

Annexure-A

**HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH
(Original Jurisdiction)**



MONDAY, THE TWENTY FIRST DAY OF NOVEMBER
TWO THOUSAND AND SIXTEEN

:PRESENT:

THE HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO

COMPANY PETITION Nos.236, 237 AND 238 OF 2016

C.P.No.236 of 2016
connected with
C.A.No.626 of 2016;

IN THE MATTER OF COMPANIES ACT, 1956 (1 OF 1956)
AND
IN THE MATTER OF SECTIONS 391 TO 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S.BHAGYANAGAR INDIA LIMITED
AND
IN THE MATTER OF M/S.SURANA TELECOM AND POWER LIMITED
AND
IN THE MATTER OF M/S.BHAGYANAGAR PROPERTIES PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

M/s. Bhagyanagar India Limited
a Company registered under the Companies Act, 1956 and
having its registered office at 5th Floor, Surya Towers,
S.P.Road, Secunderabad - 500003, Telangana.
Represented by its Managing Director Sri Devendra Surana

..... **Petitioner/Demerged Company**

Petition under Sections 391 to 394 of the Companies Act, 1956,
praying that this Hon'ble Court may be pleased to:

a) That the scheme of arrangement as approved by the Shareholders and Unsecured Creditors of the Petitioner / Demerged Company and 1st resulting company and 2nd Resulting Company, a copy of which is filed hereto as Annexure A9, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.

b) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad shall take all necessary consequential action in respect of the Petitioner Company;

c) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the carrying out of the scheme of arrangement;

C.P.No.237 of 2016
connected with
C.A.No.627 of 2016:



IN THE MATTER OF COMPANIES ACT, 1956 (1 OF 1956)
AND
IN THE MATTER OF SECTIONS 391 TO 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S.SURANA TELECOM AND POWER LIMITED
AND
IN THE MATTER OF M/S.BHAGYANAGAR INDIA LIMITED
AND
IN THE MATTER OF M/S.BHAGYANAGAR PROPERTIES PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

M/s. Surana Telecom and Power Limited
a Company registered under the Companies Act, 1956 and
having its registered office at 5th Floor, Surya Towers,
S.P.Road, Secunderabad - 500003, Telangana.
Represented by its Managing Director Sri Narender Surana

..... **Petitioner/1st Resulting Company**

Petition under Sections 391 to 394 of the Companies Act, 1956,
praying that this Hon'ble Court may be pleased to:

a) That the scheme of arrangement as approved by the Shareholders and Unsecured Creditors of the Petitioner / 1st Resulting Company, Demerged Company and as consented by the Shareholders of 2nd Resulting Company, a copy of which is filed hereto as Annexure A9, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.

b) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad shall take all necessary consequential action in respect of the Petitioner Company;

c) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the carrying out of the scheme of arrangement;

C.P.No.238 of 2016
connected with
C.A.No.628 of 2016:

IN THE MATTER OF COMPANIES ACT, 1956 (1 OF 1956)
AND
IN THE MATTER OF SECTIONS 391 TO 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S.BHAGYANAGAR PROPERTIES LIMITED
AND
IN THE MATTER OF M/S.BHAGYANAGAR INDIA LIMITED
AND
IN THE MATTER OF M/S.SURANA TELECOM AND POWER LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

M/s. Bhagyanagar Properties Private Limited
a Company registered under the Companies Act, 1956 and
having Its registered office at 5th Floor, Surya Towers,
S.P.Road, Secunderabad - 500003, Telangana.
Represented by its Managing Director Sri Devendra Surana



..... **Petitioner/2nd Resulting Company**

Petition under Sections 391 to 394 of the Companies Act, 1956,
praying that this Hon'ble Court may be pleased to:

a) That the scheme of arrangement as approved by the Shareholders and Unsecured Creditors of the Demerged Company and 1st Resulting Company and as approved by the shareholders of petitioner Company/2nd Resulting Company, a copy of which is filed hereto as Annexure A9, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.

b) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad shall take all necessary consequential action in respect of the Petitioner Company;

c) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the carrying out of the scheme of arrangement;

These Petitions coming on for orders upon reading the Judge's summons and the affidavit dated 27-6-2016 and filed by Sri Devendra Surana, Director of the Company in C.P.No.236 of 2016 and the affidavit dated 27-6-2016 and filed by Sri Narendra Surana, Managing Director of the Company in C.P.No.237 of 2016 and the affidavit dated 27-6-2016 and filed by Sri Devendra Surana, Director of the Company in C.P.No.238 of 2016 in support of the Petitions and upon hearing the arguments of Sri V.S.Raju, Advocate for the Petitioners in all the Company Petitions and of Sri B.Narayana Reddy, Asst. Solicitor General for the Statutory Authorities and Sri M.Anil Kumar, Counsel for the Official Liquidator.

Upon the above petitions coming on for further hearing on 21-11-2016,

THIS COURT DOETH ORDER

The Company Petitions be and hereby are ordered.

1. That this court doth hereby sanctioned the scheme of arrangement between M/s.Bhagyanagar India Limited (The demerged company and M/s.Surana Telecom and Power Limited (1st Resulting Company) and M/s.Bhagyanagar Properties Private Limited (2nd Resulting Company) and a copy of which is filed hereto as Annexure A9 and with consent of

their shareholders and unsecured creditors of the respective companies and doth hereby declare the same to be binding on all the members, creditors and employees of the petitioner company and all concerned;

That all the property, rights and powers of the demerged division of transferor company specified in the scheme of Arrangement with effect from 01-04-2016 of the schedule hereto and all other property, rights and powers of the demerged division of transferor company be transferred without further act or deed to the 1st Resulting Company and to the 2nd Resulting Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in the 1st Resulting Company and 2nd Resulting Company for all the estate and interest of the demerged division of transferor company therein but subject nevertheless to all charges now affecting the same (other than (here set out any changes by virtue of the scheme of arrangement are to cease to have effect); and

3. That all the liabilities and duties of the demerged division of transferor company be transferred without further act or deed to the 1st resulting company and to the 2nd resulting company and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities of the 1st Resulting and 2nd Resulting Company; and
4. That all legal proceedings now pending by or against the demerged division of transferor company be continued by or against the 1st Resulting and 2nd Resulting Company; and
5. That the 1st Resulting Company and the 2nd Resulting Company do without further application allot to such members of the Demerged division of transferor company as have not given such notice of dissent as is required by clauses 10 and 21 of the scheme of arrangement herein the shares in the 1st Resulting company and 2nd Resulting Company to which they are entitled under the said scheme of arrangement; and
6. That the transferor and transferee companies do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of the State of Telangana and the State of Andhra Pradesh at Hyderabad for registration; and the Registrar of Companies shall place all documents relating to the demerged division of transferor company and registered with him on the file kept by him in relation to the 1st Resulting Company and the 2nd Resulting Company and files relating to the said three companies shall be consolidated according; and
7. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

SCHEME

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

Monday, the Twenty First day of November, Two Thousand and Sixteen

(By Order of the Court)

Sd/- S.V.RAMANA MURTHY
JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

1. Sri Devendra Surana, Masnaging Director, M/s.Bhagyanagar India Limited, 5th Floor, Surya Towers, S.P. Road, Secunderabad-500 003, Telangana State.
2. Sri Narendrer Surana, M/s.Surana Telecom and Power Limited, 5th Floor, Surya Towers, S.P. Road, Secunderabad-500 003, Telangana State.
3. Sri Devendra Surana, Director, M/s. Bhagyanagar Properties Private Limited, Regd. Office at 5th Floor, Surya Towers, S.P. Road, Secunderabad-500 003, Telangana State.
4. The Official Liquidator, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, 1st Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District, Telangana State, Pin Code: 500 680.
5. The Registrar of Companies, Ministry of Corporate Affairs, Government of India, 2nd Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District, Telangana State, Pin Code: 500 680.
6. The Regional Director, South East Region, Ministry of Corporate Affairs, 3rd Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District, Telangana State, Pin Code: 500 680.
7. 3 CCs to Sri V.S.Raju, Advocate (opuc)
8. 3 CCs to Sri M.Anil Kumar, Advocate (opuc)
9. Two C.D. Copies.

MRC

[Signature]

certified to be true copies

[Signature]
SUPERINTENDENT
Copyist Department
High Court of Judicature at Hyderabad
for the State of Telangana and the
State of Andhra Pradesh

For Signature at Hyderabad
 for the State of Telangana and the
 State of Andhra Pradesh

A No. 798/16 2016
 Application made 22/11/16 2016
 Application returned 2016
 Application represented 2016
 Stamps called for 27/12/16 2016
 Stamps deposited 28/12/16 2016
 Adk. Stamps called for 2016
 Adk. Stamps deposited 2016
 Copy ready 28/12/16 2016

MS 28/12
 Section Officer

**HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH
(Original Jurisdiction)**



MONDAY, THE TWENTY FIRST DAY OF NOVEMBER
TWO THOUSAND AND SIXTEEN

:PRESENT:

THE HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO

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connected with
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AND
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AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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a Company registered under the Companies Act, 1956 and
having its registered office at 5th Floor, Surya Towers,
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Represented by its Managing Director Sri Devendra Surana

..... **Petitioner/Demerged Company**

Petition under Sections 391 to 394 of the Companies Act, 1956,
praying that this Hon'ble Court may be pleased to:

a) That the scheme of arrangement as approved by the Shareholders and Unsecured Creditors of the Petitioner / Demerged Company and 1st resulting company and 2nd Resulting Company, a copy of which is filed hereto as Annexure A9, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.

b) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad shall take all necessary consequential action in respect of the Petitioner Company;

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a Company registered under the Companies Act, 1956 and
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Represented by its Managing Director Sri Narender Surana

.... **Petitioner/1st Resulting Company**

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praying that this Hon'ble Court may be pleased to:

- a) That the scheme of arrangement as approved by the Shareholders and Unsecured Creditors of the Petitioner / 1st Resulting Company, Demerged Company and as consented by the Shareholders of 2nd Resulting Company, a copy of which is filed hereto as Annexure A9, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.
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M/s. Bhagyanagar Properties Private Limited
a Company registered under the Companies Act, 1956 and
having its registered office at 5th Floor, Surya Towers,
S.P.Road, Secunderabad - 500003, Telangana.
Represented by its Managing Director Sri Devendra Surana



..... **Petitioner/2nd Resulting Company**

Petition under Sections 391 to 394 of the Companies Act, 1956,
praying that this Hon'ble Court may be pleased to:

a) That the scheme of arrangement as approved by the Shareholders and Unsecured Creditors of the Demerged Company and 1st Resulting Company and as approved by the shareholders of petitioner Company/2nd Resulting Company, a copy of which is filed hereto as Annexure A9, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.

b) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad shall take all necessary consequential action in respect of the Petitioner Company;

c) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the carrying out of the scheme of arrangement;

These Petitions coming on for orders upon reading the Judge's summons and the affidavit dated 27-6-2016 and filed by Sri Devendra Surana, Director of the Company in C.P.No.236 of 2016 and the affidavit dated 27-6-2016 and filed by Sri Narendra Surana, Managing Director of the Company in C.P.No.237 of 2016 and the affidavit dated 27-6-2016 and filed by Sri Devendra Surana, Director of the Company in C.P.No.238 of 2016 in support of the Petitions and upon hearing the arguments of Sri V.S.Raju, Advocate for the Petitioners in all the Company Petitions and of Sri B.Narayana Reddy, Asst. Solicitor General for the Statutory Authorities and Sri M.Anil Kumar, Counsel for the Official Liquidator.

The Court made the following Common Order:



HONOURABLE SRI JUSTICE A.RAMALINGESWARA RAO

COMPANY PETITION Nos.236, 237 and 238 of 2016

COMMON ORDER:

1. Company Petition No.236 of 2016 was filed by the demerged company, M/s Bhagyanagar India Limited, Secunderabad, for sanctioning the scheme of arrangement pursuant to the reports filed by the Chairpersons in the meeting of the equity shareholders and unsecured creditors held on 11.06.2016. The company was incorporated originally in the State of Maharashtra on 02.09.1985. Later on, it shifted its registered office from the State of Maharashtra to the State of Andhra Pradesh vide orders of the Company Law Board Bench, Bombay on 04.10.1990. Later on it changed its name to M/s Bhagyanagar India Limited and a fresh certificate of incorporation was issued by the Registrar of Companies on 10.08.2006. The registered office of the company is situated in Secunderabad, Telangana area. The authorized equity share capital of the company is Rs.25,00,00,000/-, whereas the issued, subscribed and paid up equity share capital of the company is Rs.12,79,80,000/-.

2. Company Petition No.237 of 2016 was filed by the 1st Resulting Company, M/s Surana Telecom and Power Limited, Secunderabad, which was originally incorporated as M/s Surana Petro Products Private Limited in the State of Andhra Pradesh on 14.08.1989. Later on, it was converted itself as a Public Limited Company and changed its name to M/s Surana Telecom Limited




and a fresh certificate of incorporation was issued on 05.08.1994. Again it changed its name to M/s Surana Telecom and Private Limited with effect from 11.10.2007. The authorized equity share capital of the company is Rs.15,00,00,000/-, whereas the issued, subscribed and paid up equity share capital of the company is Rs.10,40,22,000/-.

3. Company Petition No.238 of 2016 was filed by the 2nd Resulting Company, M/s Bhagyanagar Properties Private Limited, Secunderabad, which was originally incorporated as M/s Bhagyanagar Properties Limited on 25.04.2006. Later on, it got converted itself as a Private Limited Company and a fresh certificate of incorporation was issued on 08.12.2008. The authorized equity share capital of the company is Rs.5,00,00,000/-, whereas the issued, subscribed and paid up equity share capital of the company is Rs.4,00,00,000/-.

4. While so, the Board of Directors of the three companies at their respective meetings held on 12.10.2015 approved the Scheme of Arrangement between the Transferor Company, M/s Bhagyanagar India Limited, and the Resulting Companies, petitioners in Company Petition Nos.237 and 238 of 2016, with effect from 01.04.2016 subject to approval/consent of the shareholders and creditors and confirmation by this Court.

5. This Court by orders dated 25.04.2016 in Company Application Nos.626 and 627 of 2016 ordered for holding meetings



of the equity shareholders and unsecured creditors of the demerged Company and the 1st Resulting Company, whereas in Company Application No.628 of 2016 dispensed with the meeting of the shareholders of the 2nd Resulting Company. The meetings were accordingly held and the equity shareholders and unsecured creditors consented for the same as could be seen from the reports submitted by the Chairpersons of the said meetings. After submitting the reports, the present Company Petitions were filed, on which this Court issued appropriate notice to the Regional Director, South East Region, Ministry of Corporate Affairs, who filed his report stating that when a notice was issued to the Income Tax Department inviting comments, the Deputy Commissioner of Income Tax, Hyderabad, vide his letter dated 04.08.2016, stated that M/s Bhagyanagar India Limited (Demerged Company) is due of an amount of Rs.1,00,00,000/- for the assessment year 2012-2013 and the company should pay the same before demerger. However, the same was set aside in Appeal No. 0141/2015-16/CIT(A)-I/Hyd/2016-17 dated 10.08.2016 and a consequential order was passed on 06.10.2016. A reference was also made to the SEBI (Securities Exchange Board of India) on 21.07.2016 and the SEBI vide its letter dated 03.08.2016 stated that the Stock Exchanges should comply with the Circulars and the company also should comply with the same. The Registrar of Companies, Telangana and Andhra Pradesh had reported that all the companies involved in the Scheme of Arrangement are regular in filing the statutory returns and no



complaints/investigations and inspections are pending against the companies.

6. In view of the consent expressed by the equity share holders and unsecured creditors of the respective companies, report of the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad, and in view of the fact of setting aside the demand in Appeal No.0141/2015-16/CIT(A)-1/Hyd/2016-17 dated 10.08.2016 and passing of consequential order on 06.10.2016, as communicated by the Deputy Commissioner of Income Tax, Hyderabad, in his letter dated 06.10.2016 to the Regional Director, Hyderabad stating that the demand outstanding of the company (M/s Bhagyanagar India Limited) has become NIL, these three Company Petitions are ordered.

Sd/- S.V.RAMANA MURTHY
JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

1. Sri Devendra Surana, Managing Director, M/s.Bhagyanagar India Limited, 5th Floor, Surya Towers, S.P. Road, Secunderabad-500 003, Telangana State.
2. Sri Narendrer Surana, M/s.Surana Telecom and Power Limited, 5th Floor, Surya Towers, S.P. Road, Secunderabad-500 003, Telangana State.
3. Sri Devendra Surana, Director, M/s. Bhagyanagar Properties Private Limited, Regd. Office at 5th Floor, Surya Towers, S.P. Road, Secunderabad-500 003, Telangana State.
4. The Official Liquidator, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, 1st Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District, Telangana State, Pin Code: 500 680.
5. The Registrar of Companies, Ministry of Corporate Affairs, Government of India, 2nd Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District, Telangana State, Pin Code: 500 680.
6. The Regional Director, South East Region, Ministry of Corporate Affairs, 3rd Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District, Telangana State, Pin Code: 500 680.
7. 3 CCs to Sri V.S.Raju, Advocate (opuc)
8. 3 CCs to Sri M.Anil Kumar, Advocate (opuc)
9. Two C.D. Copies.

MRC

Certified to be true copies
M/S 8/12
SUPERINTENDENT
Copyist Department
High Court of Judicature at Hyderabad
for the State of Telangana and the
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High Court of Judicature at Hyderabad
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State of Andhra Pradesh

A
C.No. 798/16 2016
Application made 22/11/16 2016
Application returned 2016
Application represented 2016
Stamps called for 27/12/16 2016
Stamps deposited 28/12/16 2016
Addl. Stamps called for 2016
Addl. Stamps deposited 2016
Copy ready 28/12/16 2016

11/11/28/16
Section Officer



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

1.1 INTRODUCTION

1.1.1 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-

For Bhagyanagar Properties Pvt Ltd

[Signature]
Director



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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

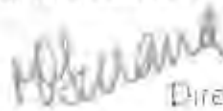
1.1.2 M/s. Surana Telecom and Power Limited

- (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

1.1.3 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.

For Bhagyanagar Properties Pvt Ltd


Director

1.2 RATIONALE FOR THE SCHEME

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

The Demerged Undertaking I 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.

For Bhagyanagar Properties Pvt Ltd

Abhishek
Director





(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.

For Bhagyanagar Properties (P) Ltd

M. Aruna

Director



1.3 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

For Bhagyanagar Properties Pvt Ltd.

M. S. Murugan
Director

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 I/ 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);

For Bhagyanagar Properties Pvt Ltd

[Signature]
Director



- (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

For Bhagyanagar Properties Pvt Ltd

M. S. Srinivas
M/S



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progress relating to the Demerged Undertaking 2 of Demerged Company (as are set specifically set out in Schedule 2);

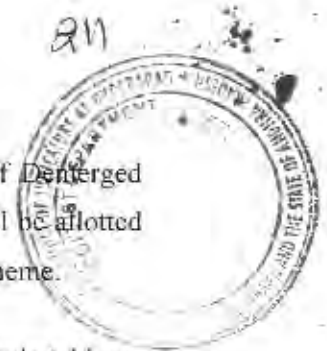
- (h) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured if any, pertaining to the Demerged Undertaking 2;
- (i) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, 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.

For Bhagyanagar Properties Pvt Ltd

Director



- 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

For Bhagyanagar Properties Pvt Ltd

Abhishek
Director

exercised anytime and shall be exercised in the best interest of the companies and their shareholders.

3.0 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 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

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.

For Bhagyanagar Properties Pvt Ltd

H. S. Rama

Director



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:

For Bhagyanagar Properties Pvt Ltd

[Handwritten Signature]
Director



(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 depositor that pursuant to the Scheme coming into effect, the said person, debtor or depositor 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 be 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.

For Bhagyanagar Properties Pvt Ltd

M. Srinivas
Director



- 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

For Bhagyanagar Properties Pvt Ltd

M. Srinivas
Director



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

For Bhagyanagar Properties Pvt Ltd

M. S. Srinivasan
Director



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

For Bhagyanagar Properties Pvt Ltd

M. Srinivas
Director

Demerged Company, the 1st Resulting Company had been a party or beneficiary or obligee 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 SIPL

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

For Bhagyanagar Properties Ltd Ltd

M. S. Srinivasan
Director

- 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

7.1.2 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 9,395,150 Equity 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.

For Bhagyamagar Properties Pvt Ltd

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- 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.

For Bhagyanagar Properties Pvt Ltd

M. S. Rana
Director

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.

For Bhagyanagar Properties Pvt Ltd

[Handwritten Signature]
Director

ISSUE OF SHARES BY THE 1ST RESULTING COMPANY

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.

- (a)
- (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

For Bhagyanagar Properties Pvt Ltd

M. S. Srinivasan
Director

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.

II. 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 Rs: 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

For Bhagyanagar Properties Pvt Ltd


Director



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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 sanctioned by the Court, such reduction of share capital as set

For Bhagyanagar Properties Pvt Ltd

M. S. Srinivas
Director

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

For Bhagyanagar Properties Pvt.Ltd

H. S. Srinivasan
Director



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.

For Bhagyansuji Properties Pvt Ltd

Abhinav
Director



- (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.

For Bhagyanagar Properties Pvt Ltd

M. S. Murana

Director

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

For Bhagyanagar Properties Pvt Ltd

M. S. Srinivasan
Director

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 depositor that pursuant to the Scheme coming into effect, the said person, debtor or depositor 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 be 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

For Bhagyanagar Properties Pvt Ltd


Director



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

For Bhagyanagar Properties Pvt Ltd

(Handwritten Signature)
Director


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 obligee 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

For Bhagyanagar Properties Pvt Ltd

Director



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

For Bhagyanagar Properties Pvt Ltd


Director

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 obligee 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.

For Bhagyanagar Properties Pvt Ltd

H. H. H. H.
Director

17 **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 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:

For Bhagyaasgar Paper Mills Pvt. Ltd

M. S. S. S.
Director



- (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.

For Bhagyanagar Properties Pvt Ltd

M. Srinivas
Director



(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

For Bhagysagara Properties P. Ltd

M. S. Srinivas
Director

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 sanctioned 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

For Elhachyanagar Properties Pvt Ltd

[Signature]
 Director



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.

For Bhagyanagar Properties Pvt Ltd

M. Srinand
Director



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 sell 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 paripassu 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.

For Bhagyanagar Properties Pvt Ltd

[Signature]
Director

(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

For Bhagyanagar Financials P. L. C. Ltd

M. K. Chandra
Director

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

For Bhagyanagar Properties Pvt Ltd

[Handwritten Signature]
Director

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.

For Bhagyanagar Properties Ltd. (BPL)

M. Anand
Director

**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.

For Divagyanagar Properties Pvt Ltd

M. S. S. S.
Director

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. CIR/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

For Bhagyanagar Properties Private Limited

M. S. Srinivasan
Director

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.

For Bhagyanagar Properties Pvt Ltd

Bhagyanagar

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

For Biragyanagar Properties Ltd

M. S. S. S.
Director

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

For Bhagyanagar Properties Pvt Ltd

[Handwritten Signature]
Director

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.

For Bhagyanagar Properties Pvt Ltd

M. S. Murana
Director

(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	-

For Bhagyanagar Properties Private Ltd

M. Surana
Director

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	-

For Bhagyanagar Properties Pvt Ltd

M. Surana
Director

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for the State of Telangana and the
State of Andhra Pradesh

High Court of Judicature at Hyderabad
for the State of Telangana and the
State of Andhra Pradesh

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Stamps deposited 28/12/16 2016
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Section Officer