SURANA TELECOM AND POWER LTD.

(formerly Surana Telecom Ltd.)

Surana Group **ISO 9001 - 2008 Certified Company**

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad-500 003. Telangana, India
Tel :+91 40 27845119/44665700
Fax : 0091-40-27848851
Website : http:// www.surana.com
E.mail : surana@surana.com
CIN No.: L23209TG1989PLC010336

STPL/SECT/014/16-17 **Date: 17th May, 2016**

The Secretary National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra – Kurla Complex, Bandra (E), MUMBAI – 400 023.	The Secretary, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400 001

Dear Sir/Madam,

Sub: Notice of the Court Convened Meeting of the Equity Shareholders and Unsecured Creditors of the Company- Reg.
Ref: STPL/SECT/011/16-17 dated 13th May, 2016

With reference to the above stated subject, we bring to your kind notice that the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh has vide its order dated 24th May, 2016 has directed that a meeting of the Equity Shareholders and Unsecured Creditor of the Company be held on Saturday 11 June, 2016 at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana-500003 for the purpose of considering and if thought fit, approving with or without modification, the proposed Scheme of Arrangement between Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors

In this connection, please find enclosed herewith copy of Notice of the Court Convened Meeting of Equity Shareholders and Unsecured Creditors of the Company.

Thanking you,
Yours faithfully,
For **SURANA TELECOM AND POWER LIMITED**

DUDAM SRINIVAS
COMPANY SECRETARY

JAS-ANZ
TCL
ISO 9001:2008
Quality Management System
Cert. No. 9380

SURANA TELECOM AND POWER LIMITED

(CIN- L23209TG1989PLC010336)

Regd .Off: 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

COURT CONVENED MEETING:

Day	Saturday
Date	11th June, 2016
Time	11.30 AM
Venue	The Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad-500003, Telangana.

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4.	Fairness opinion dated 29th September 2015, issued by Karvy Financial Services Limited	Annexure-II
5.	Complaints Report dated 7th December, 2015 filed by Surana Telecom and Power Limited with Stock Exchanges.	Annexure-IV
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IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND ANDHRA PRADESH
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO.627 OF 2016.

In the matter of the Companies Act, 1956 (1 of 1956)
and
In the matter of Sections 391 to 394 of the said Act
and
M/s. Surana Telecom and Power Limited
and
M/s. Bhagyanagar India Limited
and
M/s. Bhagyanagar Properties Private Limited
and
their respective Shareholders and Creditors

M/s. Surana Telecom and Power Limited)
a Company incorporated under the Companies)
Act, 1956 and having its Registered Office at)
5th Floor, Surya Towers, S.P.Road,)
Secunderabad-500 003.)

…….. Applicant/
1st Resulting Company

NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS

To

The Equity shareholders of **Surana Telecom and Power Limited** ("the Applicant Company"):

TAKE NOTICE that by an Order made on the 25th day of April, 2016 in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh has directed that a meeting of the Equity Shareholders of Surana Telecom and Power Limited, the Applicant Company/ 1st Resulting Company be convened and held at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana-500003 on Saturday, the 11th June, 2016 at 11.30 a.m. for the purpose of considering, and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between M/s.Bhagyanagar India Limited (Demerged Company) and M/s.Surana Telecom and Power Limited (1st Resulting Company) and M/s.Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective Shareholders and Creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be held at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana 500003 on Saturday, the 11th June, 2016 at 11.30 a.m. at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorised representative is deposited at the Registered Office of the Applicant Company at 5th Floor, Surya Towers, S.P.Road , Secunderabad-500 003 not later than 48 hours before the meeting. The proposed resolution is annexed to this notice ("Notice") as **Annexure-A** hereto

The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh has appointed Smt. M. Bhagyasri, Advocate, to be the Chairperson of the said meeting.

A copy of the Explanatory statement under section 393 of the Companies Act, 1956, the Scheme of Arrangement, the Observation Letter of BSE Limited and National Stock Exchange Limited, Complaints Report, Fairness Opinion, Form of proxy and Attendance slip are attached to and form part of this explanatory statement.

Place : Hyderabad

Date : 10th May, 2016

Sd/-

M. Bhagyasri
Chairperson appointed
for the meeting of Equity Shareholders
13-14-114/103F, Mani Kanta Classics,
Kodandaram Nagar, P & T Colony,
Dilsukhnagar, Hyderabad-500 060

Notes for court convened meeting:

1. All alterations made in the Form of Proxy should be initialled.
2. Only Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative under applicable provisions of the Companies Act) at the Equity shareholders' meeting. The authorized representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend at the meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the schedule time of the commencement of meeting.
3. A registered equity shareholder of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company.
4. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.
5. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.

Encl.: As above

ANNEXURE-A

To consider and if thought fit, approve with or without modification(s), the Scheme of Arrangement between M/s.Bhagyanagar India Limited and M/s.Surana Telecom and Power Limited and M/s.Bhagyanagar Properties Private Limited and their respective Shareholders and Creditors:

"RESOLVED THAT pursuant to Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified) and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (the Act) read with the Companies (Court) Rules, 1959 (the Rules) and other applicable provisions, if any, of the Act, pursuant to the observation letters issued by BSE Limited dated 7th April, 2016 & by National Stock Exchange of India Limited dated 11th April, 2016 and enabling provisions in the Company's Memorandum and Articles of Association and other requisite consents and approvals, if any, being obtained and subject to such terms and conditions and modifications (s) as may be imposed, prescribed or suggested by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh or other appropriate authorities, the Scheme of Arrangement between M/s. Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors in terms of the Scheme of Arrangement (the "Scheme") laid before the meeting duly initialed by the Chairman for the purpose of identification, be and is hereby by approved.

RESOLVED FURTHER THAT the Board of Directors, including duly constituted committee of the Board of Directors ("Committee of Directors"), of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary to have the Scheme approved by the Hon'ble High Court of Judicature at Hyderabad for State of Telangana and the State of Andhra Pradesh and other relevant authorities (as may be necessary), to implement the arrangement set out in the Scheme and to accept such modifications and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Hyderabad for State of Telangana and the State of Andhra Pradesh and/or other relevant authorities, including filing of relevant applications and making of appropriate representations in respect thereof, and taking all steps as they may deem necessary to give effect to the above resolution, and settling any questions, doubts and difficulties that may arise in this regard and incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Committee of Directors be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any other officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolution."

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND ANDHRA PRADESH
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO.627 OF 2016.

In the matter of the Companies Act, 1956 (1 of 1956)
and
In the matter of Sections 391 to 394 of the said Act
and
M/s. Surana Telecom and Power Limited
and
M/s. Bhagyanagar India Limited
and
M/s. Bhagyanagar Properties Private Limited
and
their respective Shareholders and Creditors

M/s. Surana Telecom and Power Limited
a Company incorporated under the Companies
Act, 1956 and having its Registered Office at
5th Floor, Surya Towers, S.P.Road,
Secunderabad-500 003.) **…….. Applicant/**
1st Resulting Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 FOR THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF SURANA TELECOM AND POWER LIMITED

1. Pursuant to an Order dated 25th April, 2016 passed by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh for direction of the meeting of the Equity Shareholders of the Applicant Company is being convened and held at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana 500003 on Saturday, the 11th June, 2016 at 11.30 a.m. for the purpose of considering, and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between M/s.Bhagyanagar India Limited (Demerged Company) and M/s.Surana Telecom and Power Limited (1st Resulting Company) and M/s.Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective Shareholders and Creditors (**"the Scheme"**).

2. In this statement, Bhagyanagar India Limited (hereinafter referred to as "BIL" or "the Demerged Company" as the context may require) and Surana Telecom and Power Limited (hereinafter referred to as "STPL" or "1st Resulting Company" or "the Applicant Company" as the context may require) and Bhagyanagar Properties Private Limited (hereinafter referred to as "BPPL" or the "2nd Resulting Company" as the context may require). The other definitions contained in the Scheme will apply to this Explanatory Statement also.

3. The draft Scheme of Arrangement was placed before the Audit Committee and Board of Directors of the Applicant Company at their respective meetings held on 12th October, 2015. M/s Karvy Financial Services

Limited, acting as the independent Merchant Banker provided the Fairness Opinion. On the basis of their evaluation, the Audit committee has recommended the Scheme to the Board of Directors of the Company. Copy of the Fairness Opinion is enclosed herewith.

4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of Applicant Company has come to the conclusion that the Scheme of Arrangement is in the best interest of the Company and its Shareholders.

5. A copy of the Scheme of arrangement setting out the terms and conditions of the scheme of arrangement between M/s. Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors as approved by the Board of Directors of the respective companies in their respective Board Meetings is enclosed herewith.

6. BACKGROUND OF THE DEMERGED COMPANY AND RESULTING COMPANIES:

6.1 Bhagyanagar India Limited ("Demerged Company")

(a) M/s. Bhagyanagar India Limited (hereinafter referred to as "BIL" / Demerged Company) was originally incorporated as M/s. Bhagyanagar Metals Limited in the State of Maharashtra on 2nd September, 1985 under the Certificate of Incorporation No. 12449 of 1985. Later on the Company has shifted its registered office from the State of Maharashtra to State of Andhra Pradesh vide orders of Company Law Board Bench, Western Region Bench, Bombay dated 4-10-1990 and accordingly a Certificate of registration of the order of CLB confirming transfer of the Registered office from one State to another State was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 12th March, 1991. Later on the Company has changed its name to its present name i.e. M/s. Bhagyanagar India Limited and a fresh Certificate of incorporation was issued by Registrar of Companies Andhra Pradesh, Hyderabad on 10th August, 2006.

(b) The registered office of the "BIL"/"Demerged Company" is situated at 5th Floor, Surya Towers, S.P.Road, Secunderabad – 500003, Telangana, India.

(c) The present share capital of BIL / Demerged Company is as under:

Particulars	Amount in Rs.
Authorised 12,50,00,000 Equity Shares of Rs 2/- each	25,00,00,000
Issued, subscribed and paid up 6,39,90,000 equity shares of Rs. 2/- each, fully paid up.	12,79,80,000

(d) The Equity Shares of the BIL/ Demerged Company are listed on BSE Limited (hereinafter referred to as "BSE") and National Stock Exchange of India Limited (hereinafter referred to as "NSE").

(e) Shareholding Pattern of the Promoter Group of Bhagyanagar India Limited as on date:

Sl. No.	Name of the Promoter	No. of equity Shares held of Rs.2/- each	% of share-holding
1	Advait Surana	3,23,082	0.50
2	Chand Kanwar	33,66,010	5.26
3	Devendra Surana	45,11,994	7.05
4	G. Mangilal Surana	34,21,980	5.35
5	Manish Surana	49,38,433	7.72
6	Mitali Surana	6,00,000	0.94
7	Namrata Surana	37,30,166	5.83
8	Narender Surana	5180089	8.10
9	Nivruthi Surana	6,95,000	1.09
10	Rahul Surana	28,09,000	4.39
11	Sresha Surana	11,59,227	1.81
12	Sunita Surana	32,66,671	5.10
13	Vinita Surana	14,27,231	2.23
14	G. Mangilal Surana (HUF)	3,57,550	0.56
15	G. Mangilal Surana (MHUF)	3,32,760	0.52
16	Narender Surana (HUF)	2,13,000	0.33
17	Devendra Surana (HUF)	1,35,000	0.21
18	Bhagyanagar Securities Pvt Limited	1,45,655	0.23
19	Surana Infocom Private Limited	86,81,890	13.57
20	Surana Telecom And Power Limited	22,90,331	3.58
	TOTAL	**4,75,85,069**	**74.36**

6.2 Surana Telecom and Power Limited ("1st Resulting Company")

(a) M/s.Surana Telecom and Power Limited (hereinafter referred to as "STPL" / 1st Resulting Company) was originally incorporated as M/s. Surana Petro Products Private Limited in the State of Andhra Pradesh on 14th August, 1989 under the Certificate of Incorporation no. 01-10336 of 1989-90. Later on the Company had converted itself into a Public Limited Company. Subsequently the Company had changed its name to M/s. Surana Telecom Limited and a fresh certificate of incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh, Hyderabad on 5th August, 1994. Again the Company had changed its name to its present name i.e. M/s. Surana Telecom and Power Limited and a fresh Certificate of incorporation was issued by Registrar of Companies Andhra Pradesh, Hyderabad on 11th October, 2007 after complying with the necessary formalities under the Companies Act, 1956.

(b) The registered office of the "STPL / 1st Resulting Company is situated at 5th Floor, Surya Towers, Sardar Patel Road, Secunderabad – 500 003, India.

(c) The present share capital of STPL / 1st Resulting Company is as under:

Particulars	Amount in Rs.
Authorised 15,00,00,000 Equity Shares of Re 1/- each	15,00,00,000
Issued, subscribed and paid up 10,40,22,000 equity shares of Re. 1/- each, fully paid up	10,40,22,000

(d) The Equity Shares of the STPL/1st Resulting Company are listed on BSE Limited (hereinafter referred to as "BSE") and National Stock Exchange of India Limited (hereinafter referred to as "NSE").

(e) Shareholding Pattern of the Promoter Group of Surana Telecom and Power Limited as on date:

Sl. No.	Name of the Promoter	No. of equity Shares held of Rs. 1/- each	% of share holding
1	Advait Surana	26,21,525	2.52
2	Chand Kanwar	21,86,990	2.10
3	Devendra Surana	1,53,28,015	14.74
4	G. Mangilal Surana	44,20,550	4.25
5	Manish Surana	42,16,658	4.05
6	Mitali Surana	12,22,500	1.18
7	Namrata Surana	46,03,455	4.43
8	Narender Surana	1,92,19,260	18.48
9	Rahul Surana	15,25,000	1.47
10	Sresha Surana	26,84,517	2.58
11	Sunita Surana	34,75,675	3.34
12	Vinita Surana	25,04,405	2.41
13	Bhagyanagar Securities Private Limited	6,16,646	0.59
14	Surana Infocom Private Limited	38,99,635	3.75
15	Bhagyanagar India Limited	94,12,201	9.05
	TOTAL	**7,79,37,032**	**74.94**

6.3 Bhagyanagar Properties Private Limited ("2nd Resulting Company")

(a) M/s. Bhagyanagar Properties Private Limited (hereinafter referred to as "BPPL"/ 2nd Resulting Company) was originally incorporated as M/s. Bhagyanagar Properties Limited on 25th April, 2006 under the Certificate of Incorporation No. 01-50010 of 2006-2007. Later on

the Company had converted itself into a Private Limited Company and a fresh Certificate of incorporation consequent upon change of name on conversion to Private Limited Company was issued by Registrar of Companies Andhra Pradesh, Hyderabad on 8th December, 2008.

(b) The registered office of the "BPPL / 2nd Resulting Company is situated at 5th Floor, Surya Towers, S.P.Road, Secunderabad – 500003, Telangana.

(c) The present authorised share capital of 2nd Resulting Company / BPPL is as under:

Particulars	Amount in Rs.
Authorised 50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Issued, subscribed and paid up 40,00,000 equity shares of Rs. 10/- each, fully paid up	4,00,00,000

(d) Shareholding Pattern of the Promoter Group of Bhagyanagar Properties Private Limited as on date:

Sl. No.	Name of the Promoter	No. of equity Shares held of Rs. 10/- each	% of share holding
1	M/s. Bhagyanagar India Limited	39,99,950	99.999
2	Narender Surana	10	0.0002
3	Devendra Surana	10	0.0002
4	Sunita Surana	10	0.0002
5	Namrata Surana	10	0.0002
6	Manish Surana	10	0.0002
	TOTAL	**40,00,000**	**100.00**

7. BACKGROUND OF THE SCHEME

7.1 The BIL/ Demerged Company is having following divisions:-

1) Copper Division.
2) Windmill Division
3) Solar Division
4) Real Estate Division

It is proposed to transfer the Solar Division of the Demerged Company into STPL/ 1st Resulting Company and Real Estate Division into BPPL/ 2nd Resulting Company pursuant to the applicable provisions of the Act and/or any other Applicable Laws ("**Scheme**").

8. RATIONALE AND SALIENT FEATURES OF THE SCHEME

8.1 The transfer of Solar Division of BIL into STPL shall bring in the following advantages;

i) Focus on Solar Business: STPL has placed its focus solely on Non-Conventional energy viz. Solar Power Generation, already having an installed capacity of 10 MW, Wind Power Generation, with an installed capacity of 1.25 MW, and other power generation projects in the

pipeline. So BIL is of the view that by transferring Solar Division to STPL will achieve greater revenues and growth with proper focus & resources.

ii) **Strength for future expansion:** There has been a rising awareness worldwide that renewable energy and energy efficiency are critical not only for addressing climate change, but also for creating new economic opportunities. In the recent years, advances in renewable energy technologies, global increases in capacity and rapid cost reductions have been made as the policies have been favourable. The size of renewable energy market will see further growth as the application of renewable purchase obligation expands to cover open access and capture consumers.

iii) **Enhanced synergies arising out of consolidation:** The demerger of Solar Division of BIL into STPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger, there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

iv) **Investor attractiveness:** The proposed demerger will enhance the value of STPL which in turn would enhance the value of the share-holders of BIL who will become share-holders in STPL by virtue of this scheme of arrangement.

8.2 The transfer of Real Estate Division of BIL into BPPL shall bring in the following advantages;

i) **Focus on Real Estate Business:** BPPL has sufficient land bank to develop & thrive in the Real Estate markets. Consolidating the Real Estate division into BPPL will result in higher revenues & accelerated growth as a result of increased focus in the Real estate business.

ii) **Future Expansion:** The Indian business scenario is getting more complex by the day, with new government regulations, newer technologies, customer preferences, increased competition, advent of new business strategies, global expansion etc. In order to meet the growing challenges, most of the business organizations are increasing their focus on their core businesses and going for backward and forward integration accordingly.

iii) **Enhanced synergies arising out of consolidation:** The demerger of Real Estate division comprising of loans and advances and investments in the real-estate subsidiaries of BIL into BPPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger would result in better and effective administration in management and operations, owing to creation of focused entities in the current scenario.

iv) **Investor attractiveness:** Often financial investors look out for sector specific companies because they have different parameters for risk and return. The return expectations of a Copper business investor are different from that of an investor in a real estate industry. The proposed demerger of the Real estate of BIL into BPPL will create two entities focusing on their respective businesses, thereby addressing investor concern.

9. The salient features of the Scheme are as follows:

(i) **"Appointed Date"** means April 1, 2016, or such other date as may be fixed by the Hon'ble High Court for the State of Telangana and Andhra Pradesh;

(ii) "**Effective Date"** means the date on which the Certified copy of the Order, issued by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, sanctioning this Scheme is filed by BIL, 1st Resulting Company and 2nd Resulting Company with the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad.

(iii) Pursuant to the scheme

a. With effect from the Appointed Date, the solar division and investments in equity shares of Surana Solar Limited and Surana Telecom and Power Limited are proposed to be transferred to STPL/ 1st Resulting Company on a going concern basis.

b. With effect from the Appointed Date the real estate division comprising of Loans & Advances in the subsidiaries and Investments in BPPL, Scientia Infocom India Private Limited & Metropolitan Ventures India Private Limited are proposed to be transferred to BPPL/ 2nd Resulting Company on a going concern basis.

c. The Scheme is conditional upon and subject to the approvals / or sanctions laid down in Clause 29 of the Scheme.

(iv) Share Exchange Ratio:

Upon the scheme becoming effective and with the vesting of the solar division and Real Estate Division of the Demerged Company respectively in 1st Resulting Company and 2nd Resulting Company, the share entitlement ratio will be as follows:

For every 6 (six) equity shares of Rs.2/- each held in BIL, the shareholders will continue to hold 3 (three) equity shares of Rs.2/- each in Bhagyanagar India Limited and will get 3 (three) equity shares of Rs.2/- each in Bhagyanagar Properties Private Limited and 4 (four) equity shares of Re.1/- each in Surana Telecom and Power Limited.

(v) No fractional share certificates:

In case, any members of Demerged Company holding becomes entitled to a fraction of equity in Demerged Company, shall not issue fractional share certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by respective company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members of Demerged Company in the same proportion to their fractional entitlements

(vi) Reorganization of Share Capital :

Upon the Scheme coming into effective, the issued, subscribed and paid up equity share capital of BIL/ Demerged Company shall be reduced from Rs. 12,79,80,000 divided into 6,39,90,000 Equity Shares of Rs.2/- each into Rs. 6,39,90,000 divided into 3,19,95,000 equity shares of Rs.2/- each as an integral part of the scheme, without any further act, instrument or deed.

Upon the Scheme coming into effective, 100% of the existing equity share capital of BPPL/ 2nd Resulting Company shall stand cancelled without any further act or deed. The reduction in the share capital of the 2nd resulting company shall be effected as an integral part of the scheme.

Upon the scheme becoming effective, the face value of each equity share of the BPPL/ 2nd Resulting company shall stand reduced to Rs.2/- (Rupees Two) each from Rs.10/- (Rupees Ten) each without any further act, instrument or deed and without payment of any fees, stamp duty etc.

Please note that the aforesaid are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

10 The Pre and Post Scheme of Arrangement Capital Structure and Shareholding Pattern of Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) is given hereunder:

10.1 Pre and Post Scheme of Arrangement Shareholding Pattern of BIL (Demerged Company)

Code	Category of Shareholder	Pre-Scheme of Arrangement		Post-Scheme of Arrangement	
		Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
(A)	**Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individual /HUF	36431808	56.93	18215904	56.93
(b)	Bodies Corporate	10972221	17.15	5486111	17.15
(2)	**Foreign**	0	0	0	0
	Total (A)	**47404029**	**74.08**	**23702015**	**74.08**
(B)	**Public Shareholding**				
(1)	**Institutions**				
(a)	Mutual Funds /UTI	10500	0.02	5250	0.02
(b)	Financial Institutions / Banks	1496171	2.34	748086	2.34
(c)	Central Government / State Government(s)	176700	0.28	88350	0.28
(2)	**Non-Institutions**				
(a)	Bodies Corporate	1137398	1.78	568699	1.78
(b)	Individuals				
	(i) Individuals holding nominal share capital upto Rs.1 lakh	7800226	12.19	3900113	12.19
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	4813625	7.52	2406813	7.52
(c)	Others				
	Clearing Members	22031	0.03	11016	0.03
	Non resident Indians	1128820	1.76	564410	1.76
	Trusts	500	0.00	250	0.00
(d)	Qualified Foreign Investor	0	0.00	0	0.00
	Total (B)	**16585971**	**25.92**	**8292986**	**25.92**
	Grand Total (A+B)	**63990000**	**100.00**	**31995000**	**100.00**

10.2 Pre and Post Scheme of Arrangement Shareholding Pattern of STPL (1st Resulting Company)

Code	Category of shareholder	Pre-Scheme of Arrangement		Post-Scheme of Arrangement	
		Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
(A)	**Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individual /HUF	63961215	61.49	88249081	65.00
(b)	Bodies Corporate	13294785	12.78	9687561	7.14
(2)	**Foreign**				
	Total (A)	**77256000**	**74.27**	**97936642**	**72.14**
(B)	**Public Shareholding**				
(1)	**Institutions**				
(a)	Mutual Funds /UTI	71000	0.07	77999	0.06
(b)	Financial Institutions /Banks	21000	0.02	1018447	0.75
(c)	Central Government / State Government(s)	0	0.00	117800	0.09
(d)	Foreign Institutional Investors	1393001	1.34	1393001	1.03
(2)	**Non-Institutions**				
(a)	Bodies Corporate	1814497	1.74	2572674	1.90
(b)	Individuals				
	(i) Individuals holding nominal share capital upto Rs.1 lakh	16241597	15.61	21952747	16.17
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5480214	5.27	8174355	6.02
(c)	Others				
	Clearing Members	61911	0.06	76593	0.06
	Non Resident Indians	1390280	1.34	2142798	1.58
	Overseas Corporate Bodies	292500	0.28	292500	0.22
	Trusts	0	0.00	4407	0.00
	Total (B)	**26766000**	**25.73**	**37823321**	**27.86**
	Grand Total (A+B)	**104022000**	**100.00**	**135759963**	**100.00**

10.3 Pre and Post Scheme of Arrangement Shareholding Pattern of BPPL (2nd Resulting Company)

Code	Category of Shareholder	Pre-Scheme of Arrangement		Post-Scheme of Arrangement	
		Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
(A)	**Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individual /HUF	50	0.00	18215904	56.93
(b)	Bodies Corporate	3999950	100.00	5486111	17.15
(2)	**Foreign**	0	0.00	0	0.00
	Total (A)	**4000000**	**100.00**	**23702015**	**74.08**
(B)	**Public Shareholding**				
(1)	**Institutions**	0	0.00	5250	0.02
(a)	Mutual Funds /UTI	0	0.00	748086	2.34
(b)	Financial Institutions / Banks	0	0.00	88350	0.28
(2)	**Non-Institutions**				
(a)	Bodies Corporate	0	0.00	568699	1.78
(b)	Individuals	0	0.00		
	(i) Individuals holding nominal share capital upto Rs.1 lakh	0	0.00	3900113	12.19
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	0	0.00	2406813	7.52
(c)	Others	0	0.00		0.00
	Clearing Members	0	0.00	11016	0.03
	Non Resident Indians	0	0.00	564410	1.76
	Trusts	0	0.00	250	0.00
(d)	Qualified Foreign Investor	0	0.00	0	0.00
	Total (B)	**0**	**0.00**	**8292986**	**25.92**
	Grand Total (A+B)	**4000000**	**100.00**	**31995000**	**100.00**

11.1. The latest audited financial summary of Bhagyanagar India Limited (Demerged Company) as on 31.03.2015 is given below:

Particulars	As at 31st March 2015 in Rs.	
EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	12,79,80,000	
(b) Reserves and Surplus	1,95,94,78,884	2,08,74,58,884
(2) Non-Current Liabilities		
(a) Long-Term Borrowings		62,96,24,155
(3) Current Liabilities		
(a) Short-Term Borrowings	40,94,07,830	
(b) Trade Payables	76,68,422	
(c) Other Current Liabilities	16,49,65,224	
(d) Short-Term Provisions	2,36,35,400	60,56,76,876
TOTAL		**3,32,27,59,915**
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(1) Tangible Assets	79,22,07,881	
(2) Capital Work-in-Progress	91,95,040	
(b) Non-Current Investments	27,08,44,392	
(c) Deferred Tax Assets (Net)	52,38,615	
(d) Long-Term Loans and Advances	1,16,63,82,563	2,24,38,68,491
(2) Current Assets		
(a) Current Investments	-	
(b) Inventories	41,76,11,302	
(c) Trade Receivables	30,08,78,481	
(d) Cash and Cash Equivalents	8,47,47,720	
(e) Short-Term Loans and Advances	14,20,60,895	
(f) Other Current Assets	13,35,93,026	1,07,88,91,424
TOTAL		**3,32,27,59,915**

11.2. The latest audited financial summary of Surana Telecom and Power Limited (1st Resulting Company) as on 31.03.2015 is given below:

	Particulars	As at 31st March 2015 in Rs.	
I	**EQUITY AND LIABILITIES**		
	(1) Shareholders' Funds		
	(a) Share Capital	10,40,22,000	
	(b) Reserves and Surplus	49,41,18,536	59,81,40,536
	(2) Non-Current Liabilities		
	(a) Long-Term Borrowings	15,18,53,386	
	(b) Deferred Tax Liabilities (Net)	33,84,080	15,52,37,466

	Particulars	As at 31st March 2015 in Rs.	
	(3) Current Liabilities		
	(a) Short-Term Borrowings	2,20,81,138	
	(b) Trade Payables	6,90,80,422	
	(c) Other Current Liabilities	9,07,38,883	
	(d) Short-Term Provisions	1,50,03,640	19,69,04,083
	TOTAL		**95,02,82,085**
II	**ASSETS**		
	(1) Non-Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets	49,26,65,255	
	(b) Non-Current Investments	12,66,69,300	
	(c) Long-Term Loans and Advances	6,13,59,355	68,06,93,910
	(2) Current Assets		
	(a) Inventories	18,93,02,432	
	(b) Trade Receivables	3,04,37,218	
	(c) Cash and Bank Balances	1,12,84,808	
	(d) Short-Term Loans and Advances	19,87,033	
	(e) Other Current Assets	3,65,76,684	26,95,88,175
	TOTAL		**95,02,82,085**

11.3. The latest audited financial summary of Bhagyanagar Properties Private Limited (2nd Resulting Company) as on 31.03.2015 is given below:

	Particulars	As at 31st March 2015 in Rs.	
I	**EQUITY AND LIABILITIES**		
	(1) Shareholders' Funds		
	(a) Share Capital	4,00,00,000	
	(b) Reserves and Surplus	(25,64,393)	3,74,35,607
	(2) Non-Current Liabilities		
	(a) Long-Term Borrowings		55,54,39,048
	(3) Current Liabilities		
	(a) Other Current Liabilities		11,234
	TOTAL		**59,28,85,889**
II	**ASSETS**		
	(1) Non-Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets		59,28,35,325
	(b) Long-Term Loans and Advances		-
	(2) Current Assets		
	(a) Cash and Cash equivalents		50,563
	TOTAL		**59,28,85,889**

12. The shares held by the Directors and key Managerial Personnel and their relatives in the Demerged Company, 1st Resulting Company and 2nd Resulting Company as on date are given below:-

Sl. No.	Name of the Director/ Member	Designation	Shares held in M/s Surana Telecom and Power Ltd / 1st Resulting Company	Shares held in Bhag-yanagar India Ltd / Demerged Company	Shares held in M/s Bhagyanagar Properties Pvt. Ltd./ 2nd Resulting Company
1	Narender Surana	Director-1	19219260	5180089	10*
2	Devendra Surana	Director-2	15328015	4511994	10*
3	GM Surana	Father of Director-1 & 2	4420550	3421980	-
4	Chand Kanwar	Mother of Director-1 & 2	2186990	3366010	-
5	Sunita Surana	Wife of Director-1	3475675	3266671	10*
6	Namrata Surana	Wife of Director-2	4603455	3730166	10*
7	Manish Surana	Son of Director-1	4216658	4938433	10*
8	Vinita Surana	Daughter of Director-1	2504405	1427231	-
9	Shresha Surana	Daughter of Director-1	2684517	1159227	-
10	Advait Surana	Daughter of Director-2	2621525	323082	-
11	Nivruthi Surana	Daughter of Director-2	-	695000	-
12	Rahul Surana	Son of Director-2	1525000	2809000	-
13	Mitali Surana	Daughter of Director-2	1222500	600000	-
14	G M Surana (MHUF)	Family HUF	-	332760	-
15	G M Surana (HUF)	Family HUF	-	357550	-
16	Narender Surana (HUF)	Family HUF	-	213000	-
17	Devendra Surana (HUF)	Family HUF	-	135000	-
18	R.Surender Reddy	Director	-	15000	-

* Holding as nominee of Bhagyanagar India Ltd.

13. That none of the Directors of the Demerged Company and 1st Resulting Company and 2nd Resulting Company have any material interest in the said scheme except as shareholders to the extent of the shares held by them as indicated above.

14. APPROVALS

14.1 Pursuant to the SEBI Circulars and Clause 24(f) of the Listing Agreement read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Applicant Company has received the observation letters from BSE and NSE 7th April, 2016 and 11th April, 2016 respectively, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith.

14.2 As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE and NSE on 7th December, 2015. A copy of the aforementioned Complaints Report is enclosed herewith.

14.3 As per the terms of the Observation Letters, SEBI has given its 'no adverse objection' to the Scheme and has advised the Applicant Company to comply with the provisions of the SEBI Circulars.

15. GENERAL

15.1 The Scheme is not prejudicial to the interests of the members of the Applicant Company.

15.2 There are no winding up proceedings pending against the Applicant Company as of date.

15.3 No investigation proceedings are pending or are likely to be pending under the provisions Section 235, 237 of the Companies Act, 1956 or the provisions of Chapter XIV of the Companies Act, 2013 in respect of the Applicant Company.

16. Inspection of the following documents may be had by the equity shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 11.00 am and 1.00 pm

(a) Copy of the Order dated 25th April, 2016 of the Hon'ble High Court of Judicature at Hyderabad directing the convening of the meeting of the Equity Shareholders of the Applicant Company;

(b) The Pre and Post Scheme of Arrangement Capital Structure and Shareholding Pattern of Bhagyanagar India Limited, Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited.

(c) Memorandum and Articles of Association of the Demerged Company, the 1st Resulting Company and 2nd Resulting Company;

(d) Audited Financial Statements of the 1st Resulting Company for last three financial years ended 31 March 2015, 31 March 2014 and 31 March 2013;

(e) Audited financial statement of the Demerged Company and 2nd Resulting Company as on 31 March 2015;

(f) Copy of the observation letters from BSE and NSE 7th April, 2016 and 11th April, 2016 respectively;

(g) Copy of the Complaints Report dated 7th December, 2015 filed with BSE and NSE;

(h) Valuation Report dated 25th September 2015 issued by M/s.Komandoor & Co., Chartered Accountants, Hyderabad; and

(i) Fairness Opinion dated 29th September, 2015 issued by M/s.Karvy Investor Services Limited, on the Share Entitlement Ratio.

This Statement may be treated as the Statement under Section 393 of the Companies Act, 1956. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003 or at the office of its Advocates Shri V.S. Raju, B. Satya Shivaji & Shri V.B. Raju, at 106, Dhanunjaya Towers, Road No.1, Banjara Hills, Hyderabad - 500 034.

Place : Hyderabad

Date : 10th May, 2016

Sd/-

M. Bhagyasri
Chairperson appointed
for the meeting of Equity Shareholders
13-14-114/103F, Mani Kanta Classics,
Kodandaram Nagar, P & T Colony,
Dilsukhnagar, Hyderabad-500 060

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND ANDHRA PRADESH
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO.627 OF 2016.

In the matter of the Companies Act, 1956 (1 of 1956)
and
In the matter of Sections 391 to 394 of the said Act
and
M/s. Surana Telecom and Power Limited
and
M/s. Bhagyanagar India Limited
and
M/s. Bhagyanagar Properties Private Limited
and
their respective Shareholders and Creditors

M/s. Surana Telecom and Power Limited
a Company incorporated under the Companies Act, 1956 and having its Registered Office at 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003.) ..... **Applicant/ 1st Resulting Company**

PROXY FORM (Form No. MGT-11)

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

Name of Member(s)	
Registered Address	
E-Mail ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) holding _____shares of above named the 1st Resulting Company, hereby appoint:

1.

Name :	
Address :	
E-mail ID :	
Signature :	

Or failing him/her

2.

Name :	
Address :	
E-mail ID :	
Signature :	

Or failing him/her

3.

Name :	
Address :	
E-mail ID :	
Signature :	

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Court Convened Meeting of the Equity Shareholders of the Company to be held on Saturday, the 11th day of June, 2016 at 11.30 A.M. at The Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad-500003, Telangana , India for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between M/s. Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956 at such meeting and/or any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) ....(here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said proposed Scheme, either with or without modification(s)*, as my/our proxy may approve.

**Strike-off whichever is not applicable.*

Signed this ____day of _____2016

Affix Revenue Stamp

Signature of Shareholder(s):

Signature of Proxy holder(s):

Notes:

1. All alterations made in the Form of the Proxy should be initialed.
2. Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 5th Floor, Surya Towers, S.P.Road, Secunderabad – 500003, Telangana, not later than **FORTY-EIGHT HOURS** before the commencement of the aforesaid Meeting.

SURANA TELECOM AND POWER LIMITED

(CIN- L23209TG1989PLC010336)

Regd .Off: 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003

ATTENDANCE SLIP

Regd. Folio No.	
No. of Equity shares held	

***DP ID**	
***Client ID**	

Name of the Shareholder	
Name of Proxy	

I/We hereby record my/our presence at the Court Convened Meeting of Equity shareholders of the Company to be held on 11th June, 2016 at 11.30 a.m. at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana -500003.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If **Member,** Please Sign here

If **Proxy,** Please Sign here

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
* Applicable for investors holding in demat form.

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PRINTED MATTER

If undelivered, please return to:

Surana Group

SURANA TELECOM AND POWER LIMITED

(CIN- L23209TG1989PLC010336)

Regd .Off: 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003

Website : www.suranatele.com ; Email: cs@surana.com ; Ph: 040-44665757/58

ANNEXURES

Sl. No.	Contents	Annexure	Page Nos.
1.	Scheme of Arrangement between Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and any amendments thereto or replacements thereof.	Annexure-I	1
2.	Fairness opinion dated 29th September 2015, issued by Karvy Financial Services Limited	Annexure-II	34
3.	Complaints Report dated 7th December, 2015 filed by Bhagyanagar India Limited with Stock Exchanges.	Annexure-III	40
4.	Complaints Report dated 7th December, 2015 filed by Surana Telecom and Power Limited with Stock Exchanges.	Annexure-IV	42
5.	Observation Letter dated 7th April, 2016 issued by BSE Limited to Bhagyanagar India Limited.	Annexure-V	44
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8.	Observation Letter dated 11th April, 2016 issued by National Stock Exchange of India Limited to Surana Telecom and Power Limited.	Annexure-VIII	48

Annexure-I

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 TO 394 READ WITH SECTION 78, 100 TO 103 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956)

BETWEEN

BHAGYANAGAR INDIA LIMITED

AND

SURANA TELECOM AND POWER LIMITED

AND

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme of Arrangement is presented pursuant to the provision of Sections 391 to 394 read with Section 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for the demerger of Solar Division / Demerged Undertaking 1 (as defined hereinafter) of Bhagyanagar India Limited ('BIL') into Surana Telecom And Power Limited ('STPL'), and demerger of Real Estate Division / Demerged Undertaking 2 (as defined hereinafter) of Bhagyanagar India Limited ('BIL') into Bhagyanagar Properties Private Limited ('BPPL') as a going concern basis.

1. INTRODUCTION AND OBJECTIVE OF THE SCHEME

1 INTRODUCTION

1.1 Bhagyanagar India Limited

(i) Bhagyanagar India Limited ("BIL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, India-500 003. Bhagyanagar India Limited was incorporated on 2nd September, 1985 and its Corporate Identity No is L27201TG1985PLC12449.

(ii) Bhagyanagar India Limited is a diversified industrial conglomerate with interest in varied businesses. Bhagyanagar India Limited started primarily as a manufacturer of copper and allied products and over the time it has diversified into Real Estate, Non-conventional energy like wind and solar and over a period of time has developed the following Divisions:-

a) Copper Division.

b) Windmill Division

c) Solar Division

d) Real Estate Division

1.2 M/s. Surana Telecom and Power Limited

(i) M/s. Surana Telecom and Power Limited ("STPL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road,

Secunderabad, India-500 003, India on 14 August 1989 and its Corporate Identity No is L2320TG1989PLC010336.

(ii) STPL has been incorporated to carry on the business of manufacturing of Optic Fibre / Cable wires and aluminium wire rods etc. It is also engaged in the business of manufacturing of Solar Modules and also has Solar Power generation unit situated at Gujarat Solar Park, Charanka Village, Santalpur Taluk, Patan District, Gujarat

1.3 M/s. Bhagyanagar Properties Private Limited

(i) M/s. Bhagyanagar Properties Private Limited ("BPPL") (Resulting Company 2) is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P. Road, Secunderabad, India-500 003 on 25th April 2006 and its Corporate Identity No. is U70102TG2006PTC050010.

(ii) BPPL has been incorporated to carry on in India or abroad the business as builders, executors, contractors, construction of building, house, apartment and to build, layout, develop, construct, build, erect, demolish, erect, alter, repair or do any other work in connection with any building scheme, roads, highways, buildings, bridges, flats, houses, garages, factories, shops, establishment, hotels resorts, offices, garages, warehouses or otherwise deal in all kinds of property, house, structures or other land and House property.

2. RATIONALE FOR THE SCHEME

(A) The rationale of the proposed demerger of Solar division (Demerged Undertaking 1 as defined hereafter):

The Demerged Undertaking 1 comprising of solar power plant (5 MW situated at Munipally, Medak District, Telangana) and investments in equity shares of Surana Solar Limited ("SSL") and Surana Telecom and Power Limited ("STPL") are proposed to be transferred to STPL. Management of BIL is of the opinion that by transferring the entire Solar division to STPL shall bring in the following advantages:

1) Focus on Solar Business: STPL has placed its focus solely on Non-Conventional energy viz. Solar Power Generation, already having an installed capacity of 10 MW, Wind Power Generation, with an installed capacity of 1.25 MW, and other power generation projects in the pipeline. So BIL is of the view that by transferring Solar Division to STPL will achieve greater revenues and growth with proper focus & resources.

2) Strength for future expansion: There has been a rising awareness worldwide that renewable energy and energy efficiency are critical not only for addressing climate change, but also for creating new economic opportunities. In the recent years, advances in renewable energy technologies, global increases in capacity and rapid cost reductions have been made as the policies have been favourable. The size of renewable energy market will see further growth as the application of renewable purchase obligation expands to cover open access and capture consumers.

3) Enhanced synergies arising out of consolidation: The demerger of Solar Division of BIL into STPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger, there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

4) **Investor attractiveness:** The proposed demerger will enhance the value of STPL which in turn would enhance the value of the share-holders of BIL who will become share-holders in STPL by virtue of this scheme of arrangement.

(B) The rationale of the proposed demerger of Real Estate Division ("Demerged Undertaking 2)

The Demerged Undertaking 2 comprising of Loans & Advances in the subsidiaries and Investments in BPPL, Scientia Infocom India Private Limited & Metropolitan Ventures India Private Limited are proposed to be transferred to BPPL. Management of BIL is of the opinion that by transferring the entire Real Estate division to BPPL shall bring in the following advantages:

1) **Focus on Real Estate Business:** BPPL has sufficient land bank to develop & thrive in the Real Estate markets. Consolidating the Real Estate division into BPPL will result in higher revenues & accelerated growth as a result of increased focus in the Real estate business.

2) **Future Expansion:** The Indian business scenario is getting more complex by the day, with new government regulations, newer technologies, customer preferences, increased competition, advent of new business strategies, global expansion etc. In order to meet the growing challenges, most of the business organizations are increasing their focus on their core businesses and going for backward and forward integration accordingly.

3) **Enhanced synergies arising out of consolidation:** The demerger of Real Estate division comprising of loans and advances and investments in the real-estate subsidiaries of BIL into BPPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger would result in better and effective administration in management and operations, owing to creation of focused entities in the current scenario.

4) **Investor attractiveness:** Often financial investors look out for sector specific companies because they have different parameters for risk and return. The return expectations of a Copper business investor are different from that of an investor in a real estate industry. The proposed demerger of the Real estate of BIL into BPPL will create two entities focusing on their respective businesses, thereby addressing investor concern.

3. PARTS OF THE SCHEME

The scheme is divided into the following parts:

Part I – deals with Definitions, Interpretations and Share Capital

Part II – deals with the Demerger of Demerged Undertaking 1 of BIL into STPL.

Part III - deals with Demerger of Demerged undertaking 2 of BIL into BPPL.

Part IV – deals with General Terms and Conditions

PART I

2. DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

2.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

2.1.1 **"Act" or "the Act"** means the Companies Act, 1956, and rules made there under (to the extent applicable) and the Companies Act, 2013 (as may be notified from time to time) and the rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

2.1.2 **"Appointed Date"** means April 1, 2016, or such other date as may be fixed by the Hon'ble High Court of Andhra Pradesh & Telangana;

2.1.3 **"Board of Directors" or "Board"** shall mean the Board of Directors of Demerged Company, 1st Resulting Company and 2nd Resulting Company as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme.

2.1.4 **"Demerged Company" or "BIL"** means Bhagyanagar India Limited, a company incorporated under the Companies Act, 1956, having its registered office at Surya Towers, 5th Floor, Sardar Patel Road, Secunderabad, Telangana, 500003, India.

2.1.5 **"Demerged Undertaking 1/ Solar Division "** shall comprise of 5 MW of Solar Power Plant of BIL along with investments in Surana Telecom and Power Limited and Surana Solar Limited of BIL/ Demerged Company and in particular includes the following:

(a) all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, investments in shares, advance paid for purchase of shares and/ or strategic investments, inventory and work in progress relating to the Demerged Undertaking 1 of Demerged Company (as are set specifically set out in Schedule 1);

(b) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Demerged Undertaking 1;

(c) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking 1.

(d) all permanent employees and labour engaged in the Demerged Undertaking 1;

(e) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking 1;

(f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Demerged Undertaking 1.

2.1.6 **"Demerged Undertaking 2 / Real Estate Division"** shall comprise of all the assets and liabilities pertaining to Real Estate Division along with investments in subsidiaries namely in Scientia Infocom Private Limited and Metropolitan Ventures Private Limited of BIL and in particular includes the following:

(g) all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, investments in shares, advance paid for purchase of shares and/ or strategic investments, inventory and work in progress relating to the Demerged Undertaking 2 of Demerged Company (as are set specifically set out in Schedule 2);

(h) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured if any, pertaining to the Demerged Undertaking 2;

(i) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking 2.

(j) all permanent employees and labour engaged in the Demerged Undertaking 2;

(k) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking 2;

(l) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Demerged Undertaking 2.

2.1.7 **"Effective Date"** means the date on which the Certified copy of the Order, issued by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, sanctioning this Scheme is filed by BIL, 1st Resulting Company and 2nd Resulting Company with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad.

2.1.8 **"High Court"** means the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh and shall include the National Company Law Tribunal, if applicable.

2.1.9 **"Record Date"** means the date to be fixed by the Board of Directors of Demerged Company for the purpose of determining the members to whom shares will be allotted by 1st Resulting Company and 2nd Resulting Company, pursuant to this Scheme.

2.1.10 **"Remaining Business of Demerged Company"** means all the undertakings, businesses, activities and operations of BIL other than Solar Division and Real Estate Division.

2.1.11 **"Scheme" or "this Scheme" or "the Scheme"** means this Scheme of Arrangement in its present form as submitted to the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, with such modification(s), if any, as may be imposed or directed by the High Court.

2.1.12 **"1st Resulting Company/ STPL"** means Surana Telecom and Power Limited, a company incorporated under the Companies Act, 1956, having its registered office at Surya Towers, 2nd Floor, Sardar Patel Road, Secunderabad ,Telangana, 500003, India.

2.1.13 **"2nd Resulting Company / BPPL"** means Bhagyanagar Properties Private Limited, a company incorporated under the Companies Act, 1956 having its registered office at Surya Towers, 5th Floor, Sardar Patel Road, Secunderabad, Telangana - 500 003, India.

DATE OF TAKING EFFECT AND OPERATIVE DATE

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

COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA), and other relevant sections of the Income-tax Act, 1961 and accordingly all the Assets and Liabilities shall be transferred from BIL into STPL & BPPL at book values only. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. The power to make such amendments shall vest with the Board of Directors of Demerged Company, which power can be exercised anytime and shall be exercised in the best interest of the companies and their shareholders.

3. SHARE CAPITAL

3.1 The present share capital of BIL / Demerged Company is as under:

Particulars	Amount in Rs.
Authorised 12,50,00,000 Equity Shares of Rs 2/- each	25,00,00,000
Issued, subscribed and paid up 6,39,90,000 equity shares of Rs. 2/- each, fully paid up	12,79,80,000

3.2. The present share capital of STPL / 1st Res ulting Company is as under:

Particulars	Amount in Rs.
Authorised 15,00,00,000 Equity Shares of Re 1/- each	15,00,00,000
Issued, subscribed and paid up 10,40,22,000 equity shares of Re. 1/- each, fully paid up	10,40,22,000

3.3. The present authorised share capital of 2nd Resulting Company / BPPL is as under:

Particulars	Amount in Rs.
Authorised 50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Issued, subscribed and paid up 40,00,000 equity shares of Rs. 10/- each, fully paid up	4,00,00,000

As on 01 April 2015, the 2nd Resulting Company is a wholly owned Subsidiary of the Demerged Company i.e. Bhagyanagar India Limited.

PART II

DEMERGER OF OF

SOLAR DIVISION /

DEMERGED UNDERTAKING 1

OF

BHAGYANAGAR INDIA LIMITED

(Demerged Company")

INTO

SURANA TELECOM AND POWER LIMITED

("1st Resulting Company")

4. TRANSFER AND VESTING

4.1 With effect from the Appointed Date, the entire business and Undertaking of Solar Division of the Demerged Company shall pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested in or deemed to have been transferred to or vested, as a going concern, into the 1st Resulting Company together with all the estates, assets, titles and interest pertaining to the Solar Division of Demerged Company therein, subject however, to all existing charges, liens, mortgages and encumbrances, if any, affecting the same or any part thereof. The transfer and vesting of Solar Division of the Demerged Company shall be effected as follows:-

4.1.1 All the movable assets (as specified in Schedule 1) including cash in hand of the Solar Division capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the 1st Resulting Company on such handing over in pursuance of the provisions of Section 394 of the Act (as an integral part of the Undertaking). Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of 1st Resulting Company and the Demerged Company within 30 days from the effective date.

4.1.2 In respect of any assets other than those referred to in sub-clause 4.1.1 above, the same shall without any further act, instrument, deed, matter or thing be transferred to and vested in and / or deemed to be transferred to and vested in the 1st Resulting Company on the appointed date pursuant to the provisions of Section 394 of the Act. Further, for assets including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:

(a) The 1st Resulting Company shall give notice in such form as it may deem fit and proper to each party, debtor or deposit pertaining to Solar Division of each of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan,

advances, etc. be paid or made good or held on account of the 1st Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in the 1st Resulting Company.

(b) The Demerged Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Scheme coming into effect, the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to the account of the 1st Resulting Company and that the right of the 1st Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

4.1.3 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) pertaining to the Solar Division of Demerged Company (as on the Appointed Date) shall, without any further act or deed, stand transferred to and vested in and be deemed to be transferred and to vested in the 1st Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the 1st Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this clause.

4.1.4 Where any of the debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Solar Division of the Demerged Company as on the Appointed Date deemed to be transferred to and vested in the 1st Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the 1st Resulting Company.

4.1.5 All debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Solar Division of the Demerged Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been incurred for and on behalf of the 1st Resulting Company in which the Solar Division of the Demerged Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the 1st Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the 1st Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans, duties and obligations pertaining to the Solar Division shall have been assumed by the Demerged Company after the Appointed Date without the prior written consent of the 1st Resulting Company otherwise than in the ordinary course of business.

4.1.6 The transfer and vesting of the assets pertaining to the Solar Division of the Demerged Company to and in the 1st Resulting Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

4.1.7 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those pertaining to the Solar Division, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Undertaking or any part thereof

transferred to the 1st Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the 1st Resulting Company. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Demerged Company which shall vest in the 1st Resulting Company by virtue of arrangement and the 1st Resulting Company shall not be obliged to create any further or additional security therefore after the scheme has become effective or otherwise.

4.1.8 Without prejudice to the above and upon the effectiveness of this Scheme, the Demerged Company and the 1st Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the relevant Registrar of Companies and other authorities under the Act to give formal effect to the above provisions, if required.

4.1.9 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the liabilities transferred to the 1st Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

4.1.10 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.1.11 With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to premises, brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Solar Division of each of the Demerged Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the 1st Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the 1st Resulting Company had been a beneficiary or oblige thereto.

4.1.12 With effect from the Appointed Date, any and all statutory licenses, permissions, approvals and/or consents pertaining to the Solar Division held by the Demerged Company required to carry on operations shall stand vested in or deemed to be transferred to the 1st Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the 1st Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Company shall vest in and become available to the 1st Resulting Company pursuant to the Scheme coming into effect.

4.1.13 The entitlement to various benefits under incentive schemes and policies in relation to the Solar Division of the Demerged Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the 1st Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives in relation to the Solar Division of the Demerged Company to be claimed by the 1st Resulting Company with effect from the Appointed Date as if the 1st Resulting Company was originally entitled to all such benefits under such incentive scheme and/

or policies, subject to continued compliance by the 1st Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company.

4.1.14 Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax , customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Solar Division of the Demerged Company, shall stand transferred under this Scheme to the 1st Resulting Company, the 1st Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

4.1.15 It is clarified that all the taxes and duties pertaining to the Solar Division payable by the Demerged Company, from the Appointed Date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax and/or duty liabilities or refunds and claims of the 1st Resulting Company. Accordingly, upon the Scheme becoming effective, the 1st Resulting Company is expressly permitted to file its respective income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and any other return to claim refunds / credits, pursuant to the provisions of this Scheme.

4.1.16 With effect from the Appointed Date, the General Reserves including the balance standing to the credit of the profit and loss account of the Demerged Company pertaining to Solar Division as on 1st April, 2016 shall become the General Reserves of the 1st Resulting Company.

5. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS:

(a) Upon the coming into effect of this Scheme and subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature pertaining to Solar Division to which the Demerged Company is a party or to the benefit of which the Demerged Company are or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour, as the case may be, of the 1st Resulting Company, and may be enforced as fully and effectually as if, instead of the Demerged Company, the 1st Resulting Company had been a party or beneficiary or oblige thereto without any further act or deed.

(b) The 1st Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which any of the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The 1st Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

(c) Even after this Scheme becomes effective, the 1st Resulting Company shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions pertaining to the Solar Division of the Demerged Company, in so far as may be necessary, until the transfer of rights and obligations of the Demerged Company to the 1st Resulting Company under this Scheme is formally accepted by the third parties.

6. LEGAL PROCEEDINGS:

(a) Upon the coming into effect of the Scheme, all suits, actions and proceedings pertaining to the Solar Division by or against the Demerged Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the 1st Resulting Company as effectually as if the same had been pending and/or arising by or against the 1st Resulting Company.

(b) The 1st Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the 1st Resulting Company.

7. TRANSFER OF INVESTMENTS OF SURANA SOLAR LTD HELD BY BIL INTO STPL

7.1.1 With effect from the Appointed Date and up to and including the date of this Scheme coming into effect:

1) The Shares of Surana Solar Limited held by BIL (Demerged Company) Stands transferred to STPL.

2) The number of Shares transferred are 11,575,892 Equity shares having face value of Rs.5/- each.

3) These investments held by BIL have book value of Rs.44,100,000 as on 31/03/2015

4) The value of these Investments will be recorded in STPL (1st Resulting Company) at book values.

7.1.2 TRANSFER OF INVESTMENTS OF STPL INTO STPL

With effect from the Appointed Date and up to and including the date of this Scheme coming into effect:

1) The Shares of STPL held by BIL (Demerged Company) Stands transferred to STPL.

2) The number of Shares transferred are 9,395,150Equity shares having face value of Rs.1/- each.

3) These investments held by BIL have book value of Rs.15,210,914 as on 31/3/2015

4) The Respective shares as stated above of STPL will lead to Reduction of Share Capital as per section 66 of Companies Act, 2013 (Section 100 of 1956).

8. CONDUCT OF BUSINESS BY DEMERGED COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date and up to the Effective Date:

a) Demerged Company shall carry on and be deemed to have carried on its business and activities and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities for and on account of and in trust for the 1st Resulting Company.

b) Any income or profit accruing or arising to the Demerged Company and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld / paid in a foreign country, etc), arising or incurred by the Demerged Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the 1st Resulting Company including accumulated losses & unabsorbed depreciation, if any.

c) Demerged Company shall not utilize the profits or income, if any for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date and up to the Effective Date without the prior written consent of the 1st Resulting Company.

d) Demerged Company shall not, without the prior written consent of the 1st Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company prior to the Appointed Date.

e) Demerged Company shall carry on the business with reasonable diligence and prudence, in the ordinary course of business, and the Demerged Company shall not, in any material respect, alter or expand the business, other than such alterations or expansions as have already been commenced, except with the prior written consent of the 1st Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking, save and except, in each case, in the following circumstances:

(i) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or

(ii) if the same is expressly permitted by this Scheme; or

(iii) if the written consent of the 1st Resulting Company, as the case may be, has been obtained.

(iv) Pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date.

f) Demerged Company shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees.

g) Demerged Company shall be entitled, pending the sanction of the Scheme by the High Court, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the 1st Resulting Company may require to own and carry on the business of the Demerged Company.

With effect from the Effective Date, the 1st Resulting Company shall commence and carry on and shall be authorized to carry on the entire businesses pertaining to the Solar Division carried on by the Demerged Company.

SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the properties, liabilities and obligations pertaining to the Solar Division of the Demerged Company pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the 1st Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company which shall vest in the 1st Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the 1st Resulting Company.

9. DEMERGED COMPANY'S STAFF, WORKMEN AND EMPLOYEES:

(a) All employees pertaining to the Solar Division of the Demerged Company in service on the Effective Date, shall become employees of the 1st Resulting Company on such date without

any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Demerged Company as on the said date.

(b) It is provided that so far as the Provident Fund, Gratuity Fund, or any other Special Scheme(s)/ Fund(s), if any, created or existing for the benefit of the employees pertaining to the Solar Division of the Demerged Company are concerned, upon the coming into effect of this Scheme, the 1st Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes/Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations pertaining to the Solar Division of the Demerged Company in relation to such Schemes/Funds shall become those of the 1st Resulting Company. It is clarified that the services of the employees pertaining to the Solar Division of the Demerged Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds.

10. ISSUE OF SHARES BY THE 1ST RESULTING COMPANY

(a) Upon the Scheme coming into effect and in consideration of the demerger of the Solar Division into 1st Resulting Company, the 1st Resulting Company without any further act or deed shall issue and allot 4 (four) equity shares of Rs.1/- each for every Six (6) equity shares of Rs. 2/- each held by such members of Demerged Company/ BIL whose names are appearing in the register of members on the Record Date. Accordingly, the 1st Resulting Company shall allot 3,17,37,963 equity shares of Rs. 1/- each fully paid to the members of BIL (other than to the members specified in Clause 10(e) & 10(i) of this Scheme) on such proportion held by them.

(b) In case, any members of Demerged Company holding becomes entitled to a fraction of equity in Demerged Company, shall not issue fractional share certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by respective company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members of Demerged Company in the same proportion to their fractional entitlements.

(c) The said new Equity Shares shall rank for voting rights and in all other respects pari- passu with the Equity Shares of the 1st Resulting Company.

(d) The Share Certificates in relation to the shares held by the Equity Shareholders of the Demerged Company whose names are recorded in the Register of Members of the Demerged Company on the Record Date, fixed by the Board of Directors of the 1st Resulting Company, shall be deemed to have been automatically cancelled and be of no effect on and from such Record Date, without any further act, instrument or deed.

(e) In so far as the equity shares of the 1st Resulting Company held by the Demerged Company are concerned, such shares would be cancelled, on the Effective Date and the capital of the 1st Resulting Company shall be reduced to that extent.

(f) No fractional certificates shall be issued by the 1st Resulting Company in respect of fractional entitlements, if any, to any Member of the Demerged Company. The Board of Directors of the 1st Resulting Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to the Trust or a Director or an Officer of the 1st Resulting Company or such other person as the 1st Resulting Company shall appoint in this behalf who

shall hold the shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that such Trust, Director(s) or Officer(s) or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the 1st Resulting Company, the net sale proceeds thereof, whereupon the 1st Resulting Company shall distribute such net sale proceeds to the Members of the Demerged Company in proportion to their respective fractional entitlements.

(g) For the purpose as aforesaid the 1st Resulting Company shall, if and to the extent required, increase its Authorised Capital after the Scheme has been sanctioned by the High Court but before the issue and allotment of shares. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the 1st Resulting Company to the members of the Demerged Company of the Equity Shares in the said reorganized share capital of the 1st Resulting Company in the ratio as aforesaid.

(h) The shares of the Demerged Company are presently listed on BSE and NSE. The New Equity Shares issued in terms of Clause 10(a) shall be listed and/or admitted to trading on the relevant stock exchange/s in India, where the equity shares of 1st Resulting Company are listed and/or admitted to trading as on the Effective Date.

(i) As STPL is a shareholder in BIL holding 22,90,331 equity shares of Rs.2/- each. Since STPL is not permitted to issue shares to itself as per the provisions of the Act, no new shares will be issued by STPL to itself in consideration of transfer of Demerged Undertaking 1 in terms of Clause 4 of this Scheme.

11. REDUCTION IN SHARE CAPITAL OF THE 1st RESULTING COMPANY:

a) Upon the Scheme coming in to effect on the effective date and immediately after the issuance of the equity shares of the resulting company to the shareholders of BIL as per entitlement ratio prescribed in clause 10(a) above, 93,95,150 (ninety three lakhs ninety five thousand one hundred and fifty) equity shares of the 1st Resulting company having face value of Re. 1 (Rupee One) each held by the demerged company as on the effective date shall stand cancelled without any further act or deed on the part of the 1st Resulting company. The reduction in the share capital of the 1st Resulting company shall be effected as an integral part of the scheme in accordance of the provisions of the sections 100 to 103 of the Act (or section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the act without any further act or deed on the part of the 1st Resulting Company and without any approval or acknowledgement of any third party. The order of the court sanctioning the scheme shall be deemed to also be the order passed by the court under section 102 of the Act (or section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid capital or payment of the paid-up share capital and the provisions of the section 101 of the 1956 Act (and section 66(1) (a) of the 2013, act in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the 1st Resulting Company, the 1st Resulting Company shall not be required to add “And Reduced” as suffix to its name.

b) It is expressly clarified that for the purposes of this clause 11(a) of the Scheme, the consent of the share holders and the creditors of the 1st Resulting company to the Scheme shall be deemed to be sufficient for the purposes of affecting the above reorganization in the share capital of the 1st Resulting company resulting in a reduction in the equity share capital of the 1st Resulting company, and no further resolution or action under section 100 of the Act (or section 66 of the

2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

c) The reduction of the share capital of the 1st Resulting company as contemplated in the Clause 11 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/or any other applicable provisions of the Act and rules and regulations framed there under, pursuant to the filing of the order of the court sanctioning the scheme including aforesaid capital reduction by the 1st Resulting company with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad (RoC) and upon registration by the RoC of such order of the court and the minute approved by the court, if any, showing, with respect to the share capital of the 1st Resulting company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the 1st Resulting company as contemplated in the Clause 11 of the Scheme shall be conditional upon this scheme becoming effective from the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioning by the Court, such reduction of share capital as set out in the Clause 11 of the Scheme shall not become effective and shall be deemed to be redundant.

12. ACCOUNTING TREATMENT IN THE BOOKS OF 1ST RESULTING COMPANY & THE DEMERGED COMPANY:

(a) All the assets, including but not limited to the fixed assets, intangibles and any other assets pertaining to the Solar Division of Demerged Company and the 1st Resulting Company, whether recorded in the books or not, shall be recorded by the 1st Resulting Company at their respective Book values, as may be determined by the Board of Directors of the 1st Resulting Company.

(b) All the liabilities pertaining to the Solar Division of Demerged Company shall be recorded by the 1st Resulting Company at their book values recorded in the books of account of 1st Resulting Company.

(c) In case of any differences in accounting policies between the 1st Resulting Company and the Demerged Company, the accounting policies followed by the 1st Resulting Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

(d) The amount of inter-company balances, amounts or other than investments made by the 1st Resulting Company in the Demerged Company appearing in the books of account of the 1st Resulting Company and the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the Scheme coming into effect.

(e) The amount of any inter-company balances / amounts or investments between the Demerged Company and the 1st Resulting Company, appearing in the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the scheme coming into effect and the amount so cancelled shall not be recorded in the books of account of the 1st Resulting Company.

(f) The difference between net assets (assets over liabilities pertaining to the Solar Division of the Demerged Company acquired and recorded by the 1st Resulting Company) and consideration determined pursuant to this scheme after making adjustment as referred in clause 12 (c) shall be credited to the General Reserve in the books of the 1st Resulting Company.

(g) The difference between net assets (liabilities over assets pertaining to the Solar Division of the Demerged Company acquired and recorded by the 1st Resulting Company) and consideration determined pursuant to this scheme after making adjustment as referred in clause 12 (c) shall be debited to the General Reserve in the books of the 1st Resulting Company.

(h) Notwithstanding the above, the Board of Directors or duly authorized committee of the 1st Resulting Company is authorized to account any of these balances in any manner whatsoever, as may be deemed fit.

(i) Any matter not dealt with above shall be dealt with in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India / Central Government and applicable generally accepted accounting principles.

(j) The transfer of the assets & liabilities of the Solar division to STPL pursuant to this scheme shall be at book values appearing in the books of accounts of BIL on appointed date.

(k) The difference, if any, between the value of assets & liabilities transferred pursuant to this Scheme shall be set off against the General Reserve Account of BIL.

(l) The accounts of BIL as on the appointed date shall be reconstructed in accordance with the terms of the Scheme.

13. DECLARATION OF DIVIDEND

(a) Demerged Company and the 1st Resulting Company shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the Demerged Company shall not make any such declaration, except with the prior approval of the Board of Directors of the 1st Resulting Company.

(b) It is clarified that the aforesaid provision in respect of declaration of dividends, whether interim or final, is an enabling provision only and shall not be deemed to confer any right on any member of any of the Demerged Company and/or the 1st Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the 1st Resulting Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company and the 1st Resulting Company respectively.

PART III

DEMERGER OF
OF REAL ESTATE DIVISION /
DEMERGED UNDERTAKING 2
OF
BHAGYANAGAR INDIA LIMITED
(Demerged Company")
INTO
BHAGYANAGAR PROPERTIES PRIVATE LIMITED
("2nd Resulting Company")

14. TRANSFER AND VESTING

14.1 With effect from the Appointed Date, the entire business and Undertaking of Real Estate Division of the Demerged Company shall pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested in or deemed to have been transferred to or vested, as a going concern, into the 2nd Resulting Company together with all the estates, assets, titles and interest pertaining to the Real Estate Division of Demerged Company therein including the investments made by BPPL in its Subsidiary Companies , subject however, to all existing charges, liens, mortgages and encumbrances, if any, affecting the same or any part thereof. The transfer and vesting of Real Estate Division of the Demerged Company shall be effected as follows:-

14.1.1 All the movable assets including cash in hand of the Real Estate Division capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the 2nd Resulting Company on such handing over in pursuance of the provisions of Section 394 of the Act (as an integral part of the Undertaking). Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of 2nd Resulting Company and the Demerged Company within 30 days from the effective date.

14.1.2 In respect of any assets, other than those referred to in sub-clause 14.1.1 above, the same shall without any further act, instrument, deed, matter or thing be transferred to and vested in and / or deemed to be transferred to and vested in the 2nd Resulting Company on the appointed date pursuant to the provisions of Section 394 of the Act. Further, for assets including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:

(a) The 2nd Resulting Company shall give notice in such form as it may deem fit and proper to each party, debtor or deposit pertaining to Real Estate Division of each of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of the 2nd Resulting Company

as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in the 2nd Resulting Company.

(b) The Demerged Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Scheme coming into effect, the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to the account of the 2nd Resulting Company and that the right of the 2nd Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

14.1.3 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) pertaining to the Real Estate Division of Demerged Company (as on the Appointed Date) shall, without any further act or deed, stand transferred to and vested in and be deemed to be transferred and to vested in the 2nd Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the 2nd Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this clause.

14.1.4 Where any of the debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Real Estate Division of the Demerged Company as on the Appointed Date deemed to be transferred to and vested in the 2nd Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the 2nd Resulting Company.

14.1.5 All debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Real Estate Division of the Demerged Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been incurred for and on behalf of the 2nd Resulting Company in which the Real Estate Division of the Demerged Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the 2nd Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the 2nd Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans, duties and obligations pertaining to the Real Estate Division shall have been assumed by the Demerged Company after the Appointed Date without the prior written consent of the 2nd Resulting Company otherwise than in the ordinary course of business.

14.1.6 The transfer and vesting of the assets pertaining to the Real Estate Division of the Demerged Company to and in the 2nd Resulting Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

14.1.7 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those pertaining to the Real Estate Division, if any created by the Demerged Company after

the Appointed Date, in terms of this Scheme, over the assets comprised in the Undertaking or any part thereof transferred to the 2nd Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the 2nd Resulting Company. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Demerged Company which shall vest in the 2nd Resulting Company by virtue of arrangement and the 2nd Resulting Company shall not be obliged to create any further or additional security therefore after the scheme has become effective or otherwise.

14.1.8 Without prejudice to the above and upon the effectiveness of this Scheme, the Demerged Company and the 2nd Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the relevant Registrar of Companies and other authorities under the Act to give formal effect to the above provisions, if required.

14.1.9 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the liabilities transferred to the 2nd Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

14.1.10 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

14.1.11 With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to premises, brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Real Estate Division of each of the Demerged Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the 2nd Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the 2nd Resulting Company had been a beneficiary or oblige thereto.

14.1.12 With effect from the Appointed Date, any and all statutory licenses, permissions, approvals and/or consents pertaining to the Real Estate Division held by the Demerged Company required to carry on operations shall stand vested in or deemed to be transferred to the 2nd Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the 2nd Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Company shall vest in and become available to the 2nd Resulting Company pursuant to the Scheme coming into effect.

14.1.13 The entitlement to various benefits under incentive schemes and policies in relation to the Real Estate Division of the Demerged Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the 2nd Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives in relation to the Real Estate Division of the Demerged

Company to be claimed by the 2nd Resulting Company with effect from the Appointed Date as if the 2nd Resulting Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the 2nd Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company.

14.1.14 Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Real Estate Division of the Demerged Company, shall stand transferred under this Scheme to the 2nd Resulting Company, the 2nd Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

14.1.15 It is clarified that all the taxes and duties pertaining to the Real Estate Division payable by the Demerged Company, from the Appointed Date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax and/or duty liabilities or refunds and claims of the 2nd Resulting Company. Accordingly, upon the Scheme becoming effective, the 2nd Resulting Company is expressly permitted to file its respective income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and any other return to claim refunds / credits, pursuant to the provisions of this Scheme.

14.1.16 With effect from the Appointed Date, the General Reserves including the balance standing to the credit of the profit and loss account of the Demerged Company pertaining to Real Estate Division as on 1st April, 2016 shall become the General Reserves of the 2nd Resulting Company.

15. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS:

(a) Upon the coming into effect of this Scheme and subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature pertaining to Real Estate Division to which the Demerged Company is a party or to the benefit of which the Demerged Company are or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour, as the case may be, of the 2nd Resulting Company, and may be enforced as fully and effectually as if, instead of the Demerged Company, the 2nd Resulting Company had been a party or beneficiary or oblige thereto without any further act or deed.

(b) The 2nd Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which any of the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The 2nd Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

(c) Even after this Scheme becomes effective, the 2nd Resulting Company shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions pertaining to the Real Estate Division of the Demerged Company, in so far as may be necessary,

until the transfer of rights and obligations of the Demerged Company to the 2nd Resulting Company under this Scheme is formally accepted by the third parties.

16. LEGAL PROCEEDINGS:

(a) Upon the coming into effect of the Scheme, all suits, actions and proceedings pertaining to the Real Estate Division by or against the Demerged Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the 2nd Resulting Company as effectually as if the same had been pending and/or arising by or against the 2nd Resulting Company.

(b) The 2nd Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the 2nd Resulting Company.

17. CONDUCT OF BUSINESS BY DEMERGED COMPANYTILL EFFECTIVE DATE:

With effect from the Appointed Date and up to the Effective Date:

(a) Demerged Company shall carry on and be deemed to have carried on its business and activities and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities for and on account of and in trust for the 2nd Resulting Company.

(b) Any income or profit accruing or arising to the Demerged Company and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld / paid in a foreign country, etc), arising or incurred by the Demerged Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the 2nd Resulting Company including accumulated losses & unabsorbed depreciation, if any.

(c) Demerged Company shall not utilize the profits or income, if any for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date and up to the Effective Date without the prior written consent of the 2nd Resulting Company.

(d) Demerged Company shall not, without the prior written consent of the 2nd Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company prior to the Appointed Date.

(e) Demerged Company shall carry on the business with reasonable diligence and prudence, in the ordinary course of business, and the Demerged Company shall not, in any material respect, alter or expand the business, other than such alterations or expansions as have already been commenced, except with the prior written consent of the 2nd Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking, save and except, in each case, in the following circumstances:

(i) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or

(ii) if the same is expressly permitted by this Scheme; or

(iii) if the written consent of the 2nd Resulting Company, as the case may be, has been obtained.

(iv) Pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date.

(f) Demerged Company shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees.

(g) Demerged Company shall be entitled, pending the sanction of the Scheme by the High Court, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the 2nd Resulting Company may require to own and carry on the business of the Demerged Company.

With effect from the Effective Date, the 2nd Resulting Company shall commence and carry on and shall be authorized to carry on the entire businesses pertaining to the Real Estate Division carried on by the Demerged Company.

18. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the properties, liabilities and obligations pertaining to the Real Estate Division of the Demerged Company pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the 2nd Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company which shall vest in the 2nd Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the 2nd Resulting Company.

19. DEMERGED COMPANY'S STAFF, WORKMEN AND EMPLOYEES:

(a) All employees pertaining to the Real Estate Division of the Demerged Company in service on the Effective Date, shall become employees of the 2nd Resulting Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Demerged Company as on the said date.

(b) It is provided that so far as the Provident Fund, Gratuity Fund, or any other Special Scheme(s)/ Fund(s), if any, created or existing for the benefit of the employees pertaining to the Real Estate Division of the Demerged Company are concerned, upon the coming into effect of this Scheme, the 2nd Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes/Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations pertaining to the Real Estate Division of the Demerged Company in relation to such Schemes/Funds shall become those of the 2nd Resulting Company. It is clarified that the services of the employees pertaining to the Real Estate Division of the Demerged Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds.

20. REDUCTION IN SHARE CAPITAL OF THE 2nd RESULTING COMPANY AND DEMERGED COMPANY:

a) Upon the Scheme coming in to effect on the effective date and immediately after the issuance of the equity shares of the 2nd Resulting company to the shareholders of BIL as per entitlement ratio prescribed in clause 21(a), 40,00,000 (Forty Lakhs equity shares) of the 2nd resulting company having face value of Rs. 10 (Rupees Ten) each held by the demerged company as on the effective date shall stand cancelled without any further act or deed on the part of the 2nd resulting company. The reduction in the share capital of the 2nd resulting company shall be effected as an integral part of the scheme in accordance of the provisions of the sections 100 to 103 of the 1956 act (or section 66 of the 2013 act, if applicable) and/ or any other applicable provisions of the act without any further act or deed on the part of the 2nd resulting company and without any approval or acknowledgement of any third party. The order of the court sanctioning the scheme shall be deemed to also be the order passed by the court under section 102 of the 1956 act (or section 66 of the 2013 act Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid capital or payment of the paid-up share capital and the provisions of the section 101 of the 1956 Act (and section 66(1) (a) of the 2013, act in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the 2nd Resulting Company, the 2nd resulting company shall not be required to add “And Reduced” as suffix to its name.

b) It is expressly clarified that for the purposes of this clause 20(a) of the Scheme, the consent of the share holders and the creditors of the 2nd resulting company to the Scheme shall be deemed to be sufficient for the purposes of affecting the above reorganization in the share capital of the 2nd resulting company resulting in a reduction in the equity share capital of the 2nd resulting company, and no further resolution or action under section 100 of the 1956 Act (or section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

c) The reduction of the share capital of the 2nd resulting company as contemplated in the clause 20 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/or any other applicable provisions of the Act and rules and regulations framed there under, pursuant to the filing of the order of the court sanctioning the scheme including aforesaid capital reduction by the 2nd Resulting company with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad (RoC) and upon registration by the RoC of such order of the court and the minute approved by the court, if any, showing, with respect to the share capital of the 2nd Resulting company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the 2nd Resulting company as contemplated in the Clause 20 of the Scheme shall be conditional upon this scheme becoming effective from the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioning by the Court, such reduction of share capital as set out in the Clause 20 of the Scheme shall not become effective and shall be deemed to be redundant.

d) Upon the scheme becoming effective, the face value of each equity share of the 2nd Resulting company shall stand reduced to Rs.2/- (Rupees Two) each from Rs. 10/- (Rupees Ten) each without any further act, instrument or deed and without payment of any fees, stamp duty etc.

e) Consequently, upon scheme becoming effective, Clause V of the memorandum of Association of 2nd resulting company (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and other applicable provisions of the companies Act, 2013 and 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly.

f) The 2nd Resulting Company, if necessary, shall further increase its authorized capital by complying with all provisions and procedures of the Act and Rules made there under or any other law for the time being in force to an appropriate amount so as be eligible to issue shares to the shareholders of demerged company (BIL) in accordance with and in pursuance to this scheme.

g) the aforesaid alterations in the memorandum and Articles of Association of 2nd Resulting company viz. Change in the Capital Clause, referred above, shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Demerged Company and the 2nd Resulting Company while approving the Scheme as a whole at duly convened meetings, have also resolved and accorded the relevant consents as required respectively under Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 & 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly and shall not be required to pass separate resolutions as required under the Act.

i. Upon the Scheme coming into effect the reduction in the share premium account and reserves and surplus of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78, Section 80 and Sections 100 to 103 and any other applicable provisions of the Act and the Orders of the Court sanctioning the Scheme shall be deemed to be also the Orders under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding, the reduction of capital of the Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name.

ii. Upon the Scheme coming into effect and also upon issuance of shares by the 2nd Resulting Company as per Clause 21(a), the issued, subscribed and paid up equity share capital of BIL shall be reduced from Rs.12,79,80,000 divided into 6,39,90,000 equity shares of Rs. 2/- each to Rs. 6,39,90,000 divided into 3,19,95,000 equity shares of Rs. 2/- each.

Any member holding shares in BIL, in such that the member becomes entitled to a fraction of equity in BIL, the BIL shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to trustee nominated by the BIL in that behalf, who shall sells such shares and distribute the net sale proceeds (after deducting of the expenses incurred) to the members entitled to the same in proportion to the fractional entitlements.

21. ISSUE OF SHARES BY THE 2ND RESULTING COMPANY

(a) Upon the Scheme coming into effect and in consideration of the demerger of the Real Estate Division into 2nd Resulting Company, the 2nd Resulting Company without any further act or deed shall issue and allot one (1) equity share of Rs. 2/- each for every one (1) equity share of Rs.2/- each held by such members of Demerged Company/ BIL whose names are appearing in the

register of members on the Record Date. Accordingly, the 2nd Resulting Company shall allot 3,19,95,000 equity shares of Rs. 2/- each fully paid to the members of BIL on such proportion held by them.

(b) In case, any members of Demerged Company holding becomes entitled to a fraction of equity in Demerged Company, shall not issue fractional share certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by respective company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members of Demerged Company in the same proportion to their fractional entitlements.

(c) The said new Equity Shares shall rank for voting rights and in all other respects pari- passu with the Equity Shares of the 2nd Resulting Company.

(d) The Share Certificates in relation to the shares held by the Equity Shareholders of the Demerged Company whose names are recorded in the Register of Members of the Demerged Company on the Record Date, fixed by the Board of Directors of the 2nd Resulting Company, shall be deemed to have been automatically cancelled and be of no effect on and from such Record Date, without any further act, instrument or deed.

(e) In so far as the equity shares of the 2nd Resulting Company held by the Demerged Company are concerned, such shares would be cancelled, on the Effective Date and the capital of the 2nd Resulting Company shall be reduced to that extent.

(f) No fractional certificates shall be issued by the 2nd Resulting Company in respect of fractional entitlements, if any, to any Member of the Demerged Company. The Board of Directors of the 2nd Resulting Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to the Trust or a Director or an Officer of the 2nd Resulting Company or such other person as the 2nd Resulting Company shall appoint in this behalf who shall hold the shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that such Trust, Director(s) or Officer(s) or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the 2nd Resulting Company, the net sale proceeds thereof, whereupon the 2nd Resulting Company shall distribute such net sale proceeds to the Members of the Demerged Company in proportion to their respective fractional entitlements.

(g) For the purpose as aforesaid the 2nd Resulting Company shall, if and to the extent required, increase its Authorised Capital after the Scheme has been sanctioned by the High Court but before the issue and allotment of shares. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the 2nd Resulting Company to the members of the Demerged Company of the Equity Shares in the said reorganized share capital of the 2nd Resulting Company in the ratio as aforesaid.

(h) The shares of the Demerged Company are presently listed on BSE and NSE. The New Equity Shares issued in terms of Clause 21(a) shall be listed and/or admitted to trading on the relevant stock exchange/s in India, where the equity shares of Demerged Company are listed and/or admitted to trading as on the Effective Date.

(i) Upon the scheme being sanctioned by the Court U/s 394 of the Act and on its becoming effective, the shares to be allotted to the members of the Demerged company i.e. BIL by 2nd Resulting Company i.e. BPPL, shall be listed and/ or admitted to trading on the relevant Stock Exchange(s) in India, where the equity shares of BIL are listed and/ or admitted to trading as on the effective date. Accordingly, the 2nd Resulting Company shall take steps for listing simultaneously on all such Stock Exchange(s) within a reasonable period of the receipt of the final order of the High Court sanctioning the Scheme. The 2nd Resulting Company shall also apply to Securities and Exchange Board of India through Stock Exchange for seeking relaxation under Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

22. CONVERSION OF BPPL INTO BHAGYANAGAR PROPERTIES LIMITED (BPL):

2nd Resulting Company (BPPL) is simultaneously, giving effect in this Scheme, shall be converted to a Public Limited Company with its shares being listed on the stock exchanges where in shares of BIL are listed on the date of the Scheme. Applications and regulatory requirements regarding the same will be complied and filed with the appropriate and concerned authorities upon the Scheme being approved by SEBI.

23. ACCOUNTING TREATMENT IN THE BOOKS OF 2ND RESULTING COMPANY AND THE DEMERGED COMPANY:

(a) All the assets, including but not limited to the fixed assets, intangibles and any other assets pertaining to the Real Estate Division of Demerged Company and the 2nd Resulting Company, whether recorded in the books or not, shall be recorded by the 2nd Resulting Company at their respective Book value, as may be determined by the Board of Directors of the 2nd Resulting Company.

(b) All the liabilities pertaining to the Real Estate Division of Demerged Company shall be recorded by the 2nd Resulting Company at their book values recorded in the books of account of 2nd Resulting Company.

(c) In case of any differences in accounting policies between the 2nd Resulting Company and the Demerged Company, the accounting policies followed by the 2nd Resulting Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

(d) The amount of inter-company balances, amounts or other than investments made by the 2nd Resulting Company in the Demerged Company appearing in the books of account of the 2nd Resulting Company and the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the Scheme coming into effect.

(e) The amount of any inter-company balances, amounts or investments between the Demerged Company, appearing in the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the scheme coming into effect.

(f) The difference between net assets (assets over liabilities pertaining to the Real Estate Division of the Demerged Company acquired and recorded by the 2nd Resulting Company) and consideration determined pursuant to this scheme after making adjustment as referred in clause 23 (c) shall be credited to the General Reserve in the books of the 2nd Resulting Company.

(g) The difference between net assets (liabilities over assets pertaining to the Real Estate Division of the Demerged Company acquired and recorded by the 2nd Resulting Company) and consideration

determined pursuant to this scheme after making adjustment as referred in clause 23 (c) shall be debited to the Goodwill in the books of the 2nd Resulting Company.

(h) The amount of General Reserve as stated in the Clause (f) above along with balance in the General Reserve appearing in the books of 2nd Resulting Company shall be regarded as Free Reserve.

(i) Notwithstanding the above, the Board of Directors or duly authorized committee of the 2nd Resulting Company is authorized to account any of these balances in any manner whatsoever, as may be deemed fit.

(j) Any matter not dealt with above shall be dealt with in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India / Central Government and applicable generally accepted accounting principles.

(k) The transfer of the assets & liabilities of the Real Estate Division to BPPL pursuant to this scheme shall be at book values appearing in the books of accounts of BIL on appointed date.

(l) The difference, if any, between the value of assets & liabilities transferred pursuant to this Scheme shall be set off against the General Reserve Account of BIL.

(m) The accounts of BIL as on the appointed date shall be reconstructed in accordance with the terms of the Scheme.

24. DECLARATION OF DIVIDEND

(a) Demerged Company and the 2nd Resulting Company shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the Demerged Company shall not make any such declaration, except with the prior approval of the Board of Directors of the 2nd Resulting Company.

(b) It is clarified that the aforesaid provision in respect of declaration of dividends, whether interim or final, is an enabling provision only and shall not be deemed to confer any right on any member of any of the Demerged Company and/or the 2nd Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the 2nd Resulting Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company and the 2nd Resulting Company respectively.

PART IV

25. LISTING AGREEMENTS AND SEBI COMPLIANCES

a) On approval of the scheme by the Hon'ble High Court, 2nd resulting Company shall apply for listing and trading permissions of its shares to the BSE and NSE and comply with the SEBI guidelines in this regard.

b) The Demerged Company and 1st Resulting Company being a listed companies, they shall comply with all requirements under the listing Agreement and all the statutory directives of the SEBI in so far as they relate to sanction and implementations of this Scheme.

c) The Demerged Company and 1st Resulting Company in compliance with the Listing Agreement shall apply for approval of the BSE and NSE where the shares are listed in terms of the clause 24(f) of the Listing Agreement before approaching the High Court for the sanction of the Scheme.

d) New equity shares allotted to the shareholders of the Demerged Company in the 2nd Resulting company pursuant to the Scheme shall remain frozen in the depositories system until listing/ trading permission is granted by the Stock Exchanges between the date of allotment of the equity shares of the 2nd Resulting company to the shareholders of the Demerged company and the date of listing of the equity shares of the 2nd Resulting company with the stock exchanges. Further, except as provided for the Clause 20 of Part III of this Scheme in relation to the reduction of the existing share capital of Rs. 4,00,00,000 (Four Crores) comprising of 40,00,000 equity shares of Rs. 10/- each held by the Demerged Company in the 2nd Resulting Company, there shall be no change in the shareholding pattern or control of the 2nd Resulting company till the listing of shares on the Stock Exchanges.

e) The Demerged Company shall also comply with the directives of the SEBI contained in its Circular No. CIR/CFD/DIL/S/2013 dated 4 February 2013 as modified by its subsequent Circular No. CJR/ CPD/01U8/2013 dated 21 may 2013.

26. GENERAL TERMS

a. It is clarified that all taxes payable by the Demerged Company, relating to the transferred Undertakings, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the 1st Resulting Company and 2nd Resulting Company. Accordingly, upon the Scheme becoming effective, the 1st Resulting Company and 2nd Resulting Company are expressly permitted to revise its VAT and Sales tax returns, Excise & / CENVAT returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme, if any

b. In accordance with the Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods lying to the account of the Demerged Company, if any, shall be permitted to be transferred to the credit of the 1st Resulting Company and 2nd Resulting Company, as if all such unutilized credits were lying to the account of the 1st Resulting Company and 2nd Resulting Company. The 1st Resulting Company and 2nd Resulting Company shall accordingly be entitled to set off all such unutilized credits against the excise duty payable by it.

c. Upon the coming into effect of the Scheme, all the taxes paid (including TDS) by the Demerged Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to

have been paid for and on behalf of and to the credit of the 1st Resulting Company and 2nd Resulting Company as effectively as if the 1st Resulting Company and 2nd Resulting Company had paid the same.

d. All inter party transactions between the Demerged Company inter se and between the Demerged Company and the 1st Resulting Company and 2nd Resulting Company pertaining to respective undertakings as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Demerged Company inter se and between the Demerged Company and the 1st Resulting Company and 2nd Resulting Company pertaining to respective undertakings as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.

27. APPLICATIONS TO HIGH COURT

(a) Each of the Demerged Company, 1st Resulting Company and 2nd Resulting Company shall with all reasonable dispatch, make all necessary applications under Sections 391 to 394 of the said Act and other applicable provisions of the Act to the High Court seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of each of the Demerged Company, 1st Resulting Company and 2nd Resulting Company as may be directed by the High Court.

(b) On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of the Demerged Company, 1st Resulting Company and 2nd Resulting Company as directed by the High Court, the Demerged Company, 1st Resulting Company and 2nd Resulting Company shall, with all reasonable dispatch, apply to the High Court for sanctioning the Composite Scheme of Arrangement under Sections 391 and 394 of the Act, and for such other order or orders, as the said High Court may deem fit for carrying this Scheme into effect.

28. MODIFICATION / AMENDMENT TO THE SCHEME

a) The Demerged Company, 1st Resulting Company and 2nd Resulting Company (by their respective Directors or its Committee thereof) in their full and absolute discretion may assent to any modification(s) or amendment(s) or of any conditions or limitations in this Scheme which the High Court or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.

b) Demerged Company, 1st Resulting Company and 2nd Resulting Company (by their respective Directors or its Committee thereof) are hereby authorized to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors or its Committee thereof of the Demerged Company or by the Board of Directors or its Committee thereof of the 1st Resulting Company and 2nd Resulting Company, who are hereby authorised to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any orders of the High Court or of any directive or orders of any other authorities or otherwise howsoever

c) Arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. The Board of Directors of Demerged Company hereby expressly authorise the Board of Directors of the 1st Resulting Company and 2nd Resulting Company for the aforesaid purpose.

29. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

This Scheme is and shall be conditional upon and subject to the approval by the requisite majorities of the shareholders and creditors of the Demerged Company and the shareholders and creditors of the 1st Resulting Company and 2nd Resulting Company.

a) The Scheme being approved by the High Court, whether with any modifications or amendments as the High Court may deem fit or otherwise.

b) The sanction or approval of all persons or authorities concerned under any law or statute of the Central Government, Stock Exchanges, or any other Agency, Department or Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

c) Requisite approvals of RBI being obtained if necessary under the provisions of FEMA, 1999 for issue of equity shares of 1st Resulting Company and 2nd Resulting Company to the non-resident shareholders of the Demerged Company.

d) The approval of public shareholders of Demerged Company and 1st Resulting Company through postal ballot and e- voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, and such resolution shall be acted upon only if the votes cast by public shareholders in favour of the scheme are more than the number of votes cast by public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

e) The certified or authenticated copies of the Orders of the High Court being filed with the Registrar of Companies of Andhra Pradesh and Telangana at Hyderabad under Section 391 to 394 and other applicable provisions of the Act. The Requisite resolutions under the applicable provisions of the said Act passed by the shareholders of the 1st Resulting Company and 2nd Resulting Company for any of the matters provided for or relating to the Scheme as may be necessary or desirable.

30. EXPENSES CONNECTED WITH THE SCHEME AND INCIDENTAL TO THE COMPLETION OF THE ARRANGEMENT

All costs, charges and expenses of the Demerged Company and 1st Resulting Company and 2nd Resulting Company in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of Arrangement between Demerged Company, 1st Resulting Company and 2nd Resulting Company in pursuance of the Scheme shall be borne by the respective companies.

SCHEDULE I

(This Schedule forms an Integral Part of the composite scheme of arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their Respective Shareholders and Creditors)

	(SOLAR DIVISION)
Particulars	**Amount (Rs.in Lakhs)**
Non-Current Assets	
Fixed Assets	2552.11
Investments	593.11
Long Term Loans & Advances	4.39
Current Assets	
Investments	
Inventories	-
Trade Receivables	191.11
Cash & Cash equivalents	11.59
Short Term Loans & Advances	0.16
Other Current Assets	0.60
Non-Current Liabilities	
Long Term Borrowings	913.71
Deferred Tax Liabilities	-
Current Liabilities	
Short term Borrowings	-
Trade Payables	23.09
Other Current Liabilities	0.71
Short Term Provisions	-

SCHEDULE II

(This Schedule forms an Integral Part of the composite scheme of arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their Respective Shareholders and Creditors)

	(REAL ESTATE DIVISION)
Particulars	**Amount (Rs.in Lakhs)**
Non-Current Assets	
Fixed Assets	-
Investments	760.50
Long Term Loans & Advances	8795.60
Current Assets	
Investments	
Inventories	-
Trade Receivables	-
Cash & Cash equivalents	-
Short Term Loans & Advances	-
Other Current Assets	-
Non-Current Liabilities	
Long Term Borrowings	-
Deferred Tax Liabilities	-
Current Liabilities	
Short term Borrowings	-
Trade Payables	-
Other Current Liabilities	-
Short Term Provisions	-

KARVY | INVESTMENT BANKING

Tuesday, September 29, 2015

The Board of Directors
Bhagyanagar India Limited
Surya Towers, 5th floor
Sardar Patel Road
Secunderabad – 500003
Telangana

The Board of Directors
Surana Telecom and Power Limited
Surya Towers, 5th floor
Sardar Patel Road
Secunderabad – 500003
Telangana

The Board of Directors
Bhagyanagar Properties Private Limited
Surya Towers, 5th Floor
Sardar Patel Road
Secunderabad – 500003
Telangana

Sub: Fairness opinion on the proposed Demerger Ratio for Bhagyanagar India Limited (BIL), Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited (BPPL) pursuant to the scheme of arrangement under Sections 391 – 394 read with 78, 100 to 103 of the Companies Act 1956.

Dear Sirs,

We refer to the engagement letter dated September 24, 2015 with Karvy Investor Services Limited (hereinafter referred to as "KISL"), wherein BIL and STPL has requested us to provide fairness opinion on the scheme of arrangement between Bhagyanagar India Limited (BIL / Demerged Company), Surana Telecom and Power Limited (STPL/Resulting Company 1) and Bhagyanagar Properties Private Limited (BPPL/Resulting Company 2).

1. BACKGROUND OF THE COMPANIES

1.1 Bhagyanagar India Limited (BIL / Demerged Company)

Bhagyanagar India Limited ("BIL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, Telangana, India-500 003. The company is a conglomerate with interest in varied businesses and is primarily a manufacturer of copper and allied products and over the time it has diversified into Real Estate and Non-conventional energy like wind and solar.

The equity shares of the BIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

1.2 Surana Telecom and Power Limited (STPL/Resulting Company 1)

Surana Telecom and Power Limited ("STPL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, Telangana, India-500 003. It has been incorporated to carry on the business of manufacturing of Optic Fibre / Cable wires and aluminium wire rods etc. It is also engaged in the business of manufacturing of Solar Modules and also has Solar Power generation unit situated at Gujarat Solar Park, Charanka Village, Santalpur Taluk, Patan District, Gujarat

Karvy Investor Services Limited Hyderabad

Karvy Investor Services Limited
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T: +91 40 2342 8774 / 2331 2454 I F: +91 40 2337 4714 / 2331 1968
E-mail: cmg@karvy.com/igmbd@karvy.com I www.karvy.com
CIN No. : U67120TG1997PLC026253 I SEBI Registration No. MB/INM000008365

The equity shares of the STPL are listed on BSE and NSE.

1.3 Bhagyanagar Properties Private Limited (BPPL / Resulting Company 2)

Bhagyanagar Properties Private Limited ("BPPL") is a company incorporated under the Companies Act, 1956, , having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, Telangana, India-500 003, India. It has been incorporated to carry on the business of Real Estate, Construction, Buy, Sell, Lease, License of buildings and other properties.

2. SCOPE AND PURPOSE OF THIS REPORT

2.1 We understand that the Board of Directors of Demerged Company is proposing to demerge various units of BIL and some of the investments in subsidiaries under a scheme of arrangement under the provisions of Sections 391-394 read with 78, 100 to 103 of the Companies Act, 1956 (hereinafter referred to as the "Scheme of Arrangement") and have obtained a valuation report from M/s Komandoor & Co. Chartered Accountants (hereinafter referred to as "Valuer") to arrive at the demerger ratio.

2.2 In consideration of the demerger of the various units of Demerged Company to Resulting Company 1 and Resulting Company 2, pursuant to the Scheme of Arrangement, for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each, held by the shareholders of Demerged Company, the Resulting Company 1 shall issue and allot 4 (Four) equity shares of the face value of Re. 1 each fully paid up to the shareholders of the Demerged Company and for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each held by the shareholders of Demerged Company, the Resulting Company 2 shall issue and allot 3 (Three) equity shares of the face value of Rs. 2 each fully paid up to the shareholders of the Demerged Company.

2.3 In this connection, the management of BIL has engaged KISL to submit a report on the fairness of the demerger ratio as per the requirements of Securities and Exchange Board of India Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21 2013 and listing agreement entered by BIL, STPL with BSE and NSE. Our scope of work includes commenting only on the fairness of the demerger ratio recommended by the Valuer and not on the fairness or economic rationale of the Demerger per se or the valuation methods used by the Valuer.

2.4 This report is subject to the scope, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Scheme of Arrangement between Demerged Company, Resulting Company 1 and Resulting Company 2 and should not be used for any other purpose.

3. SOURCES OF INFORMATION

We have relied on the following information for framing our opinion on the fairness of the demerger ratio:

a) Draft Scheme of Arrangement between Demerged Company, Resulting Company 1 and Resulting Company 2 as approved by Board of Directors of the respective Companies.
b) Audited financials of BIL,STPL, BPPL for financial year 2014-15
c) Share Exchange Ratio Report of M/s Komandoor & Co., Chartered Accountants
d) Other relevant information regarding BIL, STPL & BPPL

Karvy Investor Services Limited Hyderabad

4. RATIONALE AND KEY FEATURES OF SCHEME OF ARRANGEMENT

4.1 The rationale for the arrangement as provided in the Scheme of Arrangement is as follows:

4.1.1. **Solar Power Division:-**

The Solar Power Division of BIL comprising solar power plant (5 MW situated at Munipally, Medak District, Telangana) and investments in equity shares of Surana Solar Limited ("SSL") and Surana Telecom and Power Limited ("STPL") are proposed to be transferred to STPL. Management of BIL is of the opinion that by transferring the entire Solar power division to STPL shall bring in the following advantages:

Focus on Solar Business: STPL has placed its focus solely on Non-Conventional energy viz. Solar Power Generation, already having an installed capacity of 10 MW, Wind Power Generation, with an installed capacity of 1.25 MW, and other power generation projects in the pipeline. So BIL is of the view that by transferring Solar Division to STPL will achieve greater revenues and growth with proper focus & resources.

Strength for future expansion: There has been a rising awareness worldwide that renewable energy and energy efficiency are critical not only for addressing climate change, but also for creating new economic opportunities. In the recent years, advances in renewable energy technologies, global increases in capacity and rapid cost reductions have been made as the policies have been favorable. The size of renewable energy market will see further growth as the application of renewable purchase obligation expands to cover open access and capture consumers.

Enhanced synergies arising out of consolidation: The demerger of Solar Power Division of BIL into STPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger, there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

Investor attractiveness: The proposed demerger will bring about an increase in value of STPL which in turn increases value to the share-holders of BIL who will become share-holders in STPL by virtue of this scheme of arrangement.

4.1.2 Real Estate Division:-

The Real Estate Division of BIL comprising Loans & Advances in the subsidiaries and Investments in BPPL, Scientia Infocom India Private Limited & Metropolitan Ventures India Private Limited are proposed to be transferred to BPPL. Management of BIL is of the opinion that by transferring the entire Real Estate division to BPPL shall bring in the following advantages:

Focus on Real Estate Business: BPPL has sufficient landbank to develop & thrive in the Real Estate markets. Consolidating the Real Estate division into BPPL will result in higher revenues & accelerated growth as a result of increased focus in the Real estate business.

Future Expansion: The Indian business scenario is getting more complex by the day, with new government regulations, newer technologies, customer preferences, increased competition, advent of new business strategies, global expansion etc. In order to meet the growing challenges, most of the business organizations are increasing their focus on their core businesses and going for backward and forward integration accordingly.

Karvy Investor Services Limited
Hyderabad

Enhanced synergies arising out of consolidation: The demerger of Real Estate division comprising of loans and advances and investments in the real-estate subsidiaries of BIL into BPPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

Investor attractiveness: Often financial investors look out for sector specific companies because they have different parameters for risk and return. The return expectations of a Copper business investor are different from that of an investor in a real estate industry. The proposed demerger of the Real estate of BIL into BPPL will create two entities focusing on their respective businesses, thereby addressing investor concern.

4.2 The key features of the Scheme of Arrangement are as follows:

4.2.1 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of the Scheme of Arrangement, businesses, activities and operations of the Demerged Company, pertaining to Solar Division and the Investments in Surana Solar Limited and Solar Telecom and Power Limited, shall be transferred on a going concern basis to Resulting Company 1 and reduction of shares of STPL transferred by the demerged company to Resulting Company 1.

4.2.2 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of the Scheme of Arrangement, businesses, activities and operations of the Demerged Company, pertaining to Real Estate Division and Investments in Scientia Infocom India Private Limited and Metropolitan Ventures India Limited, shall be transferred on a going concern basis to Resulting Company 2 and reduction of shares of BPPL transferred by the demerged company to Resulting Company 2.

4.2.3 Upon the Scheme coming into effect and also upon issuance of shares by the 2nd Resulting Company as above the issued, subscribed and paid up equity share capital of BIL shall be reduced from Rs.12,79,80,000 divided into 6,39,90,000 equity shares of Rs. 2/- each to Rs. 6,39,90,000 divided into 3,19,95,000 equity shares of Rs. 2/- each.

4.2.4 In consideration of the demerger of the various units of Demerged Company to Resulting Company 1 and Resulting Company 2, pursuant to the Scheme of Arrangement,

A) for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each, held by the shareholders of Demerged Company, the Resulting Company 1 shall issue and allot 4 (Four) equity shares of the face value of Re. 1 each fully paid up to the shareholders of the Demerged Company and

B) for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each held by the shareholders of Demerged Company, the Resulting Company 2 shall issue and allot 3 (Three) equity shares of the face value of Rs. 2 each fully paid up to the shareholders of the Demerged Company i.e. mirror – image shareholding pattern.

4.2.5 The Demerger ratio has been arrived at by M/s Komandoor & Co. Chartered Accountants.

5 LIMITATIONS OF SCOPE AND REVIEW

5.1 Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Demerged Company and the Scheme of Arrangement approved by the Board of Directors of the Demerged Company and the Resulting Companies.

Karvy Investor Services Limited Hyderabad

5.2 We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial forecasts relating to the Demerged Company, Resulting Company 1 and Resulting Company 2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged Company, Resulting Company 1 and Resulting Company 2. In particular, we do not express any opinion as to the value of any asset of Demerged Company, Resulting Company 1 and Resulting Company 2, whether at current prices or in the future.

5.3 We do not express any opinion as to the price at which shares of Demerged Company, Resulting Company 1 and Resulting Company 2 may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme of Arrangement will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme of Arrangement, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Demerged Company, Resulting Company 1 and Resulting Company 2 and their respective shareholders.

5.4 We do not express any opinion as to any tax or other consequences that might arise from the Scheme of Arrangement on Demerged Company, Resulting Company 1 and Resulting Company 2 and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.

5.5 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the Demerger of the various units of the Demerged Company as contemplated in the Scheme of Arrangement provided to us and is not valid for any other purpose.

5.6 We may currently or in the future provide, investment banking services to Demerged Company, Resulting 1 and Resulting Company 2 and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme of Arrangement, for which services we have / may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of KISL may actively trade in the securities of the Demerged Company or its group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the opinion expressed herein are for the use of the Board of Directors of Demerged Company in connection with the consideration of the Scheme of Arrangement and for none other. Neither KISL, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

5.7 Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement or any matter related thereto.

6. VALUATION REPORT

Demerged Company has appointed M/s Komandoor & Co. Chartered Accountants to recommend a fair and equitable equity share entitlement ratio for the Demerger.

The extract of the Valuation report issued by the Valuer is as follows:

For every 6 (six) equity shares of Rs.2/- each held in BIL, the shareholders will continue to hold 3 (three) equity shares of Rs.2/- each in Bhagyanagar India Limited and will get 3 (three) equity shares of Rs.2/- each in Bhagyanagar Properties Private Limited and 4 (four) equity shares of Re.1/- each in Surana Telecom and Power Limited.

Karvy Investor Services Limited Hyderabad

7. OPINION

On the basis of the Rationale of the Scheme of Arrangement and considering the Scope and Limitations mentioned in this report, we are of the opinion that the Demerger ratio is fair to the Equity Shareholders of the Demerged Company, Resulting Company 1 and Resulting Company 2.

For Karvy Investor Services Limited

V. Madhusudhan Rao

V Madhusudhan Rao
Vice President

Karvy Investor Services Limited Hyderabad

Surana Group

BHAGYANAGAR INDIA LIMITED

ISO 9001 - 2008 Certified Company

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad-500 003. Telangana, India
Tel :+91 40 27845119/27841198/44665700
Fax : +-91-40-27848851/27818868
Website : www.surana.com
E.mail : bil@surana.com
CIN No.: L27201TG1991PLC012449

ANNEXURE - I

COMPLAINTS REPORT
(Period from 13th November, 2015 to 6th December, 2015)

Part A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **BHAGYANAGAR INDIA LIMITED**

DEVENDRA SURANA
MANAGING DIRECTOR

Surana Group

BHAGYANAGAR INDIA LIMITED

ISO 9001 - 2008 Certified Company

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad-500 003. Telangana, India
Tel :+91 40 27845119/27841198/44665700
Fax : +-91-40-27848851/27818868
Website : www.surana.com
E.mail : bil@surana.com
CIN No.: L27201TG1991PLC012449

ANNEXURE - I

COMPLAINTS REPORT
(Period from 16th November, 2015 to 7th December, 2015)

PART A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **BHAGYANAGAR INDIA LIMITED**

MDsurana

DEVENDRA SURANA
MANAGING DIRECTOR

SURANA TELECOM AND POWER LTD.
(formerly Surana Telecom Ltd.)
Surana Group **ISO 9001 - 2008 Certified Company**

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad - 500 003. A.P., India
Tel :+91 40 27845119/44665700
Fax : 0091-40-27848851
Website : http:// www.surana.com
E.mail : surana@surana.com
CIN No.: L23209AP1989PLC010336

ANNEXURE - I

COMPLAINTS REPORT
(Period from 13th November, 2015 to 6th December, 2015)

PART A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **SURANA TELECOM AND POWER LIMITED**

NARENDER SURANA
DIRECTOR

Surana Group

SURANA TELECOM AND POWER LTD.

(formerly Surana Telecom Ltd.)
ISO 9001 - 2008 Certified Company

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad - 500 003. A.P., India
Tel :+91 40 27845119/44665700
Fax : 0091-40-27848851
Website : http:// www.surana.com
E.mail : surana@surana.com
CIN No.: L23209AP1989PLC010336

ANNEXURE - I

COMPLAINTS REPORT
(Period from 16th November, 2015 to 7th December, 2015)

PART A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **SURANA TELECOM AND POWER LIMITED**

NARENDER SURANA
DIRECTOR

Annexure-V

DCS/AMAL/MN/360/2016-17
April 07, 2016

The Company Secretary
BHAGYANAGAR INDIA LTD.
Surya Towers, 5th Floor,
Sardar Patel Road ,
Secunderabad ,Telangana ,500003.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

We are in receipt of Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated April 07, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"The company shall duly comply with various provisions of the Circulars."***

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

- To duly comply with various provisions of the circulars.

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

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

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

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

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

Yours faithfully,

Nitin Pujari
Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/ 68999

April 11, 2016

The Managing Director
Bhagyanagar India Limited
5th Floor, Surya Towers
S P Road,
Secunderabad - 500003

Kind Attn.: Mr. Devendra Surana

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and Their Respective Shareholders and Creditors.

This has reference to draft Scheme of Arrangement (Under Sections 391 To 394 read with Section 78, 100 To 103 and other applicable provisions of the Companies Act, 1956) between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their respective shareholders and creditors submitted to NSE vide your letter dated October 27, 2015.

Based on our letter reference no Ref: NSE/LIST/67733 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated April 07, 2016, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement / Listing Regulations, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Bhagyanagar Properties Private Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Bhagyanagar Properties Private Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bhagyanagar Properties Private Limited is at the discretion of the Exchange.

The listing of Bhagyanagar Properties Private Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bhagyanagar Properties Private Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India.
CIN: U67120MH1992PLC069769 • Tel: +91 22 26598100 / 66418100 • Fax: +91 22 26598120 Web site: www.nseindia.com

2. To publish an advertisement in the newspapers containing all the information about Bhagyanagar Properties Private Limited in line with the details required as per SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Bhagyanagar Properties Private Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:
   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in Bhagyanagar Properties Private Limited between the record date and the listing which may affect the status of this approval."

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

The validity of this "Observation Letter" shall be six months from April 11, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

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

DCS/AMAL/MN/361/2016-17
April 07, 2016

The Company Secretary
Surana Telecom and Power Limited.
Surya Towers, 5th Floor,
Sardar Patel Road,
Secunderabad, Telangana, 500003.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

We are in receipt of Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated April 07, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"The company shall duly comply with various provisions of the Circulars."***

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

- To duly comply with various provisions of the circulars.

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

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

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

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

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

Yours faithfully,

Nitin Pujari
Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

April 11, 2016

Ref: NSE/LIST/69040

The Company Secretary
Surana Telecom and Power Limited
5th Floor, Surya Towers,
Sardar Patel Road, Secunderabad,
Andhra Pradesh - 500003

Kind Attn.: Mr. Srinivas Dudam

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their respective shareholders and creditors, submitted to NSE vide your letter dated October 27, 2015.

Based on our letter reference no Ref: NSE/LIST/68372 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated April 07, 2016 has given following comments on the draft Scheme of Amalgamation:

a. "The Company shall duly comply with various provisions of the Circulars."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby convey our "No-objection" in term of regulation 94 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the listing of equity shares of Bhagyanagar Properties Private Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Bhagyanagar Properties Private Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bhagyanagar Properties Private Limited is at the discretion of the Exchange.

The listing of Bhagyanagar Properties Private Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bhagyanagar Properties Private Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India.
CIN: U67120MH1992PLC069769 • Tel: +91 22 26598100 / 66418100 • Fax: +91 22 26598120 Web site: www.nseindia.com

2. To publish an advertisement in the newspapers containing all the information about Bhagyanagar Properties Private Limited in line with the details required as per SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Bhagyanagar Properties Private Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

(a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

(b) "There shall be no change in the shareholding pattern or control in Bhagyanagar Properties Private Limited between the record date and the listing which may affect the status of this approval."

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

The validity of this "Observation Letter" shall be six months from April 11, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

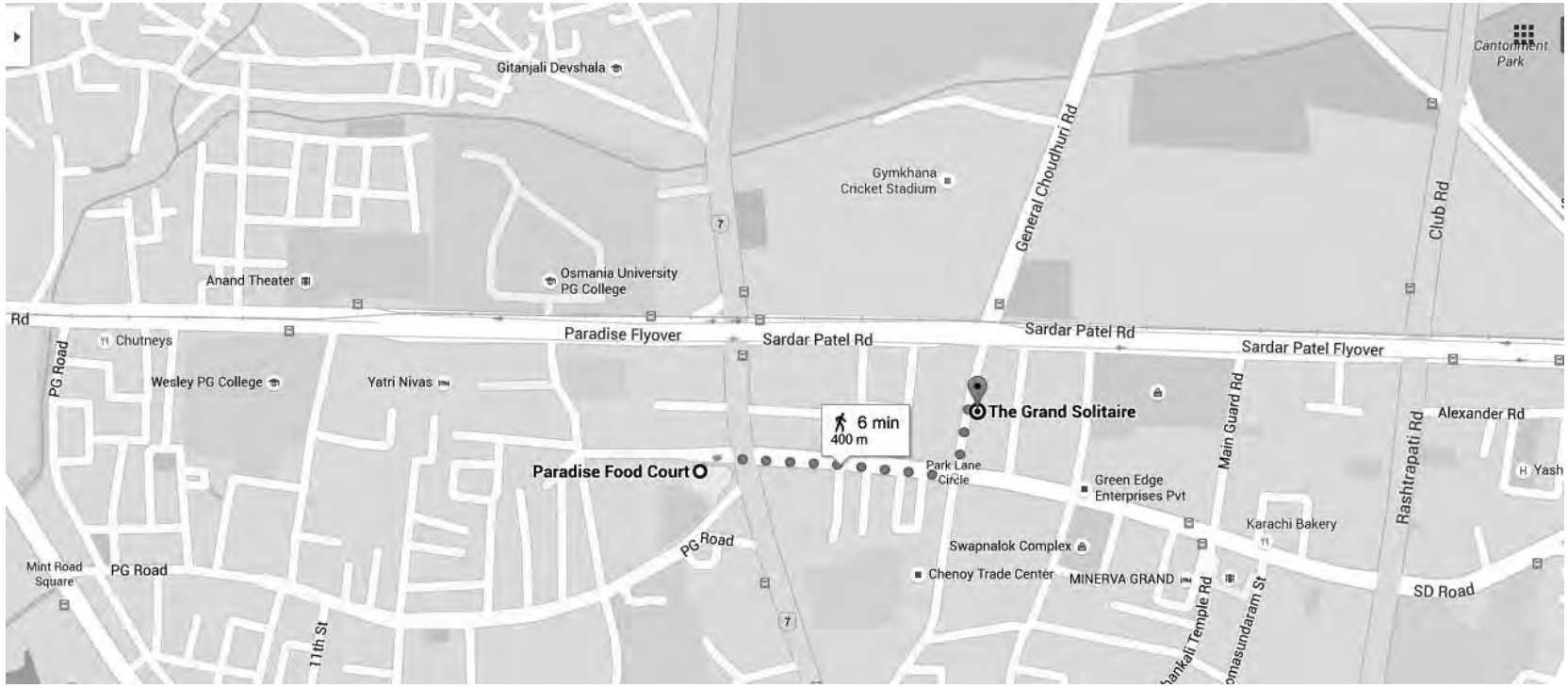
a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the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

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

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

ROUTE MAP FOR VENUE OF THE MEETING



SURANA TELECOM AND POWER LIMITED

(CIN- L23209TG1989PLC010336)

Regd .Off: 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003

COURT CONVENED MEETING OF THE UNSECURED CREDITORS

Day	Saturday
Date	11th June, 2016
Time	03:00 P.M.
Venue	The Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad-500003, Telangana.

Sl. No.	Contents	Page Nos.
1.	Notice of Court Convened Meeting of Unsecured Creditors of Surana Telecom and Power Limited.	2
2.	Explanatory Statement under section 393 of the Companies Act, 1956.	5
3.	Scheme of Arrangement between Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and any amendments thereto or replacements thereof.	Annexure-I
4.	Fairness opinion dated 29th September 2015, issued by Karvy Financial Services Limited	Annexure-II
5	Complaints Report dated 7th December, 2015 filed by Surana Telecom and Power Limited with Stock Exchanges.	Annexure-IV
6.	Observation Letter dated 7th April, 2016 issued by BSE Limited to Surana Telecom and Power Limited.	Annexure-VII
7.	Observation Letter dated 11th April, 2016 issued by National Stock Exchange of India Limited to Surana Telecom and Power Limited.	Annexure-VIII
8.	Form of Proxy	21
9.	Attendance Slip	22

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND ANDHRA PRADESH
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO.627 OF 2016.

In the matter of the Companies Act, 1956 (1 of 1956)
and
In the matter of Sections 391 to 394 of the said Act
and
M/s. Surana Telecom and Power Limited
and
M/s. Bhagyanagar India Limited
and
M/s. Bhagyanagar Properties Private Limited
and
their respective Shareholders and Creditors

M/s. Surana Telecom and Power Limited)
a Company incorporated under the Companies)
Act, 1956 and having its Registered Office at)
5th Floor, Surya Towers, S.P.Road,)
Secunderabad-500 003.) **…….. Applicant/**
1st Resulting Company

NOTICE CONVENING MEETING OF UNSECURED CREDITORS

To

The Unsecured Creditors of **Surana Telecom and Power Limited** ("the Applicant Company"):

TAKE NOTICE that by an Order made on the 25th day of April, 2016 in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh has directed that a meeting of the Unsecured Creditors of Surana Telecom and Power Limited, the Applicant Company/ 1st Resulting Company be convened and held at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana-500003 on Saturday, the 11th June, 2016 at 3.00 p.m. for the purpose of considering, and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between M/s.Bhagyanagar India Limited (Demerged Company) and M/s.Surana Telecom and Power Limited (1st Resulting Company) and M/s.Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective Shareholders and Creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of the Applicant Company will be held at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana 500003 on Saturday, the 11th June, 2016 at 3.00 p.m. at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorised representative is deposited at the Registered Office of the Applicant Company at 5th Floor, Surya Towers, S.P.Road , Secunderabad-500 003 not later than 48 hours before the meeting. The proposed resolution is annexed to this notice ("Notice") as **Annexure-A** hereto.

The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh has appointed Shri P.V. Narasayya, Advocate, to be the Chairman of the said meeting.

A copy of the Explanatory statement under section 393 of the Companies Act, 1956, the Scheme of Arrangement, the Observation Letter of BSE Limited and National Stock Exchange Limited, Complaints Report, Fairness Opinion, Form of proxy and Attendance slip are attached to and form part of this explanatory statement.

Place : Hyderabad

Date : 10th May, 2016

Sd/-

P.V. Narasayya
Chairman appointed
for the meeting of Unsecured Creditors
1-8-430/7/4 & 5, Chikkadapally,
Near Venkateswara High School,
Hyderabad-500 020

Notes for court convened meeting:

1. All alterations made in the Form of Proxy should be initialled.
2. Only Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative under applicable provisions of the Companies Act) at the Unsecured Creditors' meeting. The authorized representative of a body corporate which is a registered unsecured creditor of the Applicant Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend at the meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the schedule time of the commencement of meeting.
3. A registered Unsecured Creditor of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a unsecured creditor of the Applicant Company.

Encl.: As above

ANNEXURE-A

To consider and if thought fit, approve with or without modification(s), the Scheme of Arrangement between M/s.Bhagyanagar India Limited and M/s.Surana Telecom and Power Limited and M/s.Bhagyanagar Properties Private Limited and their respective Shareholders and Creditors:

"RESOLVED THAT pursuant to Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified) and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (the Act) read with the Companies (Court) Rules, 1959 (the Rules) and other applicable provisions, if any, of the Act, pursuant to the observation letters issued by BSE Limited dated 7th April, 2016 & by National Stock Exchange of India Limited dated 11th April, 2016 and enabling provisions in the Company's Memorandum and Articles of Association and other requisite consents and approvals, if any, being obtained and subject to such terms and conditions and modifications (s) as may be imposed, prescribed or suggested by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh or other appropriate authorities, the Scheme of Arrangement between M/s. Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors in terms of the Scheme of Arrangement (the "Scheme") laid before the meeting duly initialed by the Chairman for the purpose of identification, be and is hereby by approved.

RESOLVED FURTHER THAT the Board of Directors, including duly constituted committee of the Board of Directors ("Committee of Directors"), of the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary to have the Scheme approved by the Hon'ble High Court of Judicature at Hyderabad for State of Telangana and the State of Andhra Pradesh and other relevant authorities (as may be necessary), to implement the arrangement set out in the Scheme and to accept such modifications and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Hyderabad for State of Telangana and the State of Andhra Pradesh and/or other relevant authorities, including filing of relevant applications and making of appropriate representations in respect thereof, and taking all steps as they may deem necessary to give effect to the above resolution, and settling any questions, doubts and difficulties that may arise in this regard and incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Committee of Directors be and are hereby authorised to delegate all or any of their powers herein conferred, to any Director(s) or any other officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolution."

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND ANDHRA PRADESH
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO.627 OF 2016.

In the matter of the Companies Act, 1956 (1 of 1956)
and
In the matter of Sections 391 to 394 of the said Act
and
M/s. Surana Telecom and Power Limited
and
M/s. Bhagyanagar India Limited
and
M/s. Bhagyanagar Properties Private Limited
and
their respective Shareholders and Creditors

M/s. Surana Telecom and Power Limited)
a Company incorporated under the Companies)
Act, 1956 and having its Registered Office at)
5th Floor, Surya Towers, S.P.Road,)
Secunderabad-500 003.) **…….. Applicant/**
1st Resulting Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 FOR THE COURT CONVENED MEETING OF THE UNSECURED CREDITORS OF SURANA TELECOM AND POWER LIMITED

1. Pursuant to an Order dated 25th April, 2016 passed by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh for direction of the meeting of the Unsecured Creditors of the Applicant Company is being convened and held at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana 500003 on Saturday, the 11th June, 2016 at 3.00 p.m. for the purpose of considering, and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between M/s.Bhagyanagar India Limited (Demerged Company) and M/s.Surana Telecom and Power Limited (1st Resulting Company) and M/s.Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective Shareholders and Creditors (**"the Scheme"**).

2. In this statement, Bhagyanagar India Limited (hereinafter referred to as "BIL" or "the Demerged Company" as the context may require) and Surana Telecom and Power Limited (hereinafter referred to as "STPL" or "1st Resulting Company" or "the Applicant Company" as the context may require) and Bhagyanagar Properties Private Limited (hereinafter referred to as "BPPL" or the "2nd Resulting Company" as the context may require). The other definitions contained in the Scheme will apply to this Explanatory Statement also.

3. The draft Scheme of Arrangement was placed before the Audit Committee and Board of Directors of the Applicant Company at their respective meetings held on 12th October, 2015. M/s Karvy Financial Services Limited, acting as the independent Merchant Banker provided the Fairness Opinion. On the basis of their evaluation, the Audit committee has recommended the Scheme to the Board of Directors of the Company. Copy of the Fairness Opinion is enclosed herewith.

4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of Applicant Company has come to the conclusion that the Scheme of Arrangement is in the best interest of the Company and its Shareholders.

5. A copy of the Scheme of arrangement setting out the terms and conditions of the scheme of arrangement between M/s. Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors as approved by the Board of Directors of the respective companies in their respective Board Meetings is enclosed herewith.

6. BACKGROUND OF THE DEMERGED COMPANY AND RESULTING COMPANIES:

6.1 Bhagyanagar India Limited ("Demerged Company")

(a) M/s. Bhagyanagar India Limited (hereinafter referred to as "BIL" / Demerged Company) was originally incorporated as M/s. Bhagyanagar Metals Limited in the State of Maharashtra on 2nd September, 1985 under the Certificate of Incorporation No. 12449 of 1985. Later on the Company has shifted its registered office from the State of Maharashtra to State of Andhra Pradesh vide orders of Company Law Board Bench, Western Region Bench, Bombay dated 4-10-1990 and accordingly a Certificate of registration of the order of CLB confirming transfer of the Registered office from one State to another State was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 12th March, 1991. Later on the Company has changed its name to its present name i.e. M/s. Bhagyanagar India Limited and a fresh Certificate of incorporation was issued by Registrar of Companies Andhra Pradesh, Hyderabad on 10th August, 2006.

(b) The registered office of the "BIL"/"Demerged Company" is situated at 5th Floor, Surya Towers, S.P.Road, Secunderabad – 500003, Telangana, India.

(c) The present share capital of BIL / Demerged Company is as under:

Particulars	Amount in Rs.
Authorised 12,50,00,000 Equity Shares of Rs 2/- each	25,00,00,000
Issued, subscribed and paid up 6,39,90,000 equity shares of Rs. 2/- each, fully paid up.	12,79,80,000

(d) The Equity Shares of the BIL/ Demerged Company are listed on BSE Limited (hereinafter referred to as "BSE") and National Stock Exchange of India Limited (hereinafter referred to as "NSE").

(e) Shareholding Pattern of the Promoter Group of Bhagyanagar India Limited as on date:

Sl. No.	Name of the Promoter	No. of equity Shares held of Rs.2/- each	% of shareholding
1	Advait Surana	3,23,082	0.50
2	Chand Kanwar	33,66,010	5.26
3	Devendra Surana	45,11,994	7.05
4	G. Mangilal Surana	34,21,980	5.35
5	Manish Surana	49,38,433	7.72
6	Mitali Surana	6,00,000	0.94
7	Namrata Surana	37,30,166	5.83
8	Narender Surana	5180089	8.10
9	Nivruthi Surana	6,95,000	1.09
10	Rahul Surana	28,09,000	4.39
11	Sresha Surana	11,59,227	1.81
12	Sunita Surana	32,66,671	5.10
13	Vinita Surana	14,27,231	2.23
14	G. Mangilal Surana (HUF)	3,57,550	0.56
15	G. Mangilal Surana (MHUF)	3,32,760	0.52
16	Narender Surana (HUF)	2,13,000	0.33
17	Devendra Surana (HUF)	1,35,000	0.21
18	Bhagyanagar Securities Pvt Limited	1,45,655	0.23
19	Surana Infocom Private Limited	86,81,890	13.57
20	Surana Telecom And Power Limited	22,90,331	3.58
	TOTAL	**4,75,85,069**	**74.34**

6.2 Surana Telecom and Power Limited ("1st Resulting Company")

(a) M/s.Surana Telecom and Power Limited (hereinafter referred to as "STPL" / 1st Resulting Company) was originally incorporated as M/s. Surana Petro Products Private Limited in the State of Andhra Pradesh on 14th August, 1989 under the Certificate of Incorporation no. 01-10336 of 1989-90. Later on the Company had converted itself into a Public Limited Company. Subsequently the Company had changed its name to M/s. Surana Telecom Limited and a fresh certificate of incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh, Hyderabad on 5th August, 1994. Again the Company had changed its name to its present name i.e. M/s. Surana Telecom and Power Limited and a fresh Certificate of incorporation was issued by Registrar of Companies Andhra Pradesh, Hyderabad on 11th October, 2007 after complying with the necessary formalities under the Companies Act, 1956.

(b) The registered office of the "STPL / 1st Resulting Company is situated at 5th Floor, Surya Towers, Sardar Patel Road, Secunderabad – 500 003, India.

(c) The present share capital of STPL / 1st Resulting Company is as under:

Particulars	Amount in Rs.
Authorised 15,00,00,000 Equity Shares of Re 1/- each	15,00,00,000
Issued, subscribed and paid up 10,40,22,000 equity shares of Re. 1/- each, fully paid up	10,40,22,000

(d) The Equity Shares of the STPL/1st Resulting Company are listed on BSE Limited (hereinafter referred to as "BSE") and National Stock Exchange of India Limited (hereinafter referred to as "NSE").

(e) Shareholding Pattern of the Promoter Group of Surana Telecom and Power Limited as on date:

Sl. No.	Name of the Promoter	No. of equity Shares held of Rs. 1/- each	% of shareholding
1	Advait Surana	26,21,525	2.52
2	Chand Kanwar	21,86,990	2.10
3	Devendra Surana	1,53,28,015	14.74
4	G. Mangilal Surana	44,20,550	4.25
5	Manish Surana	42,16,658	4.05
6	Mitali Surana	12,22,500	1.18
7	Namrata Surana	46,03,455	4.43
8	Narender Surana	1,92,19,260	18.48
9	Rahul Surana	15,25,000	1.47
10	Sresha Surana	26,84,517	2.58
11	Sunita Surana	34,75,675	3.34
12	Vinita Surana	25,04,405	2.41
13	Bhagyanagar Securities Pvt Limited	6,16,646	0.59
14	Surana Infocom Private Limited	38,99,635	3.75
15	Bhagyanagar India Limited	94,12,201	9.05
	TOTAL	**7,79,37,032**	**74.94**

6.3 Bhagyanagar Properties Private Limited ("2nd Resulting Company")

(a) M/s. Bhagyanagar Properties Private Limited (hereinafter referred to as "BPPL"/ 2nd Resulting Company) was originally incorporated as M/s. Bhagyanagar Properties Limited on 25th April, 2006 under the Certificate of Incorporation No. 01-50010 of 2006-2007. Later on the Company had converted itself into a Private Limited Company and a fresh Certificate of incorporation consequent upon change of name on conversion to Private Limited Company was issued by Registrar of Companies Andhra Pradesh, Hyderabad on 8th December, 2008.

(b) The registered office of the "BPPL / 2nd Resulting Company is situated at 5th Floor, Surya Towers, S.P.Road, Secunderabad – 500003, Telangana.

(c) The present authorised share capital of 2nd Resulting Company / BPPL is as under:

Particulars	Amount in Rs.
Authorised 50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Issued, subscribed and paid up 40,00,000 equity shares of Rs. 10/- each, fully paid up	4,00,00,000

(d) Shareholding Pattern of the Promoter Group of Bhagyanagar Properties Private Limited as on date:

Sl. No.	Name of the Promoter	No. of equity Shares held of Rs. 10/- each	% of shareholding
1	M/s. Bhagyanagar India Limited	39,99,950	99.999
2	Narender Surana	10	0.0002
3	Devendra Surana	10	0.0002
4	Sunita Surana	10	0.0002
5	Namrata Surana	10	0.0002
6	Manish Surana	10	0.0002
	TOTAL	**40,00,000**	**100.00**

7. BACKGROUND OF THE SCHEME

7.1 The BIL/ Demerged Company is having following divisions:-

1) Copper Division.
2) Windmill Division
3) Solar Division
4) Real Estate Division

It is proposed to transfer the Solar Division of the Demerged Company into STPL/ 1st Resulting Company and Real Estate Division into BPPL/ 2nd Resulting Company pursuant to the applicable provisions of the Act and/or any other Applicable Laws ("**Scheme**").

8. RATIONALE AND SALIENT FEATURES OF THE SCHEME

8.1 The transfer of Solar Division of BIL into STPL shall bring in the following advantages:

i) Focus on Solar Business: STPL has placed its focus solely on Non-Conventional energy viz. Solar Power Generation, already having an installed capacity of 10 MW, Wind Power Generation, with an installed capacity of 1.25 MW, and other power generation projects in the pipeline. So BIL is of the view that by transferring Solar Division to STPL will achieve greater revenues and growth with proper focus & resources.

ii) Strength for future expansion: There has been a rising awareness worldwide that renewable energy and energy efficiency are critical not only for addressing climate change, but also for creating new economic opportunities. In the recent years, advances in renewable energy

technologies, global increases in capacity and rapid cost reductions have been made as the policies have been favourable. The size of renewable energy market will see further growth as the application of renewable purchase obligation expands to cover open access and capture consumers.

iii) **Enhanced synergies arising out of consolidation:** The demerger of Solar Division of BIL into STPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger, there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

iv) **Investor attractiveness:** The proposed demerger will enhance the value of STPL which in turn would enhance the value of the share-holders of BIL who will become share-holders in STPL by virtue of this scheme of arrangement.

8.2 The transfer of Real Estate Division of BIL into BPPL shall bring in the following advantages:

i) **Focus on Real Estate Business:** BPPL has sufficient land bank to develop & thrive in the Real Estate markets. Consolidating the Real Estate division into BPPL will result in higher revenues & accelerated growth as a result of increased focus in the Real estate business.

ii) **Future Expansion:** The Indian business scenario is getting more complex by the day, with new government regulations, newer technologies, customer preferences, increased competition, advent of new business strategies, global expansion etc. In order to meet the growing challenges, most of the business organizations are increasing their focus on their core businesses and going for backward and forward integration accordingly.

iii) **Enhanced synergies arising out of consolidation:** The demerger of Real Estate division comprising of loans and advances and investments in the real-estate subsidiaries of BIL into BPPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger would result in better and effective administration in management and operations, owing to creation of focused entities in the current scenario.

iv) **Investor attractiveness:** Often financial investors look out for sector specific companies because they have different parameters for risk and return. The return expectations of a Copper business investor are different from that of an investor in a real estate industry. The proposed demerger of the Real estate of BIL into BPPL will create two entities focusing on their respective businesses, thereby addressing investor concern.

9. The salient features of the Scheme are as follows:

(i) **"Appointed Date"** means April 1, 2016, or such other date as may be fixed by the Hon'ble High Court for the State of Telangana and Andhra Pradesh;

(ii) "**Effective Date"** means the date on which the Certified copy of the Order, issued by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, sanctioning this Scheme is filed by BIL, 1st Resulting Company and 2nd Resulting Company with the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad.

(iii) Pursuant to the scheme

a. With effect from the Appointed Date, the solar division and investments in equity shares of Surana Solar Limited and Surana Telecom and Power Limited are proposed to be transferred to STPL/ 1st Resulting Company on a going concern basis.

b. With effect from the Appointed Date the real estate division comprising of Loans & Advances in the subsidiaries and Investments in BPPL, Scientia Infocom India Private Limited & Metropolitan Ventures India Private Limited are proposed to be transferred to BPPL/ 2nd Resulting Company on a going concern basis.

c. The Scheme is conditional upon and subject to the approvals / or sanctions laid down in Clause 29 of the Scheme.

(iv) Share Exchange Ratio:

Upon the scheme becoming effective and with the vesting of the solar division and Real Estate Division of the Demerged Company respectively in 1st Resulting Company and 2nd Resulting Company, the share entitlement ratio will be as follows:

For every 6 (six) equity shares of Rs.2/- each held in BIL, the shareholders will continue to hold 3 (three) equity shares of Rs.2/- each in Bhagyanagar India Limited and will get 3 (three) equity shares of Rs.2/- each in Bhagyanagar Properties Private Limited and 4 (four) equity shares of Re.1/- each in Surana Telecom and Power Limited.

(v) No fractional share certificates:

In case, any members of Demerged Company holding becomes entitled to a fraction of equity in Demerged Company, shall not issue fractional share certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by respective company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members of Demerged Company in the same proportion to their fractional entitlements

(vi) Reorganization of Share Capital :

Upon the Scheme coming into effective, the issued, subscribed and paid up equity share capital of BIL/ Demerged Company shall be reduced from Rs. 12,79,80,000 divided into 6,39,90,000 Equity Shares of Rs.2/- each into Rs. 6,39,90,000 divided into 3,19,95,000 equity shares of Rs.2/- each as an integral part of the scheme, without any further act, instrument or deed.

Upon the Scheme coming into effective, 100% of the existing equity share capital of BPPL/ 2nd Resulting Company shall stand cancelled without any further act or deed. The reduction in the share capital of the 2nd resulting company shall be effected as an integral part of the scheme.

Upon the scheme becoming effective, the face value of each equity share of the BPPL/ 2nd Resulting company shall stand reduced to Rs.2/- (Rupees Two) each from Rs.10/- (Rupees Ten) each without any further act, instrument or deed and without payment of any fees, stamp duty etc.

Please note that the aforesaid are only the salient features of the Scheme. The unsecured creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

10 The Pre and Post Scheme of Arrangement Capital Structure and Shareholding Pattern of Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) is given hereunder:

10.1 Pre and Post Scheme of Arrangement Shareholding Pattern of BIL (Demerged Company)

Code	Category of Shareholder	Pre-Scheme of Arrangement		Post-Scheme of Arrangement	
		Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
(A)	**Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individual /HUF	36431808	56.93	18215904	56.93
(b)	Bodies Corporate	10972221	17.15	5486111	17.15
(2)	**Foreign**	0	0	0	0
	Total (A)	**47404029**	**74.08**	**23702015**	**74.08**
(B)	**Public Shareholding**				
(1)	**Institutions**				
(a)	Mutual Funds /UTI	10500	0.02	5250	0.02
(b)	Financial Institutions / Banks	1496171	2.34	748086	2.34
(c)	Central Government / State Government(s)	176700	0.28	88350	0.28
(2)	**Non-Institutions**				
(a)	Bodies Corporate	1137398	1.78	568699	1.78
(b)	Individuals				
	(i) Individuals holding nominal share capital upto Rs.1 lakh	7800226	12.19	3900113	12.19
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	4813625	7.52	2406813	7.52
(c)	Others				
	Clearing Members	22031	0.03	11016	0.03
	Non resident Indians	1128820	1.76	564410	1.76
	Trusts	500	0.00	250	0.00
(d)	Qualified Foreign Investor	0	0.00	0	0.00
	Total (B)	**16585971**	**25.92**	**8292986**	**25.92**
	Grand Total (A+B)	**63990000**	**100.00**	**31995000**	**100.00**

10.2 Pre and Post Scheme of Arrangement Shareholding Pattern of STPL (1st Resulting Company)

Code	Category of shareholder	Pre-Scheme of Arrangement		Post-Scheme of Arrangement	
		Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
(A)	**Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individual /HUF	63961215	61.49	88249081	65.00
(b)	Bodies Corporate	13294785	12.78	9687561	7.14
(2)	**Foreign**				
	Total (A)	**77256000**	**74.27**	**97936642**	**72.14**
(B)	**Public Shareholding**				
(1)	**Institutions**				
(a)	Mutual Funds /UTI	71000	0.07	77999	0.06
(b)	Financial Institutions /Banks	21000	0.02	1018447	0.75
(c)	Central Government / State Government(s)	0	0.00	117800	0.09
(d)	Foreign Institutional Investors	1393001	1.34	1393001	1.03
(2)	**Non-Institutions**				
(a)	Bodies Corporate	1814497	1.74	2572674	1.90
(b)	Individuals				
	(i) Individuals holding nominal share capital upto Rs.1 lakh	16241597	15.61	21952747	16.17
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5480214	5.27	8174355	6.02
(c)	Others				
	Clearing Members	61911	0.06	76593	0.06
	Non Resident Indians	1390280	1.34	2142798	1.58
	Overseas Corporate Bodies	292500	0.28	292500	0.22
	Trusts	0	0.00	4407	0.00
	Total (B)	**26766000**	**25.73**	**37823321**	**27.86**
	Grand Total (A+B)	**104022000**	**100.00**	**135759963**	**100.00**

10.3 Pre and Post Scheme of Arrangement Shareholding Pattern of BPPL (2nd Resulting Company)

Code	Category of Shareholder	Pre-Scheme of Arrangement		Post-Scheme of Arrangement	
		Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
(A)	**Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individual /HUF	50	0.00	18215904	56.93
(b)	Bodies Corporate	3999950	100.00	5486111	17.15
(2)	**Foreign**	0	0.00	0	0.00
	Total (A)	**4000000**	**100.00**	**23702015**	**74.08**
(B)	**Public Shareholding**				
(1)	**Institutions**	0	0.00	5250	0.02
(a)	Mutual Funds /UTI	0	0.00	748086	2.34
(b)	Financial Institutions /Banks	0	0.00	88350	0.28
(2)	**Non-Institutions**				
(a)	Bodies Corporate	0	0.00	568699	1.78
(b)	Individuals	0	0.00		
	(i) Individuals holding nominal share capital upto Rs.1 lakh	0	0.00	3900113	12.19
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	0	0.00	2406813	7.52
(c)	Others	0	0.00		0.00
	Clearing Members	0	0.00	11016	0.03
	Non Resident Indians	0	0.00	564410	1.76
	Trusts	0	0.00	250	0.00
(d)	Qualified Foreign Investor	0	0.00	0	0.00
	Total (B)	**0**	**0.00**	**8292986**	**25.92**
	Grand Total (A+B)	**4000000**	**100.00**	**31995000**	**100.00**

11.1. The latest audited financial summary of Bhagyanagar India Limited (Demerged Company) as on 31.03.2015 is given below:

Particulars	As at 31st March 2015 in Rs.	
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	12,79,80,000	
(b) Reserves and Surplus	1,95,94,78,884	2,08,74,58,884
(2) Non-Current Liabilities		
(a) Long-Term Borrowings		62,96,24,155
(3) Current Liabilities		
(a) Short-Term Borrowings	40,94,07,830	
(b) Trade Payables	76,68,422	
(c) Other Current Liabilities	16,49,65,224	
(d) Short-Term Provisions	2,36,35,400	60,56,76,876
TOTAL		**3,32,27,59,915**
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(1) Tangible Assets	79,22,07,881	
(2) Capital Work-in-Progress	91,95,040	
(b) Non-Current Investments	27,08,44,392	
(c) Deferred Tax Assets (Net)	52,38,615	
(d) Long-Term Loans and Advances	1,16,63,82,563	2,24,38,68,491
(2) Current Assets		
(a) Current Investments	-	
(b) Inventories	41,76,11,302	
(c) Trade Receivables	30,08,78,481	
(d) Cash and Cash Equivalents	8,47,47,720	
(e) Short-Term Loans and Advances		
(f) Other Current Assets	14,20,60,895	
	13,35,93,026	1,07,88,91,424
TOTAL		**3,32,27,59,915**

11.2. The latest audited financial summary of Surana Telecom and Power Limited (1st Resulting Company) as on 31.03.2015 is given below:

Particulars		As at 31st March 2015 in Rs.	
I	**EQUITY AND LIABILITIES**		
	(1) Shareholders' Funds		
	(a) Share Capital	10,40,22,000	
	(b) Reserves and Surplus	49,41,18,536	59,81,40,536
	(2) Non-Current Liabilities		
	(a) Long-Term Borrowings	15,18,53,386	
	(b) Deferred Tax Liabilities (Net)	33,84,080	15,52,37,466
	(3) Current Liabilities		
	(a) Short-Term Borrowings	2,20,81,138	
	(b) Trade Payables	6,90,80,422	
	(c) Other Current Liabilities	9,07,38,883	
	(d) Short-Term Provisions	1,50,03,640	19,69,04,083
	TOTAL		**95,02,82,085**
II	**ASSETS**		
	(1) Non-Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets	49,26,65,255	
	(b) Non-Current Investments	12,66,69,300	
	(c) Long-Term Loans and Advances	6,13,59,355	68,06,93,910
	(2) Current Assets		
	(a) Inventories	18,93,02,432	
	(b) Trade Receivables	3,04,37,218	
	(c) Cash and Bank Balances	1,12,84,808	
	(d) Short-Term Loans and Advances	19,87,033	
	(e) Other Current Assets	3,65,76,684	26,95,88,175
	TOTAL		**95,02,82,085**

11.3. The latest audited financial summary of Bhagyanagar Properties Private Limited (2nd Resulting Company) as on 31.03.2015 is given below:

	Particulars	As at 31st March 2015 in Rs.	
I	**EQUITY AND LIABILITIES**		
	(1) Shareholders' Funds		
	(a) Share Capital	4,00,00,000	
	(b) Reserves and Surplus	(25,64,393)	3,74,35,607
	(2) Non-Current Liabilities		
	(a) Long-Term Borrowings		55,54,39,048

	(3) Current Liabilities		
	(a) Other Current Liabilities		11,234
	TOTAL		**59,28,85,889**
II	**ASSETS**		
	(1) Non-Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets		59,28,35,325
	(b) Long-Term Loans and Advances		-
	(2) Current Assets		
	(a) Cash and Cash equivalents		50,563
	TOTAL		**59,28,85,889**

12. The shares held by the Directors and key Managerial Personnel and their relatives in the Demerged Company, 1st Resulting Company and 2nd Resulting Company as on date are given below:-

Sl. No.	Name of the Director/ Member	Designation	Shares held in M/s Surana Telecom and Power Ltd / 1st Resulting Company	Shares held in Bhagyanagar India Ltd / Demerged Company	Shares held in M/s Bhagyanagar Properties Pvt. Ltd./ 2nd Resulting Company
1	Narender Surana	Director-1	19219260	5180089	10*
2	Devendra Surana	Director-2	15328015	4511994	10*
3	GM Surana	Father of Director-1 & 2	4420550	3421980	-
4	Chand Kanwar	Mother of Director-1 & 2	2186990	3366010	-
5	Sunita Surana	Wife of Director-1	3475675	3266671	10*
6	Namrata Surana	Wife of Director-2	4603455	3730166	10*
7	Manish Surana	Son of Director-1	4216658	4938433	10*
8	Vinita Surana	Daughter of Director-1	2504405	1427231	-
9	Shresha Surana	Daughter of Director-1	2684517	1159227	-
10	Advait Surana	Daughter of Director-2	2621525	323082	-
11	Nivruthi Surana	Daughter of Director-2	-	695000	-
12	Rahul Surana	Son of Director-2	1525000	2809000	-
13	Mitali Surana	Daughter of Director-2	1222500	600000	-
14	G M Surana (MHUF)	Family HUF	-	332760	-
15	G M Surana (HUF)	Family HUF	-	357550	-
16	Narender Surana (HUF)	Family HUF	-	213000	-
17	Devendra Surana (HUF)	Family HUF	-	135000	-
18	R.Surender Reddy	Director	-	15000	-

* Holding as nominee of Bhagyanagar India Ltd.

13. That none of the Directors of the Demerged Company and 1st Resulting Company and 2nd Resulting Company have any material interest in the said scheme except as shareholders to the extent of the shares held by them as indicated above.

14. APPROVALS

14.1 Pursuant to the SEBI Circulars and Clause 24(f) of the Listing Agreement read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Applicant Company has received the observation letters from BSE and NSE 7th April, 2016 and 11th April, 2016 respectively, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith.

14.2 As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE and NSE on 7th December, 2015. A copy of the aforementioned Complaints Report is enclosed herewith.

14.3 As per the terms of the Observation Letters, SEBI has given its 'no adverse objection' to the Scheme and has advised the Applicant Company to comply with the provisions of the SEBI Circulars.

15. GENERAL

15.1 The Scheme is not prejudicial to the interests of the unsecured creditors of the Applicant Company.

15.2 There are no winding up proceedings pending against the Applicant Company as of date.

15.3 No investigation proceedings are pending or are likely to be pending under the provisions Section 235, 237 of the Companies Act, 1956 or the provisions of Chapter XIV of the Companies Act, 2013 in respect of the Applicant Company.

16. Inspection of the following documents may be had by the unsecured creditors of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 11.00 am and 1.00 pm

(a) Copy of the Order dated 25th April, 2016 of the Hon'ble High Court of Judicature at Hyderabad directing the convening of the meeting of the unsecured creditors of the Applicant Company;

(b) The Pre and Post Scheme of Arrangement Capital Structure and Shareholding Pattern of Bhagyanagar India Limited, Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited.

(c) Memorandum and Articles of Association of the Demerged Company, the 1st Resulting Company and 2nd Resulting Company;

(d) Audited Financial Statements of the 1st Resulting Company for last three financial years ended 31 March 2015, 31 March 2014 and 31 March 2013;

(e) Audited financial statement of the Demerged Company and 2nd Resulting Company as on 31 March 2015;

(f) Copy of the observation letters from BSE and NSE 7th April, 2016 and 11th April, 2016 respectively;

(g) Copy of the Complaints Report dated 7th December, 2015 filed with BSE and NSE;

(h) Valuation Report dated 25th September 2015 issued by M/s.Komandoor & Co., Chartered Accountants, Hyderabad; and

(i) Fairness Opinion dated 29th September, 2015 issued by M/s.Karvy Investor Services Limited, on the Share Entitlement Ratio.

This Statement may be treated as the Statement under Section 393 of the Companies Act, 1956. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003 or at the office of its Advocates Shri V.S. Raju, B. Satya Shivaji & Shri V.B. Raju, at 106, Dhanunjaya Towers, Road No.1, Banjara Hills, Hyderabad - 500 034.

Place : Hyderabad

Date : 10th May, 2016

Sd/-

P.V. Narasayya
Chairman appointed
for the meeting of Unsecured Creditors
1-8-430/7/4 & 5, Chikkadapally,
Near Venkateswara High School,
Hyderabad-500 020

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IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND ANDHRA PRADESH
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO.627 OF 2016.

In the matter of the Companies Act, 1956 (1 of 1956)
and
In the matter of Sections 391 to 394 of the said Act
and
M/s. Surana Telecom and Power Limited
and
M/s. Bhagyanagar India Limited
and
M/s. Bhagyanagar Properties Private Limited
and
their respective Shareholders and Creditors

M/s. Surana Telecom and Power Limited)
a Company incorporated under the Companies)
Act, 1956 and having its Registered Office at)
5th Floor, Surya Towers, S.P.Road,)
Secunderabad-500 003.) **…….. Applicant/**
1st Resulting Company

PROXY FORM

Name of Unsecured Creditor(s)	
Address	
E-Mail ID	

I/We, being the Unsecured Creditor of above named the 1st Resulting Company, hereby appoint:

1.

Name :	
Address :	
E-mail ID :	
Signature :	

Or failing him/her

2.

Name :	
Address :	
E-mail ID :	
Signature :	

Or failing him/her

3.

Name :	
Address :	
E-mail ID :	
Signature :	

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Court Convened Meeting of the Unsecured Creditors of the Company to be held on Saturday, the 11th day of June, 2016 at 3.00 p.m. at The Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad-500003, Telangana , India for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between M/s. Bhagyanagar India Limited (Demerged Company) and Surana Telecom and Power Limited (1st Resulting Company) and Bhagyanagar Properties Private Limited (2nd Resulting Company) and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956 at such meeting and/or any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) ....(here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said proposed Scheme, either with or without modification(s)*, as my/our proxy may approve.

**Strike-off whichever is not applicable.*

Signed this ____day of _____2016

Affix Revenue Stamp

Signature of Unsecured Creditor(s):

Signature of Proxy holder(s):

Notes:

1. All alterations made in the Form of the Proxy should be initialled.
2. An Unsecured Creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a creditor of the Company.
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 5th Floor, Surya Towers, S.P.Road, Secunderabad – 500003, Telangana, not later than **FORTY-EIGHT HOURS** before the commencement of the aforesaid Meeting.
4. In case of unsecured creditors other than individuals, the proxy should be executed under the official stamp of the organization indicating the name and designation of the person executing the proxy.

SURANA TELECOM AND POWER LIMITED

(CIN- L23209TG1989PLC010336)

Regd .Off: 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003

ATTENDANCE SLIP

Name of the Unsecured Creditor(s)	
Name of Proxy	

I/We hereby record my/our presence at the Court Convened Meeting of Unsecured Creditors of the Company to be held on 11th June, 2016 at 3.00 p.m. at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana -500003.

SIGNATURE OF THE UNSECURED CREDITORS OR THE PROXY ATTENDING THE MEETING

If **Unsecured Creditor,** Please Sign here

If **Proxy,** Please Sign here

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

PRINTED MATTER

If undelivered, please return to:

Surana Group

SURANA TELECOM AND POWER LIMITED

(CIN- L23209TG1989PLC010336)

Regd .Off: 5th Floor, Surya Towers, S.P.Road, Secunderabad-500 003

Website : www.suranatele.com ; Email: cs@surana.com ; Ph: 040-44665757/58

ANNEXURES

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2.	Fairness opinion dated 29th September 2015, issued by Karvy Financial Services Limited	Annexure-II	34
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Annexure-I

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 TO 394 READ WITH SECTION 78, 100 TO 103 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956)

BETWEEN

BHAGYANAGAR INDIA LIMITED

AND

SURANA TELECOM AND POWER LIMITED

AND

BHAGYANAGAR PROPERTIES PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme of Arrangement is presented pursuant to the provision of Sections 391 to 394 read with Section 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for the demerger of Solar Division / Demerged Undertaking 1 (as defined hereinafter) of Bhagyanagar India Limited ('BIL') into Surana Telecom And Power Limited ('STPL'), and demerger of Real Estate Division / Demerged Undertaking 2 (as defined hereinafter) of Bhagyanagar India Limited ('BIL') into Bhagyanagar Properties Private Limited ('BPPL') as a going concern basis.

1. INTRODUCTION AND OBJECTIVE OF THE SCHEME

1 INTRODUCTION

1.1 Bhagyanagar India Limited

(i) Bhagyanagar India Limited ("BIL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, India-500 003. Bhagyanagar India Limited was incorporated on 2nd September, 1985 and its Corporate Identity No is L27201TG1985PLC12449.

(ii) Bhagyanagar India Limited is a diversified industrial conglomerate with interest in varied businesses. Bhagyanagar India Limited started primarily as a manufacturer of copper and allied products and over the time it has diversified into Real Estate, Non-conventional energy like wind and solar and over a period of time has developed the following Divisions:-

a) Copper Division.

b) Windmill Division

c) Solar Division

d) Real Estate Division

1.2 M/s. Surana Telecom and Power Limited

(i) M/s. Surana Telecom and Power Limited ("STPL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road,

Secunderabad, India-500 003, India on 14 August 1989 and its Corporate Identity No is L2320TG1989PLC010336.

(ii) STPL has been incorporated to carry on the business of manufacturing of Optic Fibre / Cable wires and aluminium wire rods etc. It is also engaged in the business of manufacturing of Solar Modules and also has Solar Power generation unit situated at Gujarat Solar Park, Charanka Village, Santalpur Taluk, Patan District, Gujarat

1.3 M/s. Bhagyanagar Properties Private Limited

(i) M/s. Bhagyanagar Properties Private Limited ("BPPL") (Resulting Company 2) is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P. Road, Secunderabad, India-500 003 on 25th April 2006 and its Corporate Identity No. is U70102TG2006PTC050010.

(ii) BPPL has been incorporated to carry on in India or abroad the business as builders, executors, contractors, construction of building, house, apartment and to build, layout, develop, construct, build, erect, demolish, erect, alter, repair or do any other work in connection with any building scheme, roads, highways, buildings, bridges, flats, houses, garages, factories, shops, establishment, hotels resorts, offices, garages, warehouses or otherwise deal in all kinds of property, house, structures or other land and House property.

2. RATIONALE FOR THE SCHEME

(A) The rationale of the proposed demerger of Solar division (Demerged Undertaking 1 as defined hereafter):

The Demerged Undertaking 1 comprising of solar power plant (5 MW situated at Munipally, Medak District, Telangana) and investments in equity shares of Surana Solar Limited ("SSL") and Surana Telecom and Power Limited ("STPL") are proposed to be transferred to STPL. Management of BIL is of the opinion that by transferring the entire Solar division to STPL shall bring in the following advantages:

1) Focus on Solar Business: STPL has placed its focus solely on Non-Conventional energy viz. Solar Power Generation, already having an installed capacity of 10 MW, Wind Power Generation, with an installed capacity of 1.25 MW, and other power generation projects in the pipeline. So BIL is of the view that by transferring Solar Division to STPL will achieve greater revenues and growth with proper focus & resources.

2) Strength for future expansion: There has been a rising awareness worldwide that renewable energy and energy efficiency are critical not only for addressing climate change, but also for creating new economic opportunities. In the recent years, advances in renewable energy technologies, global increases in capacity and rapid cost reductions have been made as the policies have been favourable. The size of renewable energy market will see further growth as the application of renewable purchase obligation expands to cover open access and capture consumers.

3) Enhanced synergies arising out of consolidation: The demerger of Solar Division of BIL into STPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger, there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

4) **Investor attractiveness:** The proposed demerger will enhance the value of STPL which in turn would enhance the value of the share-holders of BIL who will become share-holders in STPL by virtue of this scheme of arrangement.

(B) The rationale of the proposed demerger of Real Estate Division ("Demerged Undertaking 2)

The Demerged Undertaking 2 comprising of Loans & Advances in the subsidiaries and Investments in BPPL, Scientia Infocom India Private Limited & Metropolitan Ventures India Private Limited are proposed to be transferred to BPPL. Management of BIL is of the opinion that by transferring the entire Real Estate division to BPPL shall bring in the following advantages:

1) **Focus on Real Estate Business:** BPPL has sufficient land bank to develop & thrive in the Real Estate markets. Consolidating the Real Estate division into BPPL will result in higher revenues & accelerated growth as a result of increased focus in the Real estate business.

2) **Future Expansion:** The Indian business scenario is getting more complex by the day, with new government regulations, newer technologies, customer preferences, increased competition, advent of new business strategies, global expansion etc. In order to meet the growing challenges, most of the business organizations are increasing their focus on their core businesses and going for backward and forward integration accordingly.

3) **Enhanced synergies arising out of consolidation:** The demerger of Real Estate division comprising of loans and advances and investments in the real-estate subsidiaries of BIL into BPPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger would result in better and effective administration in management and operations, owing to creation of focused entities in the current scenario.

4) **Investor attractiveness:** Often financial investors look out for sector specific companies because they have different parameters for risk and return. The return expectations of a Copper business investor are different from that of an investor in a real estate industry. The proposed demerger of the Real estate of BIL into BPPL will create two entities focusing on their respective businesses, thereby addressing investor concern.

3. PARTS OF THE SCHEME

The scheme is divided into the following parts:

Part I – deals with Definitions, Interpretations and Share Capital

Part II – deals with the Demerger of Demerged Undertaking 1 of BIL into STPL.

Part III - deals with Demerger of Demerged undertaking 2 of BIL into BPPL.

Part IV – deals with General Terms and Conditions

PART I

2. DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

2.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

2.1.1 **"Act" or "the Act"** means the Companies Act, 1956, and rules made there under (to the extent applicable) and the Companies Act, 2013 (as may be notified from time to time) and the rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

2.1.2 **"Appointed Date"** means April 1, 2016, or such other date as may be fixed by the Hon'ble High Court of Andhra Pradesh & Telangana;

2.1.3 **"Board of Directors" or "Board"** shall mean the Board of Directors of Demerged Company, 1st Resulting Company and 2nd Resulting Company as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme.

2.1.4 **"Demerged Company" or "BIL"** means Bhagyanagar India Limited, a company incorporated under the Companies Act, 1956, having its registered office at Surya Towers, 5th Floor, Sardar Patel Road, Secunderabad, Telangana, 500003, India.

2.1.5 **"Demerged Undertaking 1/ Solar Division "** shall comprise of 5 MW of Solar Power Plant of BIL along with investments in Surana Telecom and Power Limited and Surana Solar Limited of BIL/ Demerged Company and in particular includes the following:

(a) all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, investments in shares, advance paid for purchase of shares and/ or strategic investments, inventory and work in progress relating to the Demerged Undertaking 1 of Demerged Company (as are set specifically set out in Schedule 1);

(b) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Demerged Undertaking 1;

(c) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking 1.

(d) all permanent employees and labour engaged in the Demerged Undertaking 1;

(e) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking 1;

(f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Demerged Undertaking 1.

2.1.6 **"Demerged Undertaking 2 / Real Estate Division"** shall comprise of all the assets and liabilities pertaining to Real Estate Division along with investments in subsidiaries namely in Scientia Infocom Private Limited and Metropolitan Ventures Private Limited of BIL and in particular includes the following:

(g) all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, investments in shares, advance paid for purchase of shares and/ or strategic investments, inventory and work in progress relating to the Demerged Undertaking 2 of Demerged Company (as are set specifically set out in Schedule 2);

(h) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured if any, pertaining to the Demerged Undertaking 2;

(i) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking 2.

(j) all permanent employees and labour engaged in the Demerged Undertaking 2;

(k) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking 2;

(l) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Demerged Undertaking 2.

2.1.7 **"Effective Date"** means the date on which the Certified copy of the Order, issued by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, sanctioning this Scheme is filed by BIL, 1st Resulting Company and 2nd Resulting Company with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad.

2.1.8 **"High Court"** means the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh and shall include the National Company Law Tribunal, if applicable.

2.1.9 **"Record Date"** means the date to be fixed by the Board of Directors of Demerged Company for the purpose of determining the members to whom shares will be allotted by 1st Resulting Company and 2nd Resulting Company, pursuant to this Scheme.

2.1.10 **"Remaining Business of Demerged Company"** means all the undertakings, businesses, activities and operations of BIL other than Solar Division and Real Estate Division.

2.1.11 **"Scheme" or "this Scheme" or "the Scheme"** means this Scheme of Arrangement in its present form as submitted to the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, with such modification(s), if any, as may be imposed or directed by the High Court.

2.1.12 **"1st Resulting Company/ STPL"** means Surana Telecom and Power Limited, a company incorporated under the Companies Act, 1956, having its registered office at Surya Towers, 2nd Floor, Sardar Patel Road, Secunderabad ,Telangana, 500003, India.

2.1.13 **"2nd Resulting Company / BPPL"** means Bhagyanagar Properties Private Limited, a company incorporated under the Companies Act, 1956 having its registered office at Surya Towers, 5th Floor, Sardar Patel Road, Secunderabad, Telangana - 500 003, India.

DATE OF TAKING EFFECT AND OPERATIVE DATE

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

COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA), and other relevant sections of the Income-tax Act, 1961 and accordingly all the Assets and Liabilities shall be transferred from BIL into STPL & BPPL at book values only. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. The power to make such amendments shall vest with the Board of Directors of Demerged Company, which power can be exercised anytime and shall be exercised in the best interest of the companies and their shareholders.

3. SHARE CAPITAL

3.1 The present share capital of BIL / Demerged Company is as under:

Particulars	Amount in Rs.
Authorised 12,50,00,000 Equity Shares of Rs 2/- each	25,00,00,000
Issued, subscribed and paid up 6,39,90,000 equity shares of Rs. 2/- each, fully paid up	12,79,80,000

3.2. The present share capital of STPL / 1st Res ulting Company is as under:

Particulars	Amount in Rs.
Authorised 15,00,00,000 Equity Shares of Re 1/- each	15,00,00,000
Issued, subscribed and paid up 10,40,22,000 equity shares of Re. 1/- each, fully paid up	10,40,22,000

3.3. The present authorised share capital of 2nd Resulting Company / BPPL is as under:

Particulars	Amount in Rs.
Authorised 50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Issued, subscribed and paid up 40,00,000 equity shares of Rs. 10/- each, fully paid up	4,00,00,000

As on 01 April 2015, the 2nd Resulting Company is a wholly owned Subsidiary of the Demerged Company i.e. Bhagyanagar India Limited.

PART II

DEMERGER OF OF

SOLAR DIVISION /

DEMERGED UNDERTAKING 1

OF

BHAGYANAGAR INDIA LIMITED

(Demerged Company")

INTO

SURANA TELECOM AND POWER LIMITED

("1st Resulting Company")

4. TRANSFER AND VESTING

4.1 With effect from the Appointed Date, the entire business and Undertaking of Solar Division of the Demerged Company shall pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested in or deemed to have been transferred to or vested, as a going concern, into the 1st Resulting Company together with all the estates, assets, titles and interest pertaining to the Solar Division of Demerged Company therein, subject however, to all existing charges, liens, mortgages and encumbrances, if any, affecting the same or any part thereof. The transfer and vesting of Solar Division of the Demerged Company shall be effected as follows:-

4.1.1 All the movable assets (as specified in Schedule 1) including cash in hand of the Solar Division capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the 1st Resulting Company on such handing over in pursuance of the provisions of Section 394 of the Act (as an integral part of the Undertaking). Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of 1st Resulting Company and the Demerged Company within 30 days from the effective date.

4.1.2 In respect of any assets other than those referred to in sub-clause 4.1.1 above, the same shall without any further act, instrument, deed, matter or thing be transferred to and vested in and / or deemed to be transferred to and vested in the 1st Resulting Company on the appointed date pursuant to the provisions of Section 394 of the Act. Further, for assets including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:

(a) The 1st Resulting Company shall give notice in such form as it may deem fit and proper to each party, debtor or deposit pertaining to Solar Division of each of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan,

advances, etc. be paid or made good or held on account of the 1st Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in the 1st Resulting Company.

(b) The Demerged Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Scheme coming into effect, the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to the account of the 1st Resulting Company and that the right of the 1st Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

4.1.3 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) pertaining to the Solar Division of Demerged Company (as on the Appointed Date) shall, without any further act or deed, stand transferred to and vested in and be deemed to be transferred and to vested in the 1st Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the 1st Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this clause.

4.1.4 Where any of the debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Solar Division of the Demerged Company as on the Appointed Date deemed to be transferred to and vested in the 1st Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the 1st Resulting Company.

4.1.5 All debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Solar Division of the Demerged Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been incurred for and on behalf of the 1st Resulting Company in which the Solar Division of the Demerged Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the 1st Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the 1st Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans, duties and obligations pertaining to the Solar Division shall have been assumed by the Demerged Company after the Appointed Date without the prior written consent of the 1st Resulting Company otherwise than in the ordinary course of business.

4.1.6 The transfer and vesting of the assets pertaining to the Solar Division of the Demerged Company to and in the 1st Resulting Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

4.1.7 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those pertaining to the Solar Division, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Undertaking or any part thereof

transferred to the 1st Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the 1st Resulting Company. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Demerged Company which shall vest in the 1st Resulting Company by virtue of arrangement and the 1st Resulting Company shall not be obliged to create any further or additional security therefore after the scheme has become effective or otherwise.

4.1.8 Without prejudice to the above and upon the effectiveness of this Scheme, the Demerged Company and the 1st Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the relevant Registrar of Companies and other authorities under the Act to give formal effect to the above provisions, if required.

4.1.9 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the liabilities transferred to the 1st Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

4.1.10 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.1.11 With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to premises, brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Solar Division of each of the Demerged Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the 1st Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the 1st Resulting Company had been a beneficiary or oblige thereto.

4.1.12 With effect from the Appointed Date, any and all statutory licenses, permissions, approvals and/or consents pertaining to the Solar Division held by the Demerged Company required to carry on operations shall stand vested in or deemed to be transferred to the 1st Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the 1st Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Company shall vest in and become available to the 1st Resulting Company pursuant to the Scheme coming into effect.

4.1.13 The entitlement to various benefits under incentive schemes and policies in relation to the Solar Division of the Demerged Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the 1st Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives in relation to the Solar Division of the Demerged Company to be claimed by the 1st Resulting Company with effect from the Appointed Date as if the 1st Resulting Company was originally entitled to all such benefits under such incentive scheme and/

or policies, subject to continued compliance by the 1st Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company.

4.1.14 Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax , customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Solar Division of the Demerged Company, shall stand transferred under this Scheme to the 1st Resulting Company, the 1st Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

4.1.15 It is clarified that all the taxes and duties pertaining to the Solar Division payable by the Demerged Company, from the Appointed Date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax and/or duty liabilities or refunds and claims of the 1st Resulting Company. Accordingly, upon the Scheme becoming effective, the 1st Resulting Company is expressly permitted to file its respective income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and any other return to claim refunds / credits, pursuant to the provisions of this Scheme.

4.1.16 With effect from the Appointed Date, the General Reserves including the balance standing to the credit of the profit and loss account of the Demerged Company pertaining to Solar Division as on 1st April, 2016 shall become the General Reserves of the 1st Resulting Company.

5. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS:

(a) Upon the coming into effect of this Scheme and subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature pertaining to Solar Division to which the Demerged Company is a party or to the benefit of which the Demerged Company are or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour, as the case may be, of the 1st Resulting Company, and may be enforced as fully and effectually as if, instead of the Demerged Company, the 1st Resulting Company had been a party or beneficiary or oblige thereto without any further act or deed.

(b) The 1st Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which any of the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The 1st Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

(c) Even after this Scheme becomes effective, the 1st Resulting Company shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions pertaining to the Solar Division of the Demerged Company, in so far as may be necessary, until the transfer of rights and obligations of the Demerged Company to the 1st Resulting Company under this Scheme is formally accepted by the third parties.

6. LEGAL PROCEEDINGS:

(a) Upon the coming into effect of the Scheme, all suits, actions and proceedings pertaining to the Solar Division by or against the Demerged Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the 1st Resulting Company as effectually as if the same had been pending and/or arising by or against the 1st Resulting Company.

(b) The 1st Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the 1st Resulting Company.

7. TRANSFER OF INVESTMENTS OF SURANA SOLAR LTD HELD BY BIL INTO STPL

7.1.1 With effect from the Appointed Date and up to and including the date of this Scheme coming into effect:

1) The Shares of Surana Solar Limited held by BIL (Demerged Company) Stands transferred to STPL.

2) The number of Shares transferred are 11,575,892 Equity shares having face value of Rs.5/- each.

3) These investments held by BIL have book value of Rs.44,100,000 as on 31/03/2015

4) The value of these Investments will be recorded in STPL (1st Resulting Company) at book values.

7.1.2 TRANSFER OF INVESTMENTS OF STPL INTO STPL

With effect from the Appointed Date and up to and including the date of this Scheme coming into effect:

1) The Shares of STPL held by BIL (Demerged Company) Stands transferred to STPL.

2) The number of Shares transferred are 9,395,150Equity shares having face value of Rs.1/- each.

3) These investments held by BIL have book value of Rs.15,210,914 as on 31/3/2015

4) The Respective shares as stated above of STPL will lead to Reduction of Share Capital as per section 66 of Companies Act, 2013 (Section 100 of 1956).

8. CONDUCT OF BUSINESS BY DEMERGED COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date and up to the Effective Date:

a) Demerged Company shall carry on and be deemed to have carried on its business and activities and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities for and on account of and in trust for the 1st Resulting Company.

b) Any income or profit accruing or arising to the Demerged Company and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld / paid in a foreign country, etc), arising or incurred by the Demerged Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the 1st Resulting Company including accumulated losses & unabsorbed depreciation, if any.

c) Demerged Company shall not utilize the profits or income, if any for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date and up to the Effective Date without the prior written consent of the 1st Resulting Company.

d) Demerged Company shall not, without the prior written consent of the 1st Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company prior to the Appointed Date.

e) Demerged Company shall carry on the business with reasonable diligence and prudence, in the ordinary course of business, and the Demerged Company shall not, in any material respect, alter or expand the business, other than such alterations or expansions as have already been commenced, except with the prior written consent of the 1st Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking, save and except, in each case, in the following circumstances:

(i) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or

(ii) if the same is expressly permitted by this Scheme; or

(iii) if the written consent of the 1st Resulting Company, as the case may be, has been obtained.

(iv) Pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date.

f) Demerged Company shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees.

g) Demerged Company shall be entitled, pending the sanction of the Scheme by the High Court, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the 1st Resulting Company may require to own and carry on the business of the Demerged Company.

With effect from the Effective Date, the 1st Resulting Company shall commence and carry on and shall be authorized to carry on the entire businesses pertaining to the Solar Division carried on by the Demerged Company.

SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the properties, liabilities and obligations pertaining to the Solar Division of the Demerged Company pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the 1st Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company which shall vest in the 1st Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the 1st Resulting Company.

9. DEMERGED COMPANY'S STAFF, WORKMEN AND EMPLOYEES:

(a) All employees pertaining to the Solar Division of the Demerged Company in service on the Effective Date, shall become employees of the 1st Resulting Company on such date without

any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Demerged Company as on the said date.

(b) It is provided that so far as the Provident Fund, Gratuity Fund, or any other Special Scheme(s)/ Fund(s), if any, created or existing for the benefit of the employees pertaining to the Solar Division of the Demerged Company are concerned, upon the coming into effect of this Scheme, the 1st Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes/Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations pertaining to the Solar Division of the Demerged Company in relation to such Schemes/Funds shall become those of the 1st Resulting Company. It is clarified that the services of the employees pertaining to the Solar Division of the Demerged Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds.

10. ISSUE OF SHARES BY THE 1ST RESULTING COMPANY

(a) Upon the Scheme coming into effect and in consideration of the demerger of the Solar Division into 1st Resulting Company, the 1st Resulting Company without any further act or deed shall issue and allot 4 (four) equity shares of Rs.1/- each for every Six (6) equity shares of Rs. 2/- each held by such members of Demerged Company/ BIL whose names are appearing in the register of members on the Record Date. Accordingly, the 1st Resulting Company shall allot 3,17,37,963 equity shares of Rs. 1/- each fully paid to the members of BIL (other than to the members specified in Clause 10(e) & 10(i) of this Scheme) on such proportion held by them.

(b) In case, any members of Demerged Company holding becomes entitled to a fraction of equity in Demerged Company, shall not issue fractional share certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by respective company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members of Demerged Company in the same proportion to their fractional entitlements.

(c) The said new Equity Shares shall rank for voting rights and in all other respects pari- passu with the Equity Shares of the 1st Resulting Company.

(d) The Share Certificates in relation to the shares held by the Equity Shareholders of the Demerged Company whose names are recorded in the Register of Members of the Demerged Company on the Record Date, fixed by the Board of Directors of the 1st Resulting Company, shall be deemed to have been automatically cancelled and be of no effect on and from such Record Date, without any further act, instrument or deed.

(e) In so far as the equity shares of the 1st Resulting Company held by the Demerged Company are concerned, such shares would be cancelled, on the Effective Date and the capital of the 1st Resulting Company shall be reduced to that extent.

(f) No fractional certificates shall be issued by the 1st Resulting Company in respect of fractional entitlements, if any, to any Member of the Demerged Company. The Board of Directors of the 1st Resulting Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to the Trust or a Director or an Officer of the 1st Resulting Company or such other person as the 1st Resulting Company shall appoint in this behalf who

shall hold the shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that such Trust, Director(s) or Officer(s) or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the 1st Resulting Company, the net sale proceeds thereof, whereupon the 1st Resulting Company shall distribute such net sale proceeds to the Members of the Demerged Company in proportion to their respective fractional entitlements.

(g) For the purpose as aforesaid the 1st Resulting Company shall, if and to the extent required, increase its Authorised Capital after the Scheme has been sanctioned by the High Court but before the issue and allotment of shares. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the 1st Resulting Company to the members of the Demerged Company of the Equity Shares in the said reorganized share capital of the 1st Resulting Company in the ratio as aforesaid.

(h) The shares of the Demerged Company are presently listed on BSE and NSE. The New Equity Shares issued in terms of Clause 10(a) shall be listed and/or admitted to trading on the relevant stock exchange/s in India, where the equity shares of 1st Resulting Company are listed and/or admitted to trading as on the Effective Date.

(i) As STPL is a shareholder in BIL holding 22,90,331 equity shares of Rs.2/- each. Since STPL is not permitted to issue shares to itself as per the provisions of the Act, no new shares will be issued by STPL to itself in consideration of transfer of Demerged Undertaking 1 in terms of Clause 4 of this Scheme.

11. REDUCTION IN SHARE CAPITAL OF THE 1st RESULTING COMPANY:

a) Upon the Scheme coming in to effect on the effective date and immediately after the issuance of the equity shares of the resulting company to the shareholders of BIL as per entitlement ratio prescribed in clause 10(a) above, 93,95,150 (ninety three lakhs ninety five thousand one hundred and fifty) equity shares of the 1st Resulting company having face value of Re. 1 (Rupee One) each held by the demerged company as on the effective date shall stand cancelled without any further act or deed on the part of the 1st Resulting company. The reduction in the share capital of the 1st Resulting company shall be effected as an integral part of the scheme in accordance of the provisions of the sections 100 to 103 of the Act (or section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the act without any further act or deed on the part of the 1st Resulting Company and without any approval or acknowledgement of any third party. The order of the court sanctioning the scheme shall be deemed to also be the order passed by the court under section 102 of the Act (or section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid capital or payment of the paid-up share capital and the provisions of the section 101 of the 1956 Act (and section 66(1) (a) of the 2013, act in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the 1st Resulting Company, the 1st Resulting Company shall not be required to add “And Reduced” as suffix to its name.

b) It is expressly clarified that for the purposes of this clause 11(a) of the Scheme, the consent of the share holders and the creditors of the 1st Resulting company to the Scheme shall be deemed to be sufficient for the purposes of affecting the above reorganization in the share capital of the 1st Resulting company resulting in a reduction in the equity share capital of the 1st Resulting company, and no further resolution or action under section 100 of the Act (or section 66 of the

2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

c) The reduction of the share capital of the 1st Resulting company as contemplated in the Clause 11 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/or any other applicable provisions of the Act and rules and regulations framed there under, pursuant to the filing of the order of the court sanctioning the scheme including aforesaid capital reduction by the 1st Resulting company with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad (RoC) and upon registration by the RoC of such order of the court and the minute approved by the court, if any, showing, with respect to the share capital of the 1st Resulting company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the 1st Resulting company as contemplated in the Clause 11 of the Scheme shall be conditional upon this scheme becoming effective from the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioning by the Court, such reduction of share capital as set out in the Clause 11 of the Scheme shall not become effective and shall be deemed to be redundant.

12. ACCOUNTING TREATMENT IN THE BOOKS OF 1ST RESULTING COMPANY & THE DEMERGED COMPANY:

(a) All the assets, including but not limited to the fixed assets, intangibles and any other assets pertaining to the Solar Division of Demerged Company and the 1st Resulting Company, whether recorded in the books or not, shall be recorded by the 1st Resulting Company at their respective Book values, as may be determined by the Board of Directors of the 1st Resulting Company.

(b) All the liabilities pertaining to the Solar Division of Demerged Company shall be recorded by the 1st Resulting Company at their book values recorded in the books of account of 1st Resulting Company.

(c) In case of any differences in accounting policies between the 1st Resulting Company and the Demerged Company, the accounting policies followed by the 1st Resulting Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

(d) The amount of inter-company balances, amounts or other than investments made by the 1st Resulting Company in the Demerged Company appearing in the books of account of the 1st Resulting Company and the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the Scheme coming into effect.

(e) The amount of any inter-company balances / amounts or investments between the Demerged Company and the 1st Resulting Company, appearing in the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the scheme coming into effect and the amount so cancelled shall not be recorded in the books of account of the 1st Resulting Company.

(f) The difference between net assets (assets over liabilities pertaining to the Solar Division of the Demerged Company acquired and recorded by the 1st Resulting Company) and consideration determined pursuant to this scheme after making adjustment as referred in clause 12 (c) shall be credited to the General Reserve in the books of the 1st Resulting Company.

(g) The difference between net assets (liabilities over assets pertaining to the Solar Division of the Demerged Company acquired and recorded by the 1st Resulting Company) and consideration determined pursuant to this scheme after making adjustment as referred in clause 12 (c) shall be debited to the General Reserve in the books of the 1st Resulting Company.

(h) Notwithstanding the above, the Board of Directors or duly authorized committee of the 1st Resulting Company is authorized to account any of these balances in any manner whatsoever, as may be deemed fit.

(i) Any matter not dealt with above shall be dealt with in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India / Central Government and applicable generally accepted accounting principles.

(j) The transfer of the assets & liabilities of the Solar division to STPL pursuant to this scheme shall be at book values appearing in the books of accounts of BIL on appointed date.

(k) The difference, if any, between the value of assets & liabilities transferred pursuant to this Scheme shall be set off against the General Reserve Account of BIL.

(l) The accounts of BIL as on the appointed date shall be reconstructed in accordance with the terms of the Scheme.

13. DECLARATION OF DIVIDEND

(a) Demerged Company and the 1st Resulting Company shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the Demerged Company shall not make any such declaration, except with the prior approval of the Board of Directors of the 1st Resulting Company.

(b) It is clarified that the aforesaid provision in respect of declaration of dividends, whether interim or final, is an enabling provision only and shall not be deemed to confer any right on any member of any of the Demerged Company and/or the 1st Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the 1st Resulting Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company and the 1st Resulting Company respectively.

PART III

DEMERGER OF
OF REAL ESTATE DIVISION /
DEMERGED UNDERTAKING 2
OF
BHAGYANAGAR INDIA LIMITED
(Demerged Company")
INTO
BHAGYANAGAR PROPERTIES PRIVATE LIMITED
("2nd Resulting Company")

14. TRANSFER AND VESTING

14.1 With effect from the Appointed Date, the entire business and Undertaking of Real Estate Division of the Demerged Company shall pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested in or deemed to have been transferred to or vested, as a going concern, into the 2nd Resulting Company together with all the estates, assets, titles and interest pertaining to the Real Estate Division of Demerged Company therein including the investments made by BPPL in its Subsidiary Companies , subject however, to all existing charges, liens, mortgages and encumbrances, if any, affecting the same or any part thereof. The transfer and vesting of Real Estate Division of the Demerged Company shall be effected as follows:-

14.1.1 All the movable assets including cash in hand of the Real Estate Division capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the 2nd Resulting Company on such handing over in pursuance of the provisions of Section 394 of the Act (as an integral part of the Undertaking). Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of 2nd Resulting Company and the Demerged Company within 30 days from the effective date.

14.1.2 In respect of any assets, other than those referred to in sub-clause 14.1.1 above, the same shall without any further act, instrument, deed, matter or thing be transferred to and vested in and / or deemed to be transferred to and vested in the 2nd Resulting Company on the appointed date pursuant to the provisions of Section 394 of the Act. Further, for assets including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:

(a) The 2nd Resulting Company shall give notice in such form as it may deem fit and proper to each party, debtor or deposit pertaining to Real Estate Division of each of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of the 2nd Resulting Company

as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in the 2nd Resulting Company.

(b) The Demerged Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Scheme coming into effect, the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to the account of the 2nd Resulting Company and that the right of the 2nd Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

14.1.3 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) pertaining to the Real Estate Division of Demerged Company (as on the Appointed Date) shall, without any further act or deed, stand transferred to and vested in and be deemed to be transferred and to vested in the 2nd Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the 2nd Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this clause.

14.1.4 Where any of the debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Real Estate Division of the Demerged Company as on the Appointed Date deemed to be transferred to and vested in the 2nd Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the 2nd Resulting Company.

14.1.5 All debts, liabilities, loans and obligations incurred, duties and obligations pertaining to the Real Estate Division of the Demerged Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been incurred for and on behalf of the 2nd Resulting Company in which the Real Estate Division of the Demerged Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the 2nd Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the 2nd Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans, duties and obligations pertaining to the Real Estate Division shall have been assumed by the Demerged Company after the Appointed Date without the prior written consent of the 2nd Resulting Company otherwise than in the ordinary course of business.

14.1.6 The transfer and vesting of the assets pertaining to the Real Estate Division of the Demerged Company to and in the 2nd Resulting Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

14.1.7 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those pertaining to the Real Estate Division, if any created by the Demerged Company after

the Appointed Date, in terms of this Scheme, over the assets comprised in the Undertaking or any part thereof transferred to the 2nd Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the 2nd Resulting Company. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Demerged Company which shall vest in the 2nd Resulting Company by virtue of arrangement and the 2nd Resulting Company shall not be obliged to create any further or additional security therefore after the scheme has become effective or otherwise.

14.1.8 Without prejudice to the above and upon the effectiveness of this Scheme, the Demerged Company and the 2nd Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the relevant Registrar of Companies and other authorities under the Act to give formal effect to the above provisions, if required.

14.1.9 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the liabilities transferred to the 2nd Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

14.1.10 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

14.1.11 With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to premises, brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Real Estate Division of each of the Demerged Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the 2nd Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the 2nd Resulting Company had been a beneficiary or oblige thereto.

14.1.12 With effect from the Appointed Date, any and all statutory licenses, permissions, approvals and/or consents pertaining to the Real Estate Division held by the Demerged Company required to carry on operations shall stand vested in or deemed to be transferred to the 2nd Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the 2nd Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Company shall vest in and become available to the 2nd Resulting Company pursuant to the Scheme coming into effect.

14.1.13 The entitlement to various benefits under incentive schemes and policies in relation to the Real Estate Division of the Demerged Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the 2nd Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives in relation to the Real Estate Division of the Demerged

Company to be claimed by the 2nd Resulting Company with effect from the Appointed Date as if the 2nd Resulting Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the 2nd Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company.

14.1.14 Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Real Estate Division of the Demerged Company, shall stand transferred under this Scheme to the 2nd Resulting Company, the 2nd Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

14.1.15 It is clarified that all the taxes and duties pertaining to the Real Estate Division payable by the Demerged Company, from the Appointed Date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax and/or duty liabilities or refunds and claims of the 2nd Resulting Company. Accordingly, upon the Scheme becoming effective, the 2nd Resulting Company is expressly permitted to file its respective income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and any other return to claim refunds / credits, pursuant to the provisions of this Scheme.

14.1.16 With effect from the Appointed Date, the General Reserves including the balance standing to the credit of the profit and loss account of the Demerged Company pertaining to Real Estate Division as on 1st April, 2016 shall become the General Reserves of the 2nd Resulting Company.

15. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS:

(a) Upon the coming into effect of this Scheme and subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature pertaining to Real Estate Division to which the Demerged Company is a party or to the benefit of which the Demerged Company are or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour, as the case may be, of the 2nd Resulting Company, and may be enforced as fully and effectually as if, instead of the Demerged Company, the 2nd Resulting Company had been a party or beneficiary or oblige thereto without any further act or deed.

(b) The 2nd Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which any of the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The 2nd Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

(c) Even after this Scheme becomes effective, the 2nd Resulting Company shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions pertaining to the Real Estate Division of the Demerged Company, in so far as may be necessary,

until the transfer of rights and obligations of the Demerged Company to the 2nd Resulting Company under this Scheme is formally accepted by the third parties.

16. LEGAL PROCEEDINGS:

(a) Upon the coming into effect of the Scheme, all suits, actions and proceedings pertaining to the Real Estate Division by or against the Demerged Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the 2nd Resulting Company as effectually as if the same had been pending and/or arising by or against the 2nd Resulting Company.

(b) The 2nd Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the 2nd Resulting Company.

17. CONDUCT OF BUSINESS BY DEMERGED COMPANYTILL EFFECTIVE DATE:

With effect from the Appointed Date and up to the Effective Date:

(a) Demerged Company shall carry on and be deemed to have carried on its business and activities and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities for and on account of and in trust for the 2nd Resulting Company.

(b) Any income or profit accruing or arising to the Demerged Company and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld / paid in a foreign country, etc), arising or incurred by the Demerged Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the 2nd Resulting Company including accumulated losses & unabsorbed depreciation, if any.

(c) Demerged Company shall not utilize the profits or income, if any for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date and up to the Effective Date without the prior written consent of the 2nd Resulting Company.

(d) Demerged Company shall not, without the prior written consent of the 2nd Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company prior to the Appointed Date.

(e) Demerged Company shall carry on the business with reasonable diligence and prudence, in the ordinary course of business, and the Demerged Company shall not, in any material respect, alter or expand the business, other than such alterations or expansions as have already been commenced, except with the prior written consent of the 2nd Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking, save and except, in each case, in the following circumstances:

(i) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or

(ii) if the same is expressly permitted by this Scheme; or

(iii) if the written consent of the 2nd Resulting Company, as the case may be, has been obtained.

(iv) Pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date.

(f) Demerged Company shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees.

(g) Demerged Company shall be entitled, pending the sanction of the Scheme by the High Court, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the 2nd Resulting Company may require to own and carry on the business of the Demerged Company.

With effect from the Effective Date, the 2nd Resulting Company shall commence and carry on and shall be authorized to carry on the entire businesses pertaining to the Real Estate Division carried on by the Demerged Company.

18. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the properties, liabilities and obligations pertaining to the Real Estate Division of the Demerged Company pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the 2nd Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company which shall vest in the 2nd Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the 2nd Resulting Company.

19. DEMERGED COMPANY'S STAFF, WORKMEN AND EMPLOYEES:

(a) All employees pertaining to the Real Estate Division of the Demerged Company in service on the Effective Date, shall become employees of the 2nd Resulting Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Demerged Company as on the said date.

(b) It is provided that so far as the Provident Fund, Gratuity Fund, or any other Special Scheme(s)/ Fund(s), if any, created or existing for the benefit of the employees pertaining to the Real Estate Division of the Demerged Company are concerned, upon the coming into effect of this Scheme, the 2nd Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes/Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations pertaining to the Real Estate Division of the Demerged Company in relation to such Schemes/Funds shall become those of the 2nd Resulting Company. It is clarified that the services of the employees pertaining to the Real Estate Division of the Demerged Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds.

20. REDUCTION IN SHARE CAPITAL OF THE 2nd RESULTING COMPANY AND DEMERGED COMPANY:

a) Upon the Scheme coming in to effect on the effective date and immediately after the issuance of the equity shares of the 2nd Resulting company to the shareholders of BIL as per entitlement ratio prescribed in clause 21(a), 40,00,000 (Forty Lakhs equity shares) of the 2nd resulting company having face value of Rs. 10 (Rupees Ten) each held by the demerged company as on the effective date shall stand cancelled without any further act or deed on the part of the 2nd resulting company. The reduction in the share capital of the 2nd resulting company shall be effected as an integral part of the scheme in accordance of the provisions of the sections 100 to 103 of the 1956 act (or section 66 of the 2013 act, if applicable) and/ or any other applicable provisions of the act without any further act or deed on the part of the 2nd resulting company and without any approval or acknowledgement of any third party. The order of the court sanctioning the scheme shall be deemed to also be the order passed by the court under section 102 of the 1956 act (or section 66 of the 2013 act Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid capital or payment of the paid-up share capital and the provisions of the section 101 of the 1956 Act (and section 66(1) (a) of the 2013, act in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the 2nd Resulting Company, the 2nd resulting company shall not be required to add “And Reduced” as suffix to its name.

b) It is expressly clarified that for the purposes of this clause 20(a) of the Scheme, the consent of the share holders and the creditors of the 2nd resulting company to the Scheme shall be deemed to be sufficient for the purposes of affecting the above reorganization in the share capital of the 2nd resulting company resulting in a reduction in the equity share capital of the 2nd resulting company, and no further resolution or action under section 100 of the 1956 Act (or section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

c) The reduction of the share capital of the 2nd resulting company as contemplated in the clause 20 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/or any other applicable provisions of the Act and rules and regulations framed there under, pursuant to the filing of the order of the court sanctioning the scheme including aforesaid capital reduction by the 2nd Resulting company with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad (RoC) and upon registration by the RoC of such order of the court and the minute approved by the court, if any, showing, with respect to the share capital of the 2nd Resulting company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the 2nd Resulting company as contemplated in the Clause 20 of the Scheme shall be conditional upon this scheme becoming effective from the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioning by the Court, such reduction of share capital as set out in the Clause 20 of the Scheme shall not become effective and shall be deemed to be redundant.

d) Upon the scheme becoming effective, the face value of each equity share of the 2nd Resulting company shall stand reduced to Rs.2/- (Rupees Two) each from Rs. 10/- (Rupees Ten) each without any further act, instrument or deed and without payment of any fees, stamp duty etc.

e) Consequently, upon scheme becoming effective, Clause V of the memorandum of Association of 2nd resulting company (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and other applicable provisions of the companies Act, 2013 and 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly.

f) The 2nd Resulting Company, if necessary, shall further increase its authorized capital by complying with all provisions and procedures of the Act and Rules made there under or any other law for the time being in force to an appropriate amount so as be eligible to issue shares to the shareholders of demerged company (BIL) in accordance with and in pursuance to this scheme.

g) the aforesaid alterations in the memorandum and Articles of Association of 2nd Resulting company viz. Change in the Capital Clause, referred above, shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Demerged Company and the 2nd Resulting Company while approving the Scheme as a whole at duly convened meetings, have also resolved and accorded the relevant consents as required respectively under Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 & 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly and shall not be required to pass separate resolutions as required under the Act.

i. Upon the Scheme coming into effect the reduction in the share premium account and reserves and surplus of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78, Section 80 and Sections 100 to 103 and any other applicable provisions of the Act and the Orders of the Court sanctioning the Scheme shall be deemed to be also the Orders under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding, the reduction of capital of the Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name.

ii. Upon the Scheme coming into effect and also upon issuance of shares by the 2nd Resulting Company as per Clause 21(a), the issued, subscribed and paid up equity share capital of BIL shall be reduced from Rs.12,79,80,000 divided into 6,39,90,000 equity shares of Rs. 2/- each to Rs. 6,39,90,000 divided into 3,19,95,000 equity shares of Rs. 2/- each.

Any member holding shares in BIL, in such that the member becomes entitled to a fraction of equity in BIL, the BIL shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to trustee nominated by the BIL in that behalf, who shall sells such shares and distribute the net sale proceeds (after deducting of the expenses incurred) to the members entitled to the same in proportion to the fractional entitlements.

21. ISSUE OF SHARES BY THE 2ND RESULTING COMPANY

(a) Upon the Scheme coming into effect and in consideration of the demerger of the Real Estate Division into 2nd Resulting Company, the 2nd Resulting Company without any further act or deed shall issue and allot one (1) equity share of Rs. 2/- each for every one (1) equity share of Rs.2/- each held by such members of Demerged Company/ BIL whose names are appearing in the

register of members on the Record Date. Accordingly, the 2nd Resulting Company shall allot 3,19,95,000 equity shares of Rs. 2/- each fully paid to the members of BIL on such proportion held by them.

(b) In case, any members of Demerged Company holding becomes entitled to a fraction of equity in Demerged Company, shall not issue fractional share certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by respective company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members of Demerged Company in the same proportion to their fractional entitlements.

(c) The said new Equity Shares shall rank for voting rights and in all other respects pari- passu with the Equity Shares of the 2nd Resulting Company.

(d) The Share Certificates in relation to the shares held by the Equity Shareholders of the Demerged Company whose names are recorded in the Register of Members of the Demerged Company on the Record Date, fixed by the Board of Directors of the 2nd Resulting Company, shall be deemed to have been automatically cancelled and be of no effect on and from such Record Date, without any further act, instrument or deed.

(e) In so far as the equity shares of the 2nd Resulting Company held by the Demerged Company are concerned, such shares would be cancelled, on the Effective Date and the capital of the 2nd Resulting Company shall be reduced to that extent.

(f) No fractional certificates shall be issued by the 2nd Resulting Company in respect of fractional entitlements, if any, to any Member of the Demerged Company. The Board of Directors of the 2nd Resulting Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to the Trust or a Director or an Officer of the 2nd Resulting Company or such other person as the 2nd Resulting Company shall appoint in this behalf who shall hold the shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that such Trust, Director(s) or Officer(s) or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the 2nd Resulting Company, the net sale proceeds thereof, whereupon the 2nd Resulting Company shall distribute such net sale proceeds to the Members of the Demerged Company in proportion to their respective fractional entitlements.

(g) For the purpose as aforesaid the 2nd Resulting Company shall, if and to the extent required, increase its Authorised Capital after the Scheme has been sanctioned by the High Court but before the issue and allotment of shares. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the 2nd Resulting Company to the members of the Demerged Company of the Equity Shares in the said reorganized share capital of the 2nd Resulting Company in the ratio as aforesaid.

(h) The shares of the Demerged Company are presently listed on BSE and NSE. The New Equity Shares issued in terms of Clause 21(a) shall be listed and/or admitted to trading on the relevant stock exchange/s in India, where the equity shares of Demerged Company are listed and/or admitted to trading as on the Effective Date.

(i) Upon the scheme being sanctioned by the Court U/s 394 of the Act and on its becoming effective, the shares to be allotted to the members of the Demerged company i.e. BIL by 2nd Resulting Company i.e. BPPL, shall be listed and/ or admitted to trading on the relevant Stock Exchange(s) in India, where the equity shares of BIL are listed and/ or admitted to trading as on the effective date. Accordingly, the 2nd Resulting Company shall take steps for listing simultaneously on all such Stock Exchange(s) within a reasonable period of the receipt of the final order of the High Court sanctioning the Scheme. The 2nd Resulting Company shall also apply to Securities and Exchange Board of India through Stock Exchange for seeking relaxation under Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

22. CONVERSION OF BPPL INTO BHAGYANAGAR PROPERTIES LIMITED (BPL):

2nd Resulting Company (BPPL) is simultaneously, giving effect in this Scheme, shall be converted to a Public Limited Company with its shares being listed on the stock exchanges where in shares of BIL are listed on the date of the Scheme. Applications and regulatory requirements regarding the same will be complied and filed with the appropriate and concerned authorities upon the Scheme being approved by SEBI.

23. ACCOUNTING TREATMENT IN THE BOOKS OF 2ND RESULTING COMPANY AND THE DEMERGED COMPANY:

(a) All the assets, including but not limited to the fixed assets, intangibles and any other assets pertaining to the Real Estate Division of Demerged Company and the 2nd Resulting Company, whether recorded in the books or not, shall be recorded by the 2nd Resulting Company at their respective Book value, as may be determined by the Board of Directors of the 2nd Resulting Company.

(b) All the liabilities pertaining to the Real Estate Division of Demerged Company shall be recorded by the 2nd Resulting Company at their book values recorded in the books of account of 2nd Resulting Company.

(c) In case of any differences in accounting policies between the 2nd Resulting Company and the Demerged Company, the accounting policies followed by the 2nd Resulting Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

(d) The amount of inter-company balances, amounts or other than investments made by the 2nd Resulting Company in the Demerged Company appearing in the books of account of the 2nd Resulting Company and the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the Scheme coming into effect.

(e) The amount of any inter-company balances, amounts or investments between the Demerged Company, appearing in the books of account of the Demerged Company shall stand cancelled without any further act or deed upon the scheme coming into effect.

(f) The difference between net assets (assets over liabilities pertaining to the Real Estate Division of the Demerged Company acquired and recorded by the 2nd Resulting Company) and consideration determined pursuant to this scheme after making adjustment as referred in clause 23 (c) shall be credited to the General Reserve in the books of the 2nd Resulting Company.

(g) The difference between net assets (liabilities over assets pertaining to the Real Estate Division of the Demerged Company acquired and recorded by the 2nd Resulting Company) and consideration

determined pursuant to this scheme after making adjustment as referred in clause 23 (c) shall be debited to the Goodwill in the books of the 2nd Resulting Company.

(h) The amount of General Reserve as stated in the Clause (f) above along with balance in the General Reserve appearing in the books of 2nd Resulting Company shall be regarded as Free Reserve.

(i) Notwithstanding the above, the Board of Directors or duly authorized committee of the 2nd Resulting Company is authorized to account any of these balances in any manner whatsoever, as may be deemed fit.

(j) Any matter not dealt with above shall be dealt with in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India / Central Government and applicable generally accepted accounting principles.

(k) The transfer of the assets & liabilities of the Real Estate Division to BPPL pursuant to this scheme shall be at book values appearing in the books of accounts of BIL on appointed date.

(l) The difference, if any, between the value of assets & liabilities transferred pursuant to this Scheme shall be set off against the General Reserve Account of BIL.

(m) The accounts of BIL as on the appointed date shall be reconstructed in accordance with the terms of the Scheme.

24. DECLARATION OF DIVIDEND

(a) Demerged Company and the 2nd Resulting Company shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the Demerged Company shall not make any such declaration, except with the prior approval of the Board of Directors of the 2nd Resulting Company.

(b) It is clarified that the aforesaid provision in respect of declaration of dividends, whether interim or final, is an enabling provision only and shall not be deemed to confer any right on any member of any of the Demerged Company and/or the 2nd Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the 2nd Resulting Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company and the 2nd Resulting Company respectively.

PART IV

25. LISTING AGREEMENTS AND SEBI COMPLIANCES

a) On approval of the scheme by the Hon'ble High Court, 2nd resulting Company shall apply for listing and trading permissions of its shares to the BSE and NSE and comply with the SEBI guidelines in this regard.

b) The Demerged Company and 1st Resulting Company being a listed companies, they shall comply with all requirements under the listing Agreement and all the statutory directives of the SEBI in so far as they relate to sanction and implementations of this Scheme.

c) The Demerged Company and 1st Resulting Company in compliance with the Listing Agreement shall apply for approval of the BSE and NSE where the shares are listed in terms of the clause 24(f) of the Listing Agreement before approaching the High Court for the sanction of the Scheme.

d) New equity shares allotted to the shareholders of the Demerged Company in the 2nd Resulting company pursuant to the Scheme shall remain frozen in the depositories system until listing/ trading permission is granted by the Stock Exchanges between the date of allotment of the equity shares of the 2nd Resulting company to the shareholders of the Demerged company and the date of listing of the equity shares of the 2nd Resulting company with the stock exchanges. Further, except as provided for the Clause 20 of Part III of this Scheme in relation to the reduction of the existing share capital of Rs. 4,00,00,000 (Four Crores) comprising of 40,00,000 equity shares of Rs. 10/- each held by the Demerged Company in the 2nd Resulting Company, there shall be no change in the shareholding pattern or control of the 2nd Resulting company till the listing of shares on the Stock Exchanges.

e) The Demerged Company shall also comply with the directives of the SEBI contained in its Circular No. CIR/CFD/DIL/S/2013 dated 4 February 2013 as modified by its subsequent Circular No. CJR/ CPD/01U8/2013 dated 21 may 2013.

26. GENERAL TERMS

a. It is clarified that all taxes payable by the Demerged Company, relating to the transferred Undertakings, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the 1st Resulting Company and 2nd Resulting Company. Accordingly, upon the Scheme becoming effective, the 1st Resulting Company and 2nd Resulting Company are expressly permitted to revise its VAT and Sales tax returns, Excise & / CENVAT returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme, if any

b. In accordance with the Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods lying to the account of the Demerged Company, if any, shall be permitted to be transferred to the credit of the 1st Resulting Company and 2nd Resulting Company, as if all such unutilized credits were lying to the account of the 1st Resulting Company and 2nd Resulting Company. The 1st Resulting Company and 2nd Resulting Company shall accordingly be entitled to set off all such unutilized credits against the excise duty payable by it.

c. Upon the coming into effect of the Scheme, all the taxes paid (including TDS) by the Demerged Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to

have been paid for and on behalf of and to the credit of the 1st Resulting Company and 2nd Resulting Company as effectively as if the 1st Resulting Company and 2nd Resulting Company had paid the same.

d. All inter party transactions between the Demerged Company inter se and between the Demerged Company and the 1st Resulting Company and 2nd Resulting Company pertaining to respective undertakings as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Demerged Company inter se and between the Demerged Company and the 1st Resulting Company and 2nd Resulting Company pertaining to respective undertakings as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.

27. APPLICATIONS TO HIGH COURT

(a) Each of the Demerged Company, 1st Resulting Company and 2nd Resulting Company shall with all reasonable dispatch, make all necessary applications under Sections 391 to 394 of the said Act and other applicable provisions of the Act to the High Court seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of each of the Demerged Company, 1st Resulting Company and 2nd Resulting Company as may be directed by the High Court.

(b) On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of the Demerged Company, 1st Resulting Company and 2nd Resulting Company as directed by the High Court, the Demerged Company, 1st Resulting Company and 2nd Resulting Company shall, with all reasonable dispatch, apply to the High Court for sanctioning the Composite Scheme of Arrangement under Sections 391 and 394 of the Act, and for such other order or orders, as the said High Court may deem fit for carrying this Scheme into effect.

28. MODIFICATION / AMENDMENT TO THE SCHEME

a) The Demerged Company, 1st Resulting Company and 2nd Resulting Company (by their respective Directors or its Committee thereof) in their full and absolute discretion may assent to any modification(s) or amendment(s) or of any conditions or limitations in this Scheme which the High Court or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.

b) Demerged Company, 1st Resulting Company and 2nd Resulting Company (by their respective Directors or its Committee thereof) are hereby authorized to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors or its Committee thereof of the Demerged Company or by the Board of Directors or its Committee thereof of the 1st Resulting Company and 2nd Resulting Company, who are hereby authorised to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any orders of the High Court or of any directive or orders of any other authorities or otherwise howsoever

c) Arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. The Board of Directors of Demerged Company hereby expressly authorise the Board of Directors of the 1st Resulting Company and 2nd Resulting Company for the aforesaid purpose.

29. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

This Scheme is and shall be conditional upon and subject to the approval by the requisite majorities of the shareholders and creditors of the Demerged Company and the shareholders and creditors of the 1st Resulting Company and 2nd Resulting Company.

a) The Scheme being approved by the High Court, whether with any modifications or amendments as the High Court may deem fit or otherwise.

b) The sanction or approval of all persons or authorities concerned under any law or statute of the Central Government, Stock Exchanges, or any other Agency, Department or Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

c) Requisite approvals of RBI being obtained if necessary under the provisions of FEMA, 1999 for issue of equity shares of 1st Resulting Company and 2nd Resulting Company to the non-resident shareholders of the Demerged Company.

d) The approval of public shareholders of Demerged Company and 1st Resulting Company through postal ballot and e- voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, and such resolution shall be acted upon only if the votes cast by public shareholders in favour of the scheme are more than the number of votes cast by public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

e) The certified or authenticated copies of the Orders of the High Court being filed with the Registrar of Companies of Andhra Pradesh and Telangana at Hyderabad under Section 391 to 394 and other applicable provisions of the Act. The Requisite resolutions under the applicable provisions of the said Act passed by the shareholders of the 1st Resulting Company and 2nd Resulting Company for any of the matters provided for or relating to the Scheme as may be necessary or desirable.

30. EXPENSES CONNECTED WITH THE SCHEME AND INCIDENTAL TO THE COMPLETION OF THE ARRANGEMENT

All costs, charges and expenses of the Demerged Company and 1st Resulting Company and 2nd Resulting Company in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of Arrangement between Demerged Company, 1st Resulting Company and 2nd Resulting Company in pursuance of the Scheme shall be borne by the respective companies.

SCHEDULE I

(This Schedule forms an Integral Part of the composite scheme of arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their Respective Shareholders and Creditors)

	(SOLAR DIVISION)
Particulars	**Amount (Rs.in Lakhs)**
Non-Current Assets	
Fixed Assets	2552.11
Investments	593.11
Long Term Loans & Advances	4.39
Current Assets	
Investments	
Inventories	-
Trade Receivables	191.11
Cash & Cash equivalents	11.59
Short Term Loans & Advances	0.16
Other Current Assets	0.60
Non-Current Liabilities	
Long Term Borrowings	913.71
Deferred Tax Liabilities	-
Current Liabilities	
Short term Borrowings	-
Trade Payables	23.09
Other Current Liabilities	0.71
Short Term Provisions	-

SCHEDULE II

(This Schedule forms an Integral Part of the composite scheme of arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their Respective Shareholders and Creditors)

	(REAL ESTATE DIVISION)
Particulars	**Amount (Rs.in Lakhs)**
Non-Current Assets	
Fixed Assets	-
Investments	760.50
Long Term Loans & Advances	8795.60
Current Assets	
Investments	
Inventories	-
Trade Receivables	-
Cash & Cash equivalents	-
Short Term Loans & Advances	-
Other Current Assets	-
Non-Current Liabilities	
Long Term Borrowings	-
Deferred Tax Liabilities	-
Current Liabilities	
Short term Borrowings	-
Trade Payables	-
Other Current Liabilities	-
Short Term Provisions	-

KARVY | INVESTMENT BANKING

Tuesday, September 29, 2015

The Board of Directors
Bhagyanagar India Limited
Surya Towers, 5th floor
Sardar Patel Road
Secunderabad – 500003
Telangana

The Board of Directors
Surana Telecom and Power Limited
Surya Towers, 5th floor
Sardar Patel Road
Secunderabad – 500003
Telangana

The Board of Directors
Bhagyanagar Properties Private Limited
Surya Towers, 5th Floor
Sardar Patel Road
Secunderabad – 500003
Telangana

Sub: Fairness opinion on the proposed Demerger Ratio for Bhagyanagar India Limited (BIL), Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited (BPPL) pursuant to the scheme of arrangement under Sections 391 – 394 read with 78, 100 to 103 of the Companies Act 1956.

Dear Sirs,

We refer to the engagement letter dated September 24, 2015 with Karvy Investor Services Limited (hereinafter referred to as "KISL"), wherein BIL and STPL has requested us to provide fairness opinion on the scheme of arrangement between Bhagyanagar India Limited (BIL / Demerged Company), Surana Telecom and Power Limited (STPL/Resulting Company 1) and Bhagyanagar Properties Private Limited (BPPL/Resulting Company 2).

1. BACKGROUND OF THE COMPANIES

1.1 Bhagyanagar India Limited (BIL / Demerged Company)

Bhagyanagar India Limited ("BIL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, Telangana, India-500 003. The company is a conglomerate with interest in varied businesses and is primarily a manufacturer of copper and allied products and over the time it has diversified into Real Estate and Non-conventional energy like wind and solar.

The equity shares of the BIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

1.2 Surana Telecom and Power Limited (STPL/Resulting Company 1)

Surana Telecom and Power Limited ("STPL") is a company incorporated under the Companies Act, 1956, having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, Telangana, India-500 003. It has been incorporated to carry on the business of manufacturing of Optic Fibre / Cable wires and aluminium wire rods etc. It is also engaged in the business of manufacturing of Solar Modules and also has Solar Power generation unit situated at Gujarat Solar Park, Charanka Village, Santalpur Taluk, Patan District, Gujarat

Karvy Investor Services Limited Hyderabad

Karvy Investor Services Limited
Registered Office: 'Karvy House', 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034.
T: +91 40 2342 8774 / 2331 2454 I F: +91 40 2337 4714 / 2331 1968
E-mail: cmg@karvy.com/igmbd@karvy.com I www.karvy.com
CIN No. : U67120TG1997PLC026253 I SEBI Registration No. MB/INM000008365

The equity shares of the STPL are listed on BSE and NSE.

1.3 Bhagyanagar Properties Private Limited (BPPL / Resulting Company 2)

Bhagyanagar Properties Private Limited ("BPPL") is a company incorporated under the Companies Act, 1956, , having its registered office at 5th floor, Surya Towers, S.P.Road, Secunderabad, Telangana, India-500 003, India. It has been incorporated to carry on the business of Real Estate, Construction, Buy, Sell, Lease, License of buildings and other properties.

2. SCOPE AND PURPOSE OF THIS REPORT

2.1 We understand that the Board of Directors of Demerged Company is proposing to demerge various units of BIL and some of the investments in subsidiaries under a scheme of arrangement under the provisions of Sections 391-394 read with 78, 100 to 103 of the Companies Act, 1956 (hereinafter referred to as the "Scheme of Arrangement") and have obtained a valuation report from M/s Komandoor & Co. Chartered Accountants (hereinafter referred to as "Valuer") to arrive at the demerger ratio.

2.2 In consideration of the demerger of the various units of Demerged Company to Resulting Company 1 and Resulting Company 2, pursuant to the Scheme of Arrangement, for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each, held by the shareholders of Demerged Company, the Resulting Company 1 shall issue and allot 4 (Four) equity shares of the face value of Re. 1 each fully paid up to the shareholders of the Demerged Company and for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each held by the shareholders of Demerged Company, the Resulting Company 2 shall issue and allot 3 (Three) equity shares of the face value of Rs. 2 each fully paid up to the shareholders of the Demerged Company.

2.3 In this connection, the management of BIL has engaged KISL to submit a report on the fairness of the demerger ratio as per the requirements of Securities and Exchange Board of India Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21 2013 and listing agreement entered by BIL, STPL with BSE and NSE. Our scope of work includes commenting only on the fairness of the demerger ratio recommended by the Valuer and not on the fairness or economic rationale of the Demerger per se or the valuation methods used by the Valuer.

2.4 This report is subject to the scope, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Scheme of Arrangement between Demerged Company, Resulting Company 1 and Resulting Company 2 and should not be used for any other purpose.

3. SOURCES OF INFORMATION

We have relied on the following information for framing our opinion on the fairness of the demerger ratio:

a) Draft Scheme of Arrangement between Demerged Company, Resulting Company 1 and Resulting Company 2 as approved by Board of Directors of the respective Companies.
b) Audited financials of BIL,STPL, BPPL for financial year 2014-15
c) Share Exchange Ratio Report of M/s Komandoor & Co., Chartered Accountants
d) Other relevant information regarding BIL, STPL & BPPL

Karvy Investor Services Limited Hyderabad

4. RATIONALE AND KEY FEATURES OF SCHEME OF ARRANGEMENT

4.1 The rationale for the arrangement as provided in the Scheme of Arrangement is as follows:

4.1.1. **Solar Power Division:-**

The Solar Power Division of BIL comprising solar power plant (5 MW situated at Munipally, Medak District, Telangana) and investments in equity shares of Surana Solar Limited ("SSL") and Surana Telecom and Power Limited ("STPL") are proposed to be transferred to STPL. Management of BIL is of the opinion that by transferring the entire Solar power division to STPL shall bring in the following advantages:

Focus on Solar Business: STPL has placed its focus solely on Non-Conventional energy viz. Solar Power Generation, already having an installed capacity of 10 MW, Wind Power Generation, with an installed capacity of 1.25 MW, and other power generation projects in the pipeline. So BIL is of the view that by transferring Solar Division to STPL will achieve greater revenues and growth with proper focus & resources.

Strength for future expansion: There has been a rising awareness worldwide that renewable energy and energy efficiency are critical not only for addressing climate change, but also for creating new economic opportunities. In the recent years, advances in renewable energy technologies, global increases in capacity and rapid cost reductions have been made as the policies have been favorable. The size of renewable energy market will see further growth as the application of renewable purchase obligation expands to cover open access and capture consumers.

Enhanced synergies arising out of consolidation: The demerger of Solar Power Division of BIL into STPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger, there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

Investor attractiveness: The proposed demerger will bring about an increase in value of STPL which in turn increases value to the share-holders of BIL who will become share-holders in STPL by virtue of this scheme of arrangement.

4.1.2 Real Estate Division:-

The Real Estate Division of BIL comprising Loans & Advances in the subsidiaries and Investments in BPPL, Scientia Infocom India Private Limited & Metropolitan Ventures India Private Limited are proposed to be transferred to BPPL. Management of BIL is of the opinion that by transferring the entire Real Estate division to BPPL shall bring in the following advantages:

Focus on Real Estate Business: BPPL has sufficient landbank to develop & thrive in the Real Estate markets. Consolidating the Real Estate division into BPPL will result in higher revenues & accelerated growth as a result of increased focus in the Real estate business.

Future Expansion: The Indian business scenario is getting more complex by the day, with new government regulations, newer technologies, customer preferences, increased competition, advent of new business strategies, global expansion etc. In order to meet the growing challenges, most of the business organizations are increasing their focus on their core businesses and going for backward and forward integration accordingly.

Karvy Investor Services Limited
Hyderabad

Enhanced synergies arising out of consolidation: The demerger of Real Estate division comprising of loans and advances and investments in the real-estate subsidiaries of BIL into BPPL will also bring about administrative efficiencies in managing operations of both the companies. Post demerger there will be synergies in respective businesses, which will result in operational efficiencies. Thus, the proposed de-merger will result in better and effective administration in management and operations, owing to creation of focused entities.

Investor attractiveness: Often financial investors look out for sector specific companies because they have different parameters for risk and return. The return expectations of a Copper business investor are different from that of an investor in a real estate industry. The proposed demerger of the Real estate of BIL into BPPL will create two entities focusing on their respective businesses, thereby addressing investor concern.

4.2 The key features of the Scheme of Arrangement are as follows:

4.2.1 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of the Scheme of Arrangement, businesses, activities and operations of the Demerged Company, pertaining to Solar Division and the Investments in Surana Solar Limited and Solar Telecom and Power Limited, shall be transferred on a going concern basis to Resulting Company 1 and reduction of shares of STPL transferred by the demerged company to Resulting Company 1.

4.2.2 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of the Scheme of Arrangement, businesses, activities and operations of the Demerged Company, pertaining to Real Estate Division and Investments in Scientia Infocom India Private Limited and Metropolitan Ventures India Limited, shall be transferred on a going concern basis to Resulting Company 2 and reduction of shares of BPPL transferred by the demerged company to Resulting Company 2.

4.2.3 Upon the Scheme coming into effect and also upon issuance of shares by the 2nd Resulting Company as above the issued, subscribed and paid up equity share capital of BIL shall be reduced from Rs.12,79,80,000 divided into 6,39,90,000 equity shares of Rs. 2/- each to Rs. 6,39,90,000 divided into 3,19,95,000 equity shares of Rs. 2/- each.

4.2.4 In consideration of the demerger of the various units of Demerged Company to Resulting Company 1 and Resulting Company 2, pursuant to the Scheme of Arrangement,

A) for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each, held by the shareholders of Demerged Company, the Resulting Company 1 shall issue and allot 4 (Four) equity shares of the face value of Re. 1 each fully paid up to the shareholders of the Demerged Company and

B) for every 6 (Six) equity shares (Before reduction of Share Capital specified in Point 4.2.3 of this report) of the face value of Rs. 2 each held by the shareholders of Demerged Company, the Resulting Company 2 shall issue and allot 3 (Three) equity shares of the face value of Rs. 2 each fully paid up to the shareholders of the Demerged Company i.e. mirror – image shareholding pattern.

4.2.5 The Demerger ratio has been arrived at by M/s Komandoor & Co. Chartered Accountants.

5 LIMITATIONS OF SCOPE AND REVIEW

5.1 Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Demerged Company and the Scheme of Arrangement approved by the Board of Directors of the Demerged Company and the Resulting Companies.

Karvy Investor Services Limited Hyderabad

5.2 We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial forecasts relating to the Demerged Company, Resulting Company 1 and Resulting Company 2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged Company, Resulting Company 1 and Resulting Company 2. In particular, we do not express any opinion as to the value of any asset of Demerged Company, Resulting Company 1 and Resulting Company 2, whether at current prices or in the future.

5.3 We do not express any opinion as to the price at which shares of Demerged Company, Resulting Company 1 and Resulting Company 2 may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme of Arrangement will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme of Arrangement, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Demerged Company, Resulting Company 1 and Resulting Company 2 and their respective shareholders.

5.4 We do not express any opinion as to any tax or other consequences that might arise from the Scheme of Arrangement on Demerged Company, Resulting Company 1 and Resulting Company 2 and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.

5.5 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the Demerger of the various units of the Demerged Company as contemplated in the Scheme of Arrangement provided to us and is not valid for any other purpose.

5.6 We may currently or in the future provide, investment banking services to Demerged Company, Resulting 1 and Resulting Company 2 and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme of Arrangement, for which services we have / may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of KISL may actively trade in the securities of the Demerged Company or its group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the opinion expressed herein are for the use of the Board of Directors of Demerged Company in connection with the consideration of the Scheme of Arrangement and for none other. Neither KISL, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

5.7 Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement or any matter related thereto.

6. VALUATION REPORT

Demerged Company has appointed M/s Komandoor & Co. Chartered Accountants to recommend a fair and equitable equity share entitlement ratio for the Demerger.

The extract of the Valuation report issued by the Valuer is as follows:

For every 6 (six) equity shares of Rs.2/- each held in BIL, the shareholders will continue to hold 3 (three) equity shares of Rs.2/- each in Bhagyanagar India Limited and will get 3 (three) equity shares of Rs.2/- each in Bhagyanagar Properties Private Limited and 4 (four) equity shares of Re.1/- each in Surana Telecom and Power Limited.

Karvy Investor Services Limited Hyderabad

7. OPINION

On the basis of the Rationale of the Scheme of Arrangement and considering the Scope and Limitations mentioned in this report, we are of the opinion that the Demerger ratio is fair to the Equity Shareholders of the Demerged Company, Resulting Company 1 and Resulting Company 2.

For Karvy Investor Services Limited

V. Madhusudhan Rao

V Madhusudhan Rao
Vice President

Karvy Investor Services Limited Hyderabad

Surana Group

BHAGYANAGAR INDIA LIMITED

ISO 9001 - 2008 Certified Company

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad-500 003. Telangana, India
Tel :+91 40 27845119/27841198/44665700
Fax : +-91-40-27848851/27818868
Website : www.surana.com
E.mail : bil@surana.com
CIN No.: L27201TG1991PLC012449

ANNEXURE - I

COMPLAINTS REPORT
(Period from 13th November, 2015 to 6th December, 2015)

Part A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **BHAGYANAGAR INDIA LIMITED**

DEVENDRA SURANA
MANAGING DIRECTOR

Surana Group

BHAGYANAGAR INDIA LIMITED

ISO 9001 - 2008 Certified Company

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad-500 003. Telangana, India
Tel :+91 40 27845119/27841198/44665700
Fax : +-91-40-27848851/27818868
Website : www.surana.com
E.mail : bil@surana.com
CIN No.: L27201TG1991PLC012449

ANNEXURE - I

COMPLAINTS REPORT
(Period from 16th November, 2015 to 7th December, 2015)

PART A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **BHAGYANAGAR INDIA LIMITED**

MDsurana

DEVENDRA SURANA
MANAGING DIRECTOR

SURANA TELECOM AND POWER LTD.
(formerly Surana Telecom Ltd.)
Surana Group **ISO 9001 - 2008 Certified Company**

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad - 500 003. A.P., India
Tel :+91 40 27845119/44665700
Fax : 0091-40-27848851
Website : http:// www.surana.com
E.mail : surana@surana.com
CIN No.: L23209AP1989PLC010336

ANNEXURE - I

COMPLAINTS REPORT
(Period from 13th November, 2015 to 6th December, 2015)

PART A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **SURANA TELECOM AND POWER LIMITED**

NARENDER SURANA
DIRECTOR

Surana Group

SURANA TELECOM AND POWER LTD.

(formerly Surana Telecom Ltd.)
ISO 9001 - 2008 Certified Company

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad - 500 003. A.P., India
Tel :+91 40 27845119/44665700
Fax : 0091-40-27848851
Website : http:// www.surana.com
E.mail : surana@surana.com
CIN No.: L23209AP1989PLC010336

ANNEXURE - I

COMPLAINTS REPORT
(Period from 16th November, 2015 to 7th December, 2015)

PART A:

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

PART B:

Sr. No.	Nature of Complainant	Date of Complaint	Status (Resolved/ Pending)
1	NIL		
2			
3			

FOR **SURANA TELECOM AND POWER LIMITED**

NARENDER SURANA
DIRECTOR

Annexure-V

DCS/AMAL/MN/360/2016-17
April 07, 2016

The Company Secretary
BHAGYANAGAR INDIA LTD.
Surya Towers, 5th Floor,
Sardar Patel Road ,
Secunderabad ,Telangana ,500003.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

We are in receipt of Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated April 07, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"The company shall duly comply with various provisions of the Circulars."***

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

- To duly comply with various provisions of the circulars.

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

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

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

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

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

Yours faithfully,

Nitin Pujari
Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/ 68999

April 11, 2016

The Managing Director
Bhagyanagar India Limited
5th Floor, Surya Towers
S P Road,
Secunderabad - 500003

Kind Attn.: Mr. Devendra Surana

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and Their Respective Shareholders and Creditors.

This has reference to draft Scheme of Arrangement (Under Sections 391 To 394 read with Section 78, 100 To 103 and other applicable provisions of the Companies Act, 1956) between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their respective shareholders and creditors submitted to NSE vide your letter dated October 27, 2015.

Based on our letter reference no Ref: NSE/LIST/67733 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated April 07, 2016, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement / Listing Regulations, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Bhagyanagar Properties Private Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Bhagyanagar Properties Private Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bhagyanagar Properties Private Limited is at the discretion of the Exchange.

The listing of Bhagyanagar Properties Private Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bhagyanagar Properties Private Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India.
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2. To publish an advertisement in the newspapers containing all the information about Bhagyanagar Properties Private Limited in line with the details required as per SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Bhagyanagar Properties Private Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:
   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in Bhagyanagar Properties Private Limited between the record date and the listing which may affect the status of this approval."

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

The validity of this "Observation Letter" shall be six months from April 11, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

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

DCS/AMAL/MN/361/2016-17
April 07, 2016

The Company Secretary
Surana Telecom and Power Limited.
Surya Towers, 5th Floor,
Sardar Patel Road,
Secunderabad, Telangana, 500003.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

We are in receipt of Scheme of Arrangement between Bhagyanagar India Ltd and Surana Telecom And Power Limited and Bhagyanagar Properties Private Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated April 07, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"The company shall duly comply with various provisions of the Circulars."***

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

- To duly comply with various provisions of the circulars.

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

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

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

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

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

Yours faithfully,

Nitin Pujari
Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

April 11, 2016

Ref: NSE/LIST/69040

The Company Secretary
Surana Telecom and Power Limited
5th Floor, Surya Towers,
Sardar Patel Road, Secunderabad,
Andhra Pradesh - 500003

Kind Attn.: Mr. Srinivas Dudam

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between Bhagyanagar India Limited and Surana Telecom and Power Limited and Bhagyanagar Properties Private Limited and their respective shareholders and creditors, submitted to NSE vide your letter dated October 27, 2015.

Based on our letter reference no Ref: NSE/LIST/68372 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated April 07, 2016 has given following comments on the draft Scheme of Amalgamation:

a. "The Company shall duly comply with various provisions of the Circulars."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby convey our "No-objection" in term of regulation 94 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the listing of equity shares of Bhagyanagar Properties Private Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Bhagyanagar Properties Private Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bhagyanagar Properties Private Limited is at the discretion of the Exchange.

The listing of Bhagyanagar Properties Private Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bhagyanagar Properties Private Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

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2. To publish an advertisement in the newspapers containing all the information about Bhagyanagar Properties Private Limited in line with the details required as per SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Bhagyanagar Properties Private Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

(a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

(b) "There shall be no change in the shareholding pattern or control in Bhagyanagar Properties Private Limited between the record date and the listing which may affect the status of this approval."

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

The validity of this "Observation Letter" shall be six months from April 11, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

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

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

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

ROUTE MAP FOR VENUE OF THE MEETING

