proposes to transfer the Augusta club Business Undertaking to ACPL w.e.f September 30, 2016. All the assets and liabilities of the Augusta club Business Undertaking as appearing in BEL books as on that date would be transferred to ACPL.

2. Approach to Valuation:

- As per the terms of engagement, valuer have been engaged to arrive at the calculated value of the **Augusta Club Business Undertaking**. Valuer have been given to understand that the entire exercise is a restructuring exercise to allow appropriate of dedicated attention and focus to the development of Augusta Club Business on a standalone basis.
- **Since the Augusta Club Business Undertaking is being transferred to a wholly owned subsidiary of BEL, the interest of the shareholders of BEL will not in any way be prejudicially affected based on the consideration to be attributed to the Augusta Club Business Undertaking. Valuer have been informed that the Board of Directors of both the companies have decided to carry out the transaction at the calculated value determined as per the net assets value method.**
- The net assets value method is based upon the net value arrived at after subtracting all the liabilities of a company from the aggregate value of its assets. The net value so arrived at is the book value of the **Augusta Club Business Undertaking**.

3. Calculation of value of the Augusta Club Business Undertaking as per net assets value method as at September 30, 2016.

The calculated value of the **Augusta Club Business Undertaking** as per the net assets value method based on assets and liabilities provided to us by the management is as under:

BOOK VALUES OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016	AMOUNT (IN RS. LAKHS)
Fixed Assets including Land (Gross block)	630
Less: Accumulated depreciation	305
Net Block	325
Current Assets	NIL



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:
Page 6 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difs@yahoo.co.in

MERCHANT BANKER CATEGORY - I

(An ISO 9001 : 2000 Certified Company)



TOTAL ASSETS	325
Less: Liabilities	NIL
TOTAL LIABILITIES	NIL
NET ASSETS VALUE OF AUGUSTA CLUB BUSINESS UNDERTAKING	325

Note:

- ✓ BEL has entered into a Management Contract with Brigade Hospitality Services Limited for the operations and management of the Augusta Club Business Undertaking for a consideration as determined under the aforesaid contract. The assets and liabilities considered above is as furnished by the management. We understand the same are book values as at September 30, 2016.
4. Calculated value of the Augusta Club Business Undertaking as at September 30, 2016:
"The calculated value of the Augusta Club Business Undertaking as per net assets value method arrived at above would be approx. Rs.325 lakhs."
- 5) Fairness Opinion "Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants:-

Based on the information & explanation as mentioned above, exclusions, limitation and subject to our disclaimer as mentioned below:-

We state that in our opinion, "the Report on Calculated Value of Report Calculated Value of Augusta Club Business Undertaking of Brigade Enterprises Limited for proposed transfer to its wholly owned subsidiary Augusta Club Private Limited as per net assets value method arrived at approx. Rs. 325 lakhs issued by B.K.RAMADHYANI & CO. LLP, Chartered Accountants having LLP Identification No. AAD – 7041 dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner seems Fair and Reasonable and is not prejudicial to the Public Shareholders."

6) Disclaimer/Limitation/Warranties And Caveats

- a. This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Page 7 of 9

Contact:
Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in

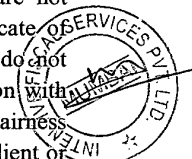
MERCHANT BANKER CATEGORY - I

(An ISO 9001: 2000 Certified Company)



or circumstances that occur later on.

- b. We have provided this Report based on the information provided, explanation given, Draft Scheme of Amalgamation provided to us, representations made by management of BEL & ACPL, and Report on Calculated Value issued by **B.K.RAMADHYANI & CO. LLP, Chartered Accountants dated November 22, 2016 signed by Mr. R Satyanarayana Murthi, Partner**. We have neither checked, audited nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which BEL & ACPL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.
- c. All the Disclaimer & Representations along with limiting conditions forming part of & basis of Report of valuer shall also form part of our basis for arriving on Fairness Opinion.
- d. This Report is issued on the understanding that the Management of BEL & ACPL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.
- e. We have no present interest in BEL & ACPL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the certificate of Exchange Ratio should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BEL & ACPL. Further Intensive nor the members of the team working on the Fairness opinion on Certificate of Exchange Ratio have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f. We owe responsibility to only the directors of the Company who have retained us and



MERCHANT BANKER CATEGORY - I
(An ISO 9001:2000 Certified Company)



nobody else. Intensive does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Equity Shareholders of BEL & ACPL, BSE Ltd, National Stock Exchange of India Limited or Securities Exchange Board of India. We retain the right to deny permission for the same.

- g. In the event of any dispute or difference or claim arising between BEL and Intensive or anyone claiming through or under them, at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/ or as regards the responsibility and/ or obligation and/ or otherwise in any manner arising out of, relating to, concerning to this Fairness Report the same shall be referred to an arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be Mumbai in the state of Maharashtra, Republic of India.

We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report .

Thanks & Best Regards,

For Intensive Fiscal Services Pvt. Ltd


Meenal Poddar
Associate-Investment Banking



INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory

CIN: U65920MH1997PTC107272

Corporate Office:

914, 9th Floor, Raheja Chamber, Free Press Journal Marg,
Nariman Point, Mumbai - 400 021, India

Contact:

Page 9 of 9

Tel.: +91-22-2287 0443 / 44 / 45
Fax: +91-22-2287 0446

Email:

admin@intensivefiscal.com;
difsl@yahoo.co.in



Ref: NSE/LIST/10623

April 07, 2017

The Company Secretary & Compliance Officer
 Brigade Enterprises Limited
 29th & 30th Flrs, World Trade Center,
 Brigade Gateway Campus,
 26/1, Dr. Rajkumar Road,
 Bangalore - 560055

Kind Attn.: Mr. P. Om Prakash

Dear Sir,

Sub: Observation letter for Scheme of Arrangement between Brigade Enterprises Limited and Brigade Hotel Ventures Limited and Brigade Hospitality Services Limited and Augusta Club Private Limited and their respective Shareholders and Creditors.

This has reference to Scheme of Arrangement between Brigade Enterprises Limited (Transferor Company) and Brigade Hotel Ventures Limited (Transferee Company 1) and Brigade Hospitality Services Limited (Transferee Company 2) and Augusta Club Private Limited (Transferee Company 3) and their respective shareholders and creditors submitted to NSE on January 24, 2017.

Based on our letter reference no Ref: NSE/LIST/1423 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated April 07, 2017, has given following comments on the draft Scheme of Arrangement:

1. *Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.*
2. *Company shall duly comply with various provisions of the circulars.*
3. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
4. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the National Company Law Tribunal.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.



The validity of this "Observation Letter" shall be six months from April 07, 2017, within which the Scheme shall be submitted to the NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the NCLT;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



Revised

DCS/AMAL/ND/R37/768/2016-17

April 10, 2017

The Company Secretary
Brigade Enterprises Limited
 29th & 30th Floors,
 World Trade Center,
 Brigade Gateway, 26 / 1, Dr. Rajkumar Road,
 Malleswaram - Rajajinagar,
 Bengaluru 560055

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited, Augusta Club Private Limited and Brigade Enterprises Limited.

We are in receipt of Draft Scheme of Arrangement of Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited, Augusta Club Private Limited with Brigade Enterprises Limited and their respective shareholders filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated April 07, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that additional information, if any, submitted by the company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230 (5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
 Corporate Identity Number : L67120MH2005PLC155168



: 2 :

- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

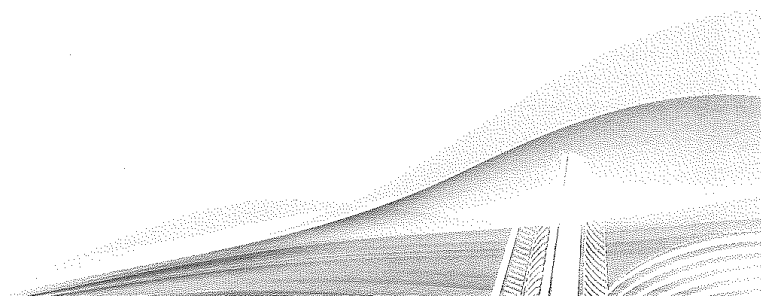
The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Fujari
Manager

MD



Brigade Enterprises Limited

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



BRIGADE
 Building Positive Experiences

Ref: BEL/NSEBSE/CR/15022017

15th February, 2017

Listing Department
 National Stock Exchange of India Limited
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai - 400 051
 Fax Nos. : 022-26598237/38

Department of Corporate Services - Listing
 BSE Limited
 P. J. Towers
 Dalal Street,
 Mumbai - 400 001
 Fax Nos.: 022- 22722037/2039

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/ Madam,

Sub: Complaints Report pursuant to application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of arrangement

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 pertaining to the Scheme of Arrangement between the Company Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited for slump sale of Hotel Business undertaking, Integrated Club & Convention Centers Undertaking & Augusta Club Business Undertaking to the three respective wholly owned subsidiaries.

In this regard and pursuant to SEBI circular no. CIR/CFD/CMD/15/2015 dated 30th November, 2015 the Complaints Report is enclosed.

We hereby confirm that neither the Company nor its Registrar & Transfer Agents (M/s Karvy Computershare Private Limited) have not received any complaints pertaining to the captioned scheme of arrangement.

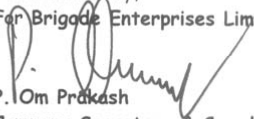
The Complaints Report will also be uploaded on the website of the Company i.e. www.brigadegroup.com.

Kindly take the same on your records and do the needful.

Thanking you,

Yours faithfully,

For Brigade Enterprises Limited


 P. Om Prakash
 Company Secretary & Compliance Officer

Enclosure: a/a

Complaints Report

(Commencing from the date of uploading the Scheme of Arrangement and other documents pertaining to the same under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to BSE Limited and the National Stock Exchange of India Limited and on the Company's website on 24th January, 2017 till the expiry of 21 days from the same).

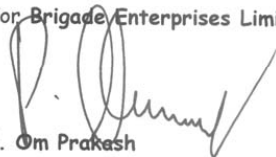
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
	N.A.		

For Brigade Enterprises Limited



P. Om Prakash
Company Secretary & Compliance Officer

Brigade Enterprises Limited

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



Building Positive Experiences

Ref: BEL/NSEBSE/CR/08032017

8th March, 2017

Listing Department
 National Stock Exchange of India Limited
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai - 400 051
 Fax Nos. : 022-26598237/38

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/ Madam,

Sub: Complaints Report pursuant to application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of arrangement

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 pertaining to the Scheme of Arrangement between the Company Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited for slump sale of Hotel Business undertaking, Integrated Club & Convention Centers Undertaking & Augusta Club Business Undertaking to the three respective wholly owned subsidiaries.

In this regard and pursuant to SEBI circular no. CIR/CFD/CMD/15/2015 dated 30th November, 2015 the Complaints Report is enclosed.

We hereby confirm that neither the Company nor its Registrar & Transfer Agents (M/s Karvy Computershare Private Limited) have not received any complaints pertaining to the captioned scheme of arrangement.

The Complaints Report will also be uploaded on the website of the Company i.e. www.brigadegroup.com.

Kindly take the same on your records and do the needful.

Thanking you,

Yours faithfully,
 For Brigade Enterprises Limited


 P. Om Prakash
 Company Secretary & Compliance Officer

Enclosure: a/a



Complaints Report

(Commencing from the date of uploading the Scheme of Arrangement and other documents pertaining to the same under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to the National Stock Exchange of India Limited and on the Company's website on 15th February, 2017 till the expiry of 21 days from the same).

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
	N.A.		

For Brigade Enterprises Limited



P. Om Prakash
Company Secretary & Compliance Officer

REPORT OF THE BOARD OF DIRECTORS OF BRIGADE ENTERPRISES LIMITED ON THE SCHEME OF ARRANGEMENT OF BRIGADE ENTERPRISES LIMITED WITH BRIGADE HOTEL VENTURES LIMITED, BRIGADE HOSPITALITY SERVICES LIMITED AND AUGUSTA CLUB PRIVATE LIMITED (“SCHEME”)

1. Background:

- 1.1 A meeting of the Board of Directors (‘Board’) of Brigade Enterprises Limited (“the Company” or “the Transferor Company” or “BEL”) was held on December 15, 2016 to consider and recommend the proposed Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited.
- 1.2 This report of the Board is made in compliance with the requirements of Section 232(2)(c) of Companies Act, 2013. In terms of Section 232(2)(c), a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders is required to be appended with the notice of the meeting of shareholders and creditors. The said report has to specify any special valuation difficulties, if any, in the valuation.
- 1.3 This report is made by the Board after perusing, inter alia, the following documents:
 - (a) Draft Scheme of Arrangement of Brigade Enterprises Limited with Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited (“the Scheme”);
 - (b) Valuation Reports dated November 22, 2016 issued by B.K. Ramadhyani & Co. LLP, Chartered Accountants; and
 - (c) Fairness opinions dated December 6, 2016 issued by Intensive Fiscal Services Private Limited.

2. Background to the Proposed Scheme:

- 2.1 BEL has been established to carry on the business of property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials.
- 2.2 Brigade Hotel Ventures Limited (BHVL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.3 Brigade Hospitality Services Limited (BHSL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.4 Augusta Club Private Limited (ACPL) has been established to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on.
- 2.5 BHVL, BHSL and ACPL are the wholly owned subsidiaries of BEL.
- 2.6 Under the Scheme of Arrangement, the hotels business undertaking of BEL will be transferred to BHVL, the integrated convention centres and clubs business undertaking will be transferred to BHSL and the Augusta Club business undertaking of BEL will be transferred to ACPL. The business undertaking will be transferred on a going concern basis. The scheme was proposed by the Board for the following reasons:

- (i) The following business undertakings have their own independent identity and have future growth potential: (a) Hotels;(b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar (“Integrated Clubs and Convention Centers”) and (c) Augusta Club.
- (ii) Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.
- (iii) This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- (iv) With the experience BEL has gained over the years in real estate business and property development, BEL will be able to focus on the remaining business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- (v) Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by BEL to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

3. Impact on key stakeholders

There is expected to be no impact of the Scheme on key managerial personnel, the directors, the promoters and non-promoter shareholders.

4. Valuation

The reports on valuation of the business undertakings proposed to be transferred under the Scheme has been obtained from B.K. Ramadhyani & Co LLP, Chartered Accountants, an independent valuer.

The calculated value of the business undertakings has been arrived at by following the net assets value method. According to the valuation report, the calculated value of the hotels business undertaking of BEL is ₹.280,43,00,000, the calculated value of the clubs and convention business undertaking of BEL is ₹.29,59,00,000 and the calculated value of Augusta Club business undertaking of BEL is ₹.3,25,00,000.

The transferee companies, i.e. BHVL, BHSL and ACPL will discharge the consideration by issue of optionally convertible redeemable preference shares or by payment by cash or cash equivalent or by a combination of both. Since the issuance of preference shares by way of discharge of consideration is to the holding company i.e. BEL, there is no change in the shareholding pattern pursuant to the scheme coming into effect.

The valuations have been reviewed for fairness and fairness opinions have been issued by Intensive Fiscal Services Private Limited, Merchant Banker.

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of Brigade Enterprises Limited

M.R. Jaishankar
Chairman & Managing Director

DIN: 00191267

Place: Bengaluru

Date: August 8, 2017



BRIGADE

Form No. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126

29th & 30th Floor, World Trade Center, 26/1 Brigade Gateway
Dr. Rajkumar Road, Malleswaram-Rajajinagar
Bangalore – 560 055

Name of the Unsecured Creditor(s):			e-mail id:
Registered address:			

I/We, being the Unsecured Creditor(s) of Brigade Enterprises Limited, hereby appoint:

- 1)of.....having e-mail id.....or failing him
- 2)of.....having e-mail id.....or failing him
- 3)of.....having e-mail id.....or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Unsecured Creditors Meeting of the Company, to be held on Thursday, 21st September, 2017 at 1:00 p.m. at the Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055 and at any adjournment thereof in respect of such resolution as follows:

Resolution Number	Resolution	Vote (PLEASE MARK (✓) AND NO. OF SHARES)	
		For	Against
1	Approval of the Scheme of Arrangement among Brigade Enterprises Limited, Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited		

Signed this..... day of..... 2017

Signature of member

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder



Route Map to EGM Venue





BRIGADE

BRIGADE ENTERPRISES LIMITED

CIN: L85110KA1995PLC019126

Regd. off.: 29th & 30th Floor, World Trade Center, 26/1 Brigade Gateway
Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore – 560 055

ATTENDANCE SLIP

Serial No. :

Name and Registered
Address of the
Unsecured Creditor :

Name(s) of the Joint
Unsecured Creditor(s)
if any :

Name of the Proxy /
Representative, if any :

Signature of Unsecured
Creditor(s) / Proxy :

Signature of the
Representative :

I hereby record my presence at the Unsecured Creditors Meeting of the Company held on Thursday, 21st September, 2017 at 1:00 p.m. at the Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore – 560 055.

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE

Note: Please fill up attendance slip and hand it over at the entrance of the meeting hall. Unsecured Creditors are requested to bring the copies of the Notice to the Meeting.