



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, 15th Cross, Malleshwaram,
Bangalore - 560 055.

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

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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.

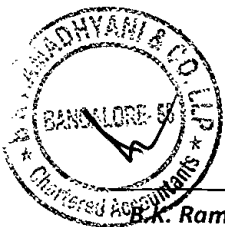
Currently, BEL has 7 properties in Hotels out of which 3 are operational and the balance 4 are either under construction or development of hotels.

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.



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Chartered Accountants

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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.

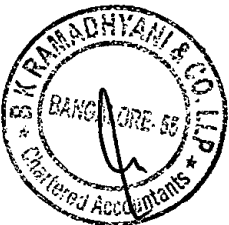
5. Calculation Date:

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.



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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



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Chartered Accountants

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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.*

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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.*

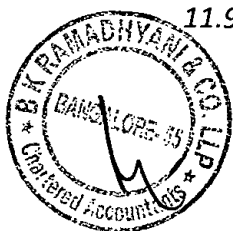
11.5 *We assume that BEL, BHVL and any other person/ party to the transaction are/will be in full compliance/comply with applicable federal, state and local regulations and laws.*

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.*

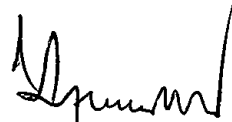
11.9 *No guarantee can be extended that this report will be accepted in whole or in part by the Reserve Bank of India or the Income tax authorities or the Income Tax Appellate Tribunal or Authority for Advanced Rulings or any court of appropriate jurisdiction or any other regulatory or fiscal authority in India or outside it.*



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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
4-2, Ch. pur Dhevan,
Sarwala, 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

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No. 68, 8th Main, 15th Cross, Malleshwaram,
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R Satyanarayana Murthi
Partner

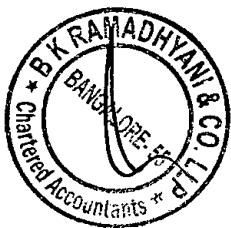
Encl: Calculation report

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

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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

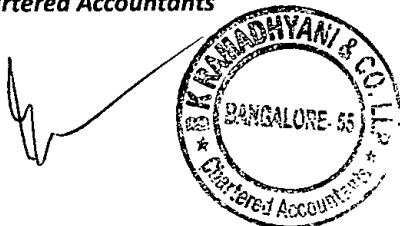
BHSL is a company incorporated by BEL under the Companies Act, 2013. Currently it is a 100% subsidiary of BEL. BHSL is proposed to take over the Clubs and Convention Business Undertaking owned by BEL. The assets and liabilities including land and building, contracts, licenses etc. owned by BEL and pertaining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



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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:

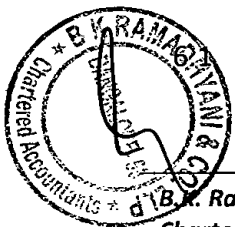
Our calculation of the value of the Clubs and Convention Centers Business Undertaking is made on the basic assumption of going concern and the proposed business restructuring (transfer) set forth in para 2 above. We have placed reliance on the book values of the assets and liabilities provided to us 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



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Chartered Accountants

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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:

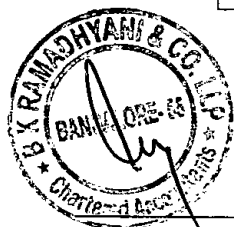
7.1 We understand that the shareholding pattern of BEL as at Calculation Date was as under:

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.,
Chartered Accountants

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.

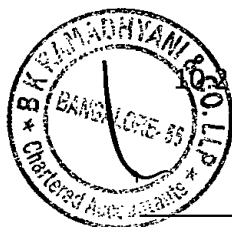
9. Calculated value of the Clubs and Convention Centers Business Undertaking as at September 30, 2016:

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.,
Chartered Accountants

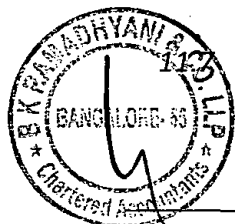
B. K. Ramadhyani & Co LLP

- 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.



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Chartered Accountants

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

BK RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, #4-B, Chinnur 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

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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

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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

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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):

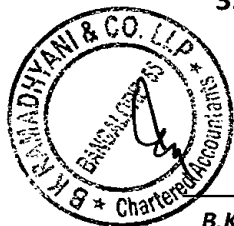
Brigade Enterprises Limited was incorporated in 1995 and is a real estate developer with a focus on residential, offices, retail and hospitality projects. Headquartered at Bangalore, the company has its presence in other cities of south India - Mysore, Chennai, Kochi, Hyderabad and Mangalore. The company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



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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.

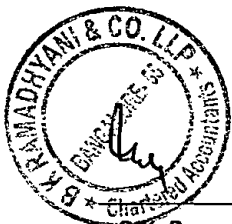
5. Calculation Date:

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.



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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:

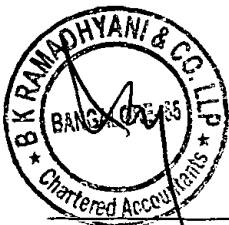
Name of the shareholder	No. of shares (in Lakhs)	% of holding
Mr. M R Jaishankar	230	20
Ms. Gita Shankar	187	17
Ms. Nirupa Shankar	93	8
Others	622	55

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:



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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.

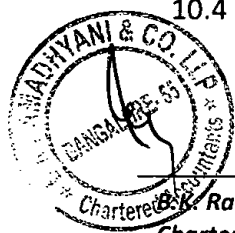
10. Disclaimers and representations by management of BEL:

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.*

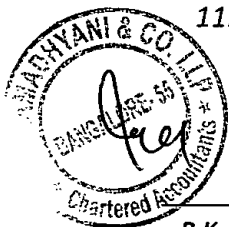
10.4 *Management has represented to us that there are no contingent liabilities as on the Calculation date that are likely to devolve on BEL or outflow of resources to settle such obligations is not probable.*



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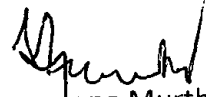
- 10.5 *We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.*
- 10.6 *Management have confirmed that there are no inter-company transactions with the related parties which needs to be eliminated for the purpose of arriving at the 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.*



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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

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