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-

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.

❖ **<u>The share capital of the Brigade Enterprises Limited (Transferor Company)</u>**

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

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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:-

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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 Mirchandan(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.

(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 Mechant 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)**

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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.

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:-**

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 prejudicious 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

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.

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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. MUMBAI

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-

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

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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 carryon 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, immunisationcentres, 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:-

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. Vineeet 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:

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.

(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

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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.

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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.**

- 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,

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 prejudicious 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,

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.

INTENSIVE FISCAL SERVICES PVT. LTD. MUMBAI

Meenal Poddar

Meenal Poddar
Associate-Investment Banking

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

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

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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:-

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:
   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.

(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

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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 Mechant 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.

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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

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Fax: +91-22-2287 0446
Email:
admin@intensivefiscal.com;
difsl@yahoo.co.in
www.intensivefiscal.com

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 prejudicious to the Public Shareholders."

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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 & 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

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. MUMBAI

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