



Surana Group

BHAGYANAGAR PROPERTIES LIMITED

(Formerly Bhagyanagar Properties Private Limited)

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad - 500 003. Telangana, India
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Website : www.surana.com
E.mail : surana@surana.com
CIN No.U70102TG2006PLC050010

BPL/SECT/030/17-18

Date: 28th September, 2017

| | |
|--|--|
| The Secretary National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot C/1, G Block, Bandra – Kurla Complex, Bandra (E), MUMBAI – 400 051. | The Secretary, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400 001 |
|--|--|

Dear Sir/Madam,

Sub: Submission of Annual Report as per Regulation 34(1) of SEBI (LODR) Regulations, 2015

Ref: Scrip Code: BHAGYAPROP (NSE) and Scrip Code: 540621 (BSE)

With reference to the above stated subject, Please find attached Annual Report for the Financial Year 2016-17 which was approved by the shareholders in the 11th Annual General Meeting of the Company held on Tuesday the 26th September, 2017 at 01.00 P.M at the Grand Solitaire Hotel 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad – 500 003.

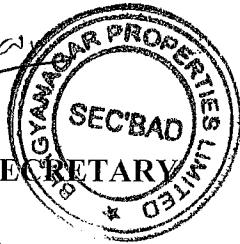
This is for your information and record.

Thanking you,

Yours faithfully,

FOR BHAGYANAGAR PROPERTIES LIMITED

ROHIT JAIN
COMPANY SECRETARY



Encl: as above



BHAGYANAGAR PROPERTIES LIMITED



11th Annual Report
2016-17

BOARD OF DIRECTORS

| | |
|--------------------|-----------------------|
| Narender Surana | - Director |
| Devendra Surana | - Whole-time Director |
| Vinita Surana | - Director |
| Sri Nagesh Boorugu | - Director |
| Dr.R.N.Sreenath | - Director |
| D. Venkatasubbiah | - Director |

STATUTORY COMMITTEES

AUDIT COMMITTEE

| | |
|--------------------|----------|
| Sri Nagesh Boorugu | Chairman |
| Dr.R.N.Sreenath | Member |
| D Venkatasubbiah | Member |

NOMINATION & REMUNERATION COMMITTEE

| | |
|--------------------|----------|
| Dr.R.N.Sreenath | Chairman |
| Sri Nagesh Boorugu | Member |
| Narender Surana | Member |

STAKEHOLDERS RELATIONSHIP COMMITTEE:

| | |
|-----------------|----------|
| Dr.R.N.Sreenath | Chairman |
| Narender Surana | Member |
| Devendra Surana | Member |

CHIEF FINANCIAL OFFICER

Bhavana Dagia

COMPANY SECRETARY

Rohit Jain

STATUTORY AUDITORS

M/s. Sekhar & Co.,
Chartered Accountants
133/4, R. P. Road, Secunderabad – 500 003.

SECRETARIAL AUDITOR

Mrs. Rakhi Agarwal,
Company Secretary in Practice
A-10, Janata HSG. Society, Opp. Pantaloons,
Shyamal Building, Begumpet, Hyderabad -500 016

REGISTRAR & TRANSFER AGENT

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B,
Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda,
Serilingampally,
Hyderabad - 500 032
Tel No.040-67162222
E-mail : einward.ris@karvy.com
Web Site : www.karvy.com

REGISTERED OFFICE

Bhagyanagar Properties Limited

5th Floor, Surya Towers,
S.P. Road, Secunderabad - 500 003, India
Tel: +91 40 27845119, 44665750
Fax : +91 40 27818868
E-mail: surana@surana.com

INVESTORS

Email: cs@surana.com,
investorservices_bpl@surana.com
Website: www.bhagyanagarproperties.com /
www.surana.com

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NOTICE OF 11th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11th Annual General Meeting of the members of **BHAGYANAGAR PROPERTIES LIMITED** will be held on Tuesday the 26th September, 2017 at 01.00 PM at the Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana-500 003 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Narender Surana who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposals of the Audit Committee of the Board and recommendation of the Board, M/s. Luharuka & Associates, Chartered Accountants (Firm Registration No. 001882S) be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five consecutive years from the conclusion of 11th Annual General Meeting till the conclusion of 16th Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), on a remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri. Sri Nagesh Boorugu (DIN-00929331) who was appointed as an Additional Director of the Company, categorised as Independent, by the Board of Directors with effect from 17th March, 2017, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing Shri. Sri Nagesh Boorugu for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 26th September, 2017 to hold office up to 25th September, 2022, not liable to retire by rotation”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient to give effect to the foregoing resolution.”

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr.R.N.Sreenath (DIN-00124157) who was appointed as an Additional Director of the Company, categorised as Independent, by the Board of Directors with effect from 17th March, 2017, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing Dr.R.N.Sreenath for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 26th September, 2017 to hold office up to 25th September, 2022, not liable to retire by rotation”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient to give effect to the foregoing resolution.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**”

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri. D.Venkatasubbiah (DIN-00006618) who was appointed as an Additional Director of the Company, categorised as Independent, by the Board of Directors with effect from 17th March, 2017, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing Shri. D.Venkatasubbiah for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 26th September, 2017 to hold office up to 25th September, 2022, not liable to retire by rotation”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient to give effect to the foregoing resolution.”

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Shri Devendra Surana be and is hereby appointed as Whole-time Director of the Company for a period of 5 years with effect from 17th March, 2017 i.e., up to 16th March, 2022, subject to liable to retire by rotation, without any remuneration.

RESOLVED FURTHER THAT Shri Devendra Surana, shall be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits / amenities and other privileges, as may from time to time, be available to other senior executives of the Company as per the service rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri Devendra Surana, Whole-time Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in the absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interests of the Company.”

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 149, 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014 and Regulation 17 of SEBI (LODR) Regulations, 2015, Ms. Vinita Surana (DIN-02332288) who was appointed as Additional Director w.e.f 17.03.2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of the Director of the Company, be and is hereby appointed as Director, subject to liable to retire by rotation”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient to give effect to the foregoing resolution.”

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 42, 62 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debenture) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, as applicable, and/or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India), Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit Receipt Mechanism) Scheme, 1993, as amended and the applicable Rules, Regulations, Notifications and Circulars, if any, issued by Securities and Exchange Board of India (SEBI) from time to time, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the ICDR Regulations), Reserve Bank of India (RBI), Government of India or any other competent Authority and clarifications, if any, issued thereon from time to time by appropriate authorities, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other concerned and appropriate authorities, and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the Government of India, RBI, SEBI and any other appropriate Authority(ies), Bank(s), Institution(s) or Body(ies), as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted, the Board of Directors of the Company, (herein after referred to as the “Board”, which term shall be deemed to include any duly constituted Committee thereof), be and is hereby authorized to create, offer, issue and allot Equity Shares/ Securities in one or more tranches, in the course of domestic or international offerings, by way of Follow-on Public Offer (FPO) and/or by way of a Qualified Institutions Placement (QIP) in terms of the Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and/ or Equity Shares in the form of Global Depository Receipts (GDRs), and/or American Depository Receipts (ADRs), and/ or External Commercial Borrowings (ECBs) with rights of conversion into shares, and/ or Foreign Currency Convertible Bonds (FCCBs) and/or Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS), convertible into Equity Shares of the Company with voting rights or with differential rights as to voting, dividend or otherwise in accordance with such rules and subject to such conditions as may be prescribed or any other instrument convertible into Equity Shares with voting rights or with differential voting rights as to voting, dividend or otherwise (hereinafter referred to as the “Securities”), to be subscribed to, by International and/or Indian Banks, Institutions, Institutional Investors,

Mutual Funds, companies, other Corporate Bodies, Resident/Non-Resident Indians, Foreign Nationals and other eligible Investors, as may be decided by the Board, (hereinafter referred to as "Investors"), whether or not such Investors are members of the Company or not (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company, group/ associate company(ies) as may be permitted by the ICDR Regulations from time to time), at such time or times, at such price or prices, at discount / premium to the market or prices in such manner and on such terms and conditions including security, rate of interest etc. including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors, as may be determined by the Board at the time of such issue and allotment, considering the then prevailing market conditions and other relevant factors wherever necessary, upto an aggregate of **US\$ 30 million** in any foreign currency or in Rupees (inclusive of such premium as may be determined) and such issue and allotment be made at such time or times, in such tranche or tranches, in such currency or currencies, in such manner and on such terms and conditions (including, if necessary, in relation to security on convertible debt instruments) as may be decided and deemed appropriate by the Board in its sole discretion at the time of issue / allotment."

"RESOLVED FURTHER THAT in case of QIP, pursuant to Chapter VIII of the ICDR Regulations, the allotment of Equity Shares/ Securities shall only be made to Qualified Institutional Buyers at a price including a discount of not more than 5% (or such discount as may be prescribed by SEBI from time to time) within the meaning of Chapter VIII of ICDR Regulations and such securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this Resolution."

"RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company, may issue receipts/certificates representing the underlying securities and/ or Equity Shares issued by the Company with such features and attributes as are prevalent in International Capital Markets for instruments of this nature and provide for the tradability or free transferability thereof as per the domestic/international practices, norms and regulations, and under the norms and practices prevalent in the International Markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot, from time to time, such number of Equity Shares at such premium as may be decided by the Board in its absolute discretion, upon conversion of such Securities or as may be necessary in accordance with the terms of the offering, including additional Equity Shares, and all such shares shall rank pari- passu with the then existing Equity Shares of the Company in all respects including to dividend."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue and/or allotment of Equity Shares in the Company or Securities or instruments or Securities representing or convertible into Equity Shares in the

Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion, deem necessary, appropriate or desirable for such purpose, including, without limitation, determining the form and manner of the issue, the class of investors to whom the Equity Shares/ Securities are to be issued and allotted, number of Equity Shares/Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/ exercise of warrants/redemption of Securities, rate of interest, redemption period, to appoint Lead Managers, Merchant Bankers, Global Business Coordinators, Book Runners, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Registrars, Trustees, Bankers and all other agencies, to enter into or execute all such agreements/ arrangements /MOUs/documents with any such agencies, as may be necessary; to list the Securities and the Equity Shares to be issued on conversion of the said Securities on any Indian and/or Foreign Stock Exchange(s), as it may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares or Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of the aforesaid Resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Whole-time Director(s) or any Director(s) or any other Officer(s) of the Company to implement the aforesaid Resolution."

10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed there under and subject to all other approvals, if any required, the Company be and is hereby authorized to pay an amount of Rs.10,000/- (Rupees Ten Thousand Only) as remuneration to M/s. BVR & Associates, Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2017-18.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

By Order of the Board
For **BHAGYANAGAR PROPERTIES LIMITED**

NARENDER SURANA
DIRECTOR
DIN:00075086

Place: Secunderabad
Date: 01.08.2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising such representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2017 to 26.09.2017 (both days inclusive) for the purpose of annual closure.
4. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
5. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Computershare Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy Computershare Private Limited
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Karvy Computershare Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of

names as per the Register of Members of the Company will be entitled to vote.

9. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
10. Regulation 36 of SEBI (LODR) Regulations, 2015 permits sending of soft copies of annual reports to all those members who have registered their email addresses for the purpose.

The Companies Act, 2013 has also recognized serving of documents to any member through electronic mode. In terms of the circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for your respective DPs accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Section 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the applicable rules. In light of the requirements prescribed by the aforesaid circulars, for those members whose Depository Participant accounts do not contain the details of their email addresses, printed copies of the Annual Report would be dispatched.

11. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
12. The Securities Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
13. Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules under the Act, the Company is pleased to provide the facility to the Members to exercise their right to vote through electronic voting. The members who have not cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.
14. The members whose names appear on the Register of Members/ list of beneficial owners as on 19th September, 2017 are eligible to participate in e-voting on the resolutions set forth in this notice.

15. The Companies (Management and Administration) Rules, 2015 provide that the electronic voting period shall close at 5:00 PM, on the date preceding the AGM. Accordingly, the e-voting will be available at the <https://evoting.karvy.com>. The remote e-voting period will commence at 9:00 A.M. (IST) on 22nd September, 2017 and will end at 5:00 P.M. (IST) on 25th September, 2017. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled by M/s Karvy Computershare Private Limited, the agency engaged by the company to provide e-voting facility.
16. The member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
17. In order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set forth in their Notice; the Company is enclosing a Ballot form with the Notice. Resolution (s) passed by the members through ballot forms, remote e-voting and voting at the AGM are deemed to have passed as if they have been passed at the AGM.
18. The Company has appointed Mrs. Rakhi Agarwal, Company Secretary in Practice, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting, remote e-voting process and through ballot form in a fair and transparent manner.
19. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail ids with the Company/their respective Depository Participant along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company/their respective Depository Participant are being forwarded the login ID and password for e-voting along with process, manner and instruction by e-mail.
20. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s KARVY COMPUTERSHARE PRIVATE LIMITED, Karvy Selenium Tower B, Plot No 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032. Further, kindly note that members holding shares in physical form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for affecting the physical share transfer.
21. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date of 19th September, 2017, may obtain User ID and Password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for e-voting, then you can use your existing User ID and Password for casting your vote.
22. Please note that, any queries pertaining to accounting related aspects may be posted /handed over to the Secretarial Department at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.
23. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses set out above is annexed herewith.

By Order of the Board
For **BHAGYANAGAR PROPERTIES LIMITED**

NARENDER SURANA
DIRECTOR
DIN:00075086

Place: Secunderabad
Date: 01.08.2017

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of The Companies Act, 2013

Item No. 4

The Board of Directors of the Company appointed Shri. Sri Nagesh Boorugu as an Additional Director of the Company with effect from 17.03.2017. In accordance with the provisions of Section 161 of Companies Act, 2013, Shri. Sri Nagesh Boorugu shall hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose her as candidate for the office of Director of the Company.

The Company has received a declaration of independence from Shri. Sri Nagesh Boorugu. In the opinion of the Board, Shri. Sri Nagesh Boorugu fulfills the conditions specified in the Companies Act, 2013 and the SEBI (LODR), for appointment as Independent Director of the Company. A brief profile of Shri. Sri Nagesh Boorugu is annexed in the Annual Report.

The Board of Directors recommends the Ordinary Resolution for your approval.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

Item No. 5

The Board of Directors of the Company appointed Dr.R.N.Sreenath as an Additional Director of the Company with effect from 17.03.2017. In accordance with the provisions of Section 161 of Companies Act, 2013, Dr.R.N.Sreenath shall hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose her as candidate for the office of Director of the Company.

The Company has received a declaration of independence from Dr.R.N.Sreenath. In the opinion of the Board, Dr.R.N.Sreenath fulfills the conditions specified in the Companies Act, 2013 and the SEBI (LODR), for appointment as Independent Director of the Company. A brief profile of Shri. Dr.R.N.Sreenath is annexed in the Annual Report.

The Board of Directors recommends the Ordinary Resolution for your approval.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

Item No. 6

The Board of Directors of the Company appointed Shri. D.Venkatasubbiah as an Additional Director of the Company with effect from 17.03.2017. In accordance with the provisions of Section 161 of Companies Act, 2013, Shri. D.Venkatasubbiah shall hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five

years. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose her as candidate for the office of Director of the Company.

The Company has received a declaration of independence from Shri. D.Venkatasubbiah. In the opinion of the Board, Shri. D.Venkatasubbiah fulfills the conditions specified in the Companies Act, 2013 and the SEBI (LODR), for appointment as Independent Director of the Company. A brief profile of Shri. D.Venkatasubbiah is annexed in the Annual Report.

The Board of Directors recommends the Ordinary Resolution for your approval.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

Item No. 7

Shri Devendra Surana is serving as Director on the Board of the Company since incorporation of the Company. The Board is of the opinion that his services should continue to be available to the Company to achieve greater heights, by appointing him as Whole-Time Director of the Company, subject to the approval of shareholders. The Board of Directors at its meeting held on 17th March, 2017 appointed Shri Devendra Surana as Whole-Time Director of the Company for a period of 5 years, subject to liable to retire by rotation, without any remuneration subject to concurrence of shareholders. A brief profile of Shri. Devendra Surana is annexed in the Annual Report.

As per the provisions of the Companies Act, 2013 approval by a resolution of the Shareholders in the General Meeting is required for appointment of the Whole-Time Director. The Board of Directors recommends the Special Resolution for your approval.

Shri Narendra Surana and Ms.Vinita Surana may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

Item No. 8

The Board of Directors of the Company appointed Ms. Vinita Surana as an Additional Director of the Company with effect from 17.03.2017. In accordance with the provisions of Section 161 of Companies Act, 2013 and Regulation 17 of SEBI (LODR), Ms. Vinita Surana shall hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as Non-Executive Women Director subject to liable to retire by rotation. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose her as candidate for the office of Director of the Company. A brief profile of Ms. Vinita Surana is annexed in the Annual Report. The Board of Directors recommends the Ordinary Resolution for your approval.

Shri Narender Surana and Devendra Surana may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

Item No. 9

The resolution contained in the AGM Notice relates to a proposal by the Company to create, offer, issue and allot Securities through further public offerings, preferential allotments, qualified institutions placements, issuance of Global Depository Receipts, American Depository Receipts and such other Securities in such manner as stated in the resolution. The Company intends to issue Securities for a value of up to US\$ 30 million. Subject to applicable laws and regulations, the Company intends to use the net proceeds of the Issue primarily for making acquisition, expansion and modernization of existing facilities, working capital requirements and general corporate purpose.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutions placement with qualified institutional buyers as defined by SEBI (ICDR) Regulations. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (ICDR) Regulations for raising the funds for the expansion plans of the company, without the need for fresh approval from the shareholders. In case of an issuance of Securities to qualified institutional buyers, whether or not such investors are existing members of the Company, through a qualified institutions placement under Chapter VIII of the SEBI (ICDR) Regulations, the final price at which the Securities will be offered will be subject to investor response and prevailing market conditions, and computed in accordance with the relevant provisions of Chapter VIII of the SEBI (ICDR) Regulations. Furthermore, a discount of 5% to the floor price of the Equity Shares, or such other discount as may be permitted under Chapter VIII of the SEBI (ICDR) Regulations may also be contemplated at the time of issuance, for which authorization is being taken from the shareholders of the Company through this Special Resolution. The detailed terms and conditions of the issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors and other experts in accordance with the applicable provisions of law.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies or otherwise as the Board in its absolute discretion deem fit. The consent of the Shareholders is being sought pursuant to the provisions of Section 62(1)(c) and Section 42 of the Companies Act, 2013 and other applicable provisions and rules of the Companies Act, 2013, to the extent notified and in force, and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed by the Company with the Stock Exchanges where the Equity

Shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited. Section 62(1)(c) of the Companies Act, 2013 provides, inter-alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in accordance with the Act unless the shareholders in a general meeting decide otherwise. The special resolution seeks the consent and authorization of the members to the Board to make the proposed issue of Securities and in the event it is decided to issue Securities convertible into Equity Shares, to issue to the holders of such convertible Securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the issue.

The Board of Directors believe that the issue of Securities to investors who are/ are not Shareholders of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 10

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 01.08.2017 has approved the appointment and remuneration of the M/s. BVR & Associates, Cost Accountants in practice, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31.03.2018 on a remuneration of Rs. 10,000/- (Ten Thousand).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.03.2018.

The Board of Directors recommends the Ordinary Resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board
For **BHAGYANAGAR PROPERTIES LIMITED**

NARENDER SURANA
DIRECTOR
DIN:00075086

Place: Secunderabad
Date: 01.08.2017

DIRECTORS' REPORT

To the Members of

Bhagyanagar Properties Limited

The Directors have pleasure in presenting the 11th Annual Report of your Company and the Audited financial statements for the financial year ended 31st March 2017 together with Auditors' Report thereon.

FINANCIAL RESULTS:

The performance of the Company during the year has been as under:

(Amount in Rs.)

| Particulars | Standalone Results | | Consolidated Results | |
|--|--------------------|-------------|----------------------|------|
| | 2017 | 2016 | 2017 | 2016 |
| Sales and other Income | 24,698,339 | 326,250 | 24,698,339 | - |
| EBIDTA | 14,029,932 | 130,457 | 14,002,920 | - |
| LESS : | | | | |
| Depreciation | 91,488 | 103,424 | 228,629 | - |
| Profit before Taxation | 13,938,444 | 27,033 | 13,774,291 | - |
| Provision for Taxation : Current Tax | 2,667,250 | - | 2,667,250 | - |
| Profit after Tax | 11,271,193 | 27,033 | 11,107,040 | - |
| Less: Minority Interest | - | - | (9,209,352) | - |
| Surplus brought forward from previous year | (2,537,360) | (2,564,393) | - | - |
| Balance available for appropriation | 8,733,833 | (2,537,360) | 9,222,793 | - |
| APPROPRIATION: | | | | |
| Balance c/f to Balance Sheet | 8,733,833 | (2,537,360) | 9,222,793 | - |

PERFORMANCE AND OPERATIONS:

The Company is in to initial stage of operations. During the year 2016-17, the Company's total sales and other income stood at Rs.2.47 Crores and Profit Before Taxation (PBT) of Rs.1.40 Crores and Profit after Tax (PAT) of Rs.1.13 Crores.

The Financial Statements of the Company for the year ended 31st March, 2017 includes all the Assets and Liabilities of Real Estate Division of Bhagyanagar India Limited transferred as per the Scheme of Arrangement and therefore the current year financials are not comparable with the previous year financials.

DEMERGER OF REAL ESTATE DIVISION OF BHAGYANAGAR INDIA LIMITED INTO BHAGYANAGAR PROPERTIES LIMITED:

The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh sanctioned the Scheme of Arrangement vide its order dated 21.11.2016.

With effect from appointed date i.e. 01st April, 2016, all the assets and liabilities of Real Estate Division of the Bhagyanagar India Ltd. (BIL) becomes Assets & Liabilities of Bhagyanagar Properties Limited ("BPL/ the Company").

In Consideration of vesting of Real Estate Division of the BIL to the Company as per terms of the Scheme, the Company issued and allotted one equity share of face value of Rs.2/- each as fully paid up for every one equity share of face value of Rs.2/- each held in BIL (post reduction of capital) as on Record Date (14.03.2017).

The Company's shares were listed on BSE Limited (BSE) and National Stock Exchange of Limited (NSE) and the trading commenced w.e.f. 20.07.2017

OUTLOOK FOR THE YEAR 2017-18:

The Company has sizeable land bank in and around Hyderabad. It plans to develop the land in view of the rapid growth of e-commerce as well as information technology companies in Hyderabad. The plans are subject to necessary legal and regulatory approvals.

SUBSIDIARIES/ ASSOCIATES:

Pursuant to scheme of arrangement, the following Companies have become Subsidiaries of Bhagyanagar Properties Limited w.e.f. 01.04.2016 (Appointed date):

- (i) Scientia Infocom India Private Limited
- (ii) Metropolitan Ventures India Limited

In terms of proviso to sub section (3) of Section 129 of the Act, 2013 read with Companies (Accounts) Rules, 2014, the salient features of the financial statement of the subsidiaries and Associates is set out in the prescribed Form AOC-1, which forms part of the annual report.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements prepared and annexed in accordance with the Accounting Standards 21 and 23 as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India ("SEBI") also forms part of this Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.bhagyanagarproperties.com and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

SHARECAPITAL:

Pursuant to Scheme of Arrangement, the existing paid up share capital of Rs.4,00,00,000/- divided into 2,00,00,000 equity shares of face value Rs.2/- each as on the effective date has been cancelled and the Company issued and allotted 3,19,95,000 equity shares of Rs.2/- each to the shareholders of Bhagyanagar India Limited as per the scheme of arrangement. As on 31.03.2017 the company's issued, subscribed and paid up capital is Rs.6,39,90,000 divided into 3,19,95,000 equity shares of face value of Rs.2/- each.

DIVIDEND:

The Board considering the Company's performance and financial position for the year under review, not recommended dividend for the financial year 2016-17.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems and other material developments during the financial year.

Management Discussion and Analysis Report is presented in a separate section forms part of the Annual Report as Annexure-II.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- (a) That the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2017 and of the profit and loss of the company for that period;
- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the directors have prepared the annual accounts for the financial year 31st March, 2017 on a going concern basis; and
- (e) That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149.

NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR SECURITIES OR INVESTMENTS:

The details of Loans, Guarantees Securities and Investments made during the financial year ended 31st March, 2017 are given in the notes to the Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

RELATED PARTY TRANSACTIONS:

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The policy on materiality of Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's website www.bhagyanagarproperties.com.

EXTRACT OF ANNUAL RETURN:

The Extracts of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 are enclosed as Annexure - III to this Report.

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the Annexure-I forming part of this Report.

RISK MANAGEMENT POLICY:

In terms of the requirement Section 134(3)(n) and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant provisions of the Companies Act 2013

the Company has developed and implemented the Risk Management Policy. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report. At present the Company has not identified any element of risk which may threaten the existence of the company.

BOARD EVALUATION

Since the Company was unlisted as on 31st March, 2017, Board evaluation for the financial year ending 31st March, 2017 was not applicable to your Company. However pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have approved the criteria for performance evaluation of all Directors, the Committees of the Directors and Board as a whole, on the recommendation of the Nomination and Remuneration Committee of the Company.

DIRECTORS:

In compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board of Directors appointed Shri Devendra Surana as Whole-time Director and Shri Sri Nagesh Boorugu, Dr.R.N.Sreenath and Shri D.Venkata Subbaih as Independent Directors and Ms.Vinita Surana as Woman Director of the Company with effect from 17th March, 2017. The said Directors were appointed as Additional Director. Further the Board recommends for the appointment of Directors of the Company as detailed in the Notice of the Annual General Meeting.

Shri Narender Surana, Director of the Company will retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

During the year under review, Shri Manish Surana has tendered his resignation from the Directorship. The Board places on record the valuable contribution made by him during his tenure as Director of the Company.

The brief particulars of the Directors seeking appointment /re-appointment at this Annual General Meeting are being annexed to the Corporate Governance Report.

Pursuant to the provisions of Section 203 of the Act, Shri Narender Surana, Director Shri Devendra Surana, Whole-Time Director, Ms. Bhavana Dagia, Chief Financial Officer and Shri. Rohit Jain, Company Secretary were formalized as the Key Managerial Personnel of the Company.

BOARD COMMITTEES:

In compliance to the provisions of Companies Act, 2013 and SEBI Listing Regulations, the Company has constituted various Committees of the Board. The details on Composition of the Committee, Attendance of the Directors at the Committee Meeting and terms of reference of the Committee has been provided in the Corporate Governance Report.

MEETINGS:

During the financial year under review, 7(Seven) Board Meetings were convened and held. The details of which are

given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and the Listing Regulations.

DEPOSITS:

The Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

STATUTORY AUDITORS:

M/s. Sekhar & Co., Chartered Accountants, Statutory Auditors of the Company appointed by the shareholders at the 9th Annual General Meeting held on 15th September, 2015 for a period of 5 (Five) years from the conclusion of 9th Annual General Meeting (AGM) till the conclusion of 14th Annual General Meeting (AGM) of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM).

Since the Company became listed company w.e.f. 20.07.2017 and falling under the criteria as prescribed under section 139(2) of the Companies Act, 2013. Accordingly it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section and applicable Rules. The Audit Committee of the Company has proposed and the Board of Directors has recommended the appointment of M/s. Luharuka & Associates, Chartered Accountants (Firm Registration No.001882S) as Statutory Auditors of the Company. M/s. Luharuka & Associates will hold office for a period of five consecutive years from the conclusion of the 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held in 2022, subject to the approval of the shareholder of the Company. The first year of audit will be of the financial statements for the year ending 31st March, 2018. Accordingly, a resolution seeking members' approval on appointment of M/s. Luharuka & Associates, Chartered Accountants, as the Statutory Auditors of the Company for a period of five consecutive years is included at Item No. 3 of the Notice convening the Annual General Meeting.

AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks made by M/s.Sekhar & Co, Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31st March, 2017.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

COST AUDITORS:

The Board of Directors, subject to the approval of the Central Government, appointed M/s BVR & Associates, Cost Accountants, holding certificate of practice No.16851, as a Cost Auditor for conducting the Cost Audit for the financial year 2017-18. Subject to section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 issued by the MCA, the Audit Committee recommended their appointment. The Company has also received a letter from the Cost Auditor, stating that the appointment, if made,

will be within the limits prescribed pursuant to the section 141 of Companies Act, 2013.

CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

A separate report on corporate governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliances forms an integral part of this Report.

VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

SECRETARIAL AUDIT:

The Secretarial Audit Report was not applicable for the financial year 2016-17, since our Company was unlisted as on 31st March, 2017.

REMUNERATION AND PARTICULARS OF EMPLOYEES:

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required, since the Company is an unlisted company as on 31st March, 2017. The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control system is commensurate with its size, scale and complexities of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

CHANGE IN NATURE OF BUSINESS

There is no change in nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

Except the Scheme of arrangement sanctioned by the Hon'ble High Court as mentioned above, there are no significant

and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

The Company's shares were listed on BSE Limited (BSE) and National Stock Exchange of Limited (NSE) and the trading commenced w.e.f. 20.07.2017 Further, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

HUMAN RESOURCES:

The industrial relations of the Company continued to be harmonious during the year under review.

POLICY ON SEXUAL HARRASSEMENT

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2017, the Company has not received any Complaints pertaining to Sexual Harassment.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ACKNOWLEDGEMENTS:

The Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of the Board of Directors

NARENDER SURANA
DIRECTOR
DIN:00075086

DEVENDRA SURANA
WHOLE-TIME DIRECTOR
DIN:00077296

Place: Secunderabad
Date: 01.08.2017

**PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Information Under Section 134(3)(m) of The Companies Act, 2013,
Read with Rules 8(3) of the Companies (Accounts) Rules, 2014)

FORM - A

1. CONSERVATION OF ENERGY:

- (i) Energy Conservation measures : N.A
- (ii) Total energy consumption : N.A.

2. TECHNOLOGY ABSORPTION

:

FORM - B

(Disclosure of particulars with respect to Technology Absorption)

A. Research and Development (R & D) :

- 1. Specific areas in which R & D is carried out by the Company : NIL
- 2. Benefits derived as a result of the above R & D : NIL
- 3. Future plan of action : The Company plans to develop the company's land property.
- 4. Expenditure on R & D : No expenditure was incurred on Research & Development

B. Technology absorption, adaptation and innovation : NIL

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Activities relating to exports and initiatives taken to increase export products and services and export plans : NIL
- Total Foreign Exchange used and earned :
- Used : Nil
- Earned : Nil

For and on behalf of the Board of Directors

Place: Secunderabad
Date: 01.08.2017

NARENDER SURANA
DIRECTOR
DIN:00075086

DEVENDRA SURANA
WHOLE-TIME DIRECTOR
DIN:00077296

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S OVERVIEW

Bhagyanagar Properties Limited was incorporated on 25th April, 2006. During the year 2016-17, a Scheme of arrangement was entered by the Company with M/s. Bhagyanagar India Limited which was sanctioned by the Hon'ble High Court of Andhra Pradesh & Telangana on 21.11.2016 and became effective on 23.01.2017. Pursuant to which the "Real Estate Undertaking" of Bhagyanagar India Limited merged with the Company. The shares of the Company were listed on Stock Exchanges w.e.f. 02.07.2017. The Company is at initial stage of operations and planning to develop the land situated at the prime IT Centres of the City, in view of the rapid growth of e-commerce with a focus on customer satisfaction and evolving itself into country's one of the most promising mid cap companies.

REAL ESTATE DIVISION

Industry Analysis:

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

India continues to hold its position as the world's fastest growing G-20 economy, on the back of improved investor confidence and better policy reforms. The Indian real estate market is expected to touch US\$ 180 billion by 2020. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.28 billion in the period April 2000-December 2016. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

2016 being the year of landmark decisions for the Indian real estate industry, the sector saw concerted efforts by the Government to bring in transparency as well as boost consumer sentiment in the sector, especially in the residential market. Demand for quality space in the logistics sector crossed 10 million sq. ft. mark in 2016 with smaller cities such as Hyderabad, Chennai, Kolkata and Pune accounting for almost half of leasing activity. Demand for warehousing space is anticipated to remain robust throughout 2017 with consolidation being amongst the biggest drivers. In line with an increased demand, the supply of modern warehousing and industrial parks is also anticipated to increase over the next few years. GST to have a large impact on the sector in the long term; demand to increase over the next 12-24 months.

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. The Government of India has launched various plans to transform urban India viz. Smart Cities Mission, Housing for All by 2022, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and undertook measures to improve the Country's infrastructures.

Business outlook:

The Company is fortunate to have most of its land situated at prime IT centres of the city where e-commerce companies thrive most of its business for better support and competitive edge. Moreover, there is a constant rise in the demand of large ware houses and storage units in the areas where the company is having huge properties to give on rent. The Company has already commissioned a pilot project by constructing a warehouse. Presently the Company is having tenants like Big Basket & Amazon etc.

The year 2017 would be a year of better opportunities for commercial development as we've finally taken a major step to get rid of the state of policy paralysis that our country has been struggling with for a long time. Overall we see that the Real Estate sector is showing remarkable growth as compared to last year. By introducing policies namely, RERA, Benami Transaction Prohibition, REITS, GST there is a long-term industrial growth and it also impacts on ease of business by transparency at work. Consequently, we believe that the Indian real estate sector will emerge stronger, healthier and capable of long periods of sustained growth, provided adequate policy/ regulatory support.

RISKS AND CONCERNS

Inadequate risk management is a primary cause of concern indicated by most organizations in India. To be in a position to have fully identified all risks associated with a project and have a response plan for each; that is clearly a benchmark most organizations acknowledge, nevertheless, do little about it. Risk Management by its very nature is flawed because it only identifies the things project managers know; it fails to appreciate the "unknown", "unknowns", the "un-controllable". That said, the more risks identified and planned for, the better position the project team is in to deliver a successful project. Risk Management has been identified as a best practice by most respondents. Moreover, there is a growing concern among Organizations about inaccurate risk identification. The project will yield continuous flow of revenue for the Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled. The Company designs and maintains accounting and internal control systems to provide reasonable assurance at

reasonable cost that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organizational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits.

FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:

A. FINANCIAL CONDITION:

Capital Structure:

The Equity Share Capital of the Company is Rs. 63,990,000/- comprising of 31,995,000 Equity Shares of Rs.2/- each fully paid.

Reserves and Surplus:

The Reserves and Surplus of the Company as on 31.03.2017 stand at Rs. 929,374,694/- as compared to Rs. (2,537,360) in the previous year.

Fixed Assets:

During the year, the Company has added Fixed Assets amounting to Rs. 9,278,188 making the gross fixed assets as on 31.03.2017 to Rs. 564,548,901.

Sundry Debtors:

Sundry debtors reduced to Rs. 283,456 as on 31st March, 2017 as against Rs. 326,250 in the previous year. These debtors are considered good and realizable.

Cash and Bank Balances:

Cash and Bank balances with Scheduled Banks stood to Rs. 34,359 as against Rs. 1,873,605 in the previous years.

Loans and Advances:

Long Term Loans and Advances is Rs. 389,886,270 as against Nil in the previous year.

Short Long Term Loans and Advances is Rs. 44,874,185 as against Nil in the previous year.

Current Liabilities:

Current Liabilities for the F.Y. 2016-17 is Rs. 42,312,389 as against Rs. 2,146,750 in the previous Year.

B. OPERATIONAL RESULTS :

Turnover:

During the year 2016-2017 the turnover of the Company was Rs. 24,686,764 as compared to Rs. 326,250 in the previous year.

The Income from other sources as on 31st March, 2017 was Rs. 11,575 compared to Rs. Nil in the previous year.

Depreciation:

The Company has provided a sum of Rs. 91,488 towards depreciation for the year as against Rs. 103,424 in the previous year.

Provision for Tax:

The Company has provided a current tax of Rs. 2,655,970 as against Nil in the previous year.

Net Profit:

The Net Profit of the Company after tax is Rs. 11,271,193 as against Rs. 27,033 in the previous year.

Earnings Per Share:

The Earnings Per Share of the Company as on 31st March, 2017 is Rs. 0.35 per share for Face Value of Rs.2/- as against Rs. 0.01 per share for Face Value of Rs.10/- in the previous year.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

The Company believes that the Company's growth and future success depend largely on the skills of the Company's workforce, including executives and officers, as well as the designers and engineers and the attraction of critical skills. The loss of the services of one or more of these employees could impair the Company's ability to continue to implement its business strategy. The Company's success also depends, on its continued ability to attract and retain experienced and qualified employees. The Company is committed to building the competencies of its employees and improving their performance through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges.

Some of the focus areas in training in the last year centered on leadership, innovation management and internationalization besides other training programmes to drive a change in the Company's employees' outlook as it continue to develop as a global competitor.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws and other statutes and incidental factors.

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9**I. REGISTRATION AND OTHER DETAILS:**

| | |
|---|---|
| CIN | U70102TG2006PLC050010 |
| Registration Date | 25 th April, 2006 |
| Name of the Company | BHAGYANAGAR PROPERTIES LIMITED |
| Category / Sub-Category of the Company | Company limited by shares/ Indian-Non Government Company |
| Address of the Registered Office and contact details | 5 th Floor, Surya Towers, Sardar Patel Road, Secunderabad-500 003. Ph.No: 040-44665700` |
| Whether listed company | Yes (Listed on BSE & NSE w.e.f.20.07.2017) |
| Name, address and contact details of Registrar and Transfer Agent, if any | Karvy Computershare Pvt. Ltd Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008 Phone # +91-40-67162222, Fax # 91-40-23420814, Email ID : einward.ris@karvy.com Website : http://www.karvy.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

| Name and Description of main Products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
|--|-----------------------------------|------------------------------------|
| Real estate activities with own or leased property | 681 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Name and address of the Company | CIN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--|-----------------------|--------------------------------------|------------------|--------------------|
| Scientia Infocom India Private Limited | U72200TG2005PTC047966 | Subsidiary | 76.00 | 2(87) |
| Metropolitan Ventures India Limited | U45200TG2007PLC053036 | Subsidiary | 100 | 2(87) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**i) Category-wise Shareholding:**

| Category of Shareholder | No. of shares held at the beginning of the year 01/04/2016 | | | | No. of shares held at the end of the Year 31/03/2017 | | | | % Change during the year |
|--|--|----------------|----------------|-------------------|--|--------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % Of Total Shares | Demat | Physical | Total | % Of Total Shares | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (XI) | (X) |
| (A) PROMOTER AND PROMOTER GROUP | | | | | | | | | |
| 1) INDIAN | | | | | | | | | |
| a) Individual /HUF | 0 | 50 | 50 | 0.001 | 18422150 | 0 | 18422150 | 57.58 | -0.62 |
| b) Central Government/State Governments) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporate | 0 | 3999950 | 3999950 | 99.999 | 5552091 | 19347 | 5571528 | 17.41 | -0.08 |
| d) Financial Institutions / Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total A1) : | 0 | 4000000 | 4000000 | 100.00 | 23974241 | 19437 | 23993678 | 74.99 | -0.70 |



| Category of Shareholder | No. of shares held at the beginning of the year 01/04/2016 | | | | No. of shares held at the end of the Year 31/03/2017 | | | | % Change during the year |
|---|--|----------------|----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % Of Total Shares | Demat | Physical | Total | % Of Total Shares | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (XI) | (X) |
| 2) FOREIGN | | | | | | | | | |
| a) Individuals NRIs/Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total A2) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total A=A1)+A2) | 0 | 4000000 | 4000000 | 100.00 | 23974241 | 19437 | 23993678 | 74.99 | -0.70 |
| B) PUBLIC SHAREHOLDING | | | | | | | | | |
| 1) INSTITUTIONS | | | | | | | | | |
| a) Mutual Funds /UTI | 0 | 0 | 0 | 0 | 0 | 5250 | 5250 | 0.02 | 0.00 |
| b) Financial Institutions /Banks | 0 | 0 | 0 | 0 | 748085 | 0 | 748085 | 2.34 | 0.00 |
| c) Central Government / State Governments) | 0 | 0 | 0 | 0 | 88350 | 0 | 88350 | 0.28 | 0.00 |
| d) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Foreign Institutional Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total B1) : | 0 | 0 | 0 | 0 | 836435 | 5250 | 841685 | 2.63 | 0.00 |
| 2) NON-INSTITUTIONS | | | | | | | | | |
| a) Bodies Corporate | 0 | 0 | 0 | 0 | 512279 | 6097 | 518376 | 1.62 | 0.10 |
| b) Individuals | | | | | | | | | |
| i) Individuals holding nominal share capital upto Rs.2 lakh | 0 | 0 | 0 | 0 | 4332279 | 382367 | 4714646 | 14.74 | -1.56 |
| ii) Individuals holding nominal share capital in excess of Rs.2 lakh | 0 | 0 | 0 | 0 | 1821044 | 0 | 1821044 | 5.69 | 0.69 |
| c) Others | 0 | 0 | 0 | 0 | | | | | |
| Clearing members | 0 | 0 | 0 | 0 | 1592 | 0 | 1592 | 0.00 | 0.01 |
| NBFC | 0 | 0 | 0 | 0 | 10568 | 0 | 10568 | 0.03 | 0.01 |
| Non Resident Indians | 0 | 0 | 0 | 0 | 90205 | 0 | 90205 | 0.28 | 1.47 |
| NRI Non-Repatriation | 0 | 0 | 0 | 0 | 1960 | 0 | 1960 | 0.01 | -0.01 |
| Trusts | 0 | 0 | 0 | 0 | 250 | 646 | 896 | 0.00 | 0.00 |
| d) Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total B2) : | 0 | 0 | 0 | 0 | 6770527 | 389110 | 7159637 | 22.38 | 0.70 |
| Total B=B1)+B2) | 0 | 0 | 0 | 0 | 7606962 | 394360 | 8001322 | 25.01 | 0.70 |
| Total A+B) : | 0 | 4000000 | 4000000 | 100.00 | 31581203 | 413797 | 31995000 | 100.00 | 0.00 |
| C) Shares held by custodians, against which Depository Receipts have been issued | | | | | | | | | |

| Category of Shareholder | No. of shares held at the beginning of the year 01/04/2016 | | | | No. of shares held at the end of the Year 31/03/2017 | | | | % Change during the year |
|--------------------------------|--|----------------|----------------------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % Of Total Shares | Demat | Physical | Total | % Of Total Shares | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (XI) | (X) |
| 1) Promoter and Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| 2) Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| GRAND TOTAL (A+B+C) : | 0 | 4000000 | 4000000[#] | 100.00 | 31581203 | 413797 | 31995000 | 100.00 | |

Note: # Pursuant to the Scheme of Arrangement the existing paid up capital of Company has been cancelled and fresh equity shares have been issued to the shareholders of Bhagyanagar India Limited (Demerged Company) on 17.03.2017.

ii) Shareholding of Promoters:

| Sl. No | Shareholders Name | Shareholding at the beginning of the year (as on 01.04.2016) | | | Shareholding at the end of the year (as on 31.03.2017) | | | % change in shareholding during the year |
|--------|--|--|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Advait Surana | - | - | - | 1,61,541 | 0.50 | - | - |
| 2 | Bhagyanagar Securities Private Limited | - | - | - | 81,223 | 0.25 | - | - |
| 3 | Chand Kanwar | - | - | - | 17,04,949 | 5.33 | - | - |
| 4 | Devendra Surana | 10 | 0.002 | - | 22,81,882 | 7.13 | - | - |
| 5 | Devendra Surana (HUF) | - | - | - | 67,500 | 0.21 | - | - |
| 7 | G M Surana (HUF) | - | - | - | 1,78,775 | 0.56 | - | - |
| 8 | G M Surana (MHUF) | - | - | - | 1,66,380 | 0.52 | - | - |
| 9 | GM Surana | - | - | - | 17,10,990 | 5.35 | - | - |
| 10 | Manish Surana | 10 | 0.002 | - | 24,66,704 | 7.71 | - | - |
| 11 | Mitali Surana | 10 | 0.002 | - | 3,00,000 | 0.94 | - | - |
| 12 | Namrata Surana | 10 | 0.002 | - | 18,70,335 | 5.85 | - | - |
| 13 | Narender Surana | 10 | 0.002 | - | 26,86,954 | 8.40 | - | - |
| 15 | Narender Surana (HUF) | - | - | - | 1,06,500 | 0.33 | - | - |
| 16 | Nivruthi Surana | - | - | - | 3,47,500 | 1.09 | - | - |
| 17 | Rahul Surana | - | - | - | 14,04,500 | 4.39 | - | - |
| 18 | Shresha Surana | - | - | - | 5,80,613 | 1.81 | - | - |
| 20 | Sunita Surana | 10 | 0.002 | - | 16,38,335 | 5.12 | - | - |
| 21 | Surana Infocom Private Limited | - | - | - | 43,45,139 | 13.58 | - | - |
| 23 | Surana Telecom and Power Limited | - | - | - | 11,45,166 | 3.58 | - | - |
| 25 | Vinita Surana | - | - | - | 7,48,692 | 2.34 | - | - |
| 26 | Bhagyanagar India Limited | 39,99,940 | 99.99 | - | - | - | - | - |
| | Total | 40,00,000* | 100.00 | - | 2,39,93,678 | 74.99 | - | - |

Note: * Pursuant to the Scheme of Arrangement the existing paid up capital of Company has been cancelled and fresh equity shares have been issued to the shareholders of Bhagyanagar India Limited (Demerged Company) on 17.03.2017.

ii) **Change in Promoters' Shareholding (Please specify, if there is no change):** During the year under review the company has entered into scheme of arrangement and pursuant to the scheme of arrangement the existing shares of the company have been cancelled and fresh equity shares have been allotted to the shareholders of Bhagyanagar India Limited.

| Sl. No | Name of the Share Holder | Shareholding at the beginning of the Year (as on 01.04.2016) | | Increase / Decrease in shareholding (as on 31.03.2017) | | | Cumulative Shareholding during the Year | |
|--------|--|--|----------------------------------|--|--------------------|-----------|---|----------------------------------|
| | | No of Shares | % of total shares of the company | Date | No. of shares | Reason | No of Shares | % of total shares of the company |
| 1. | Advait Surana | - | - | 17.03.2017 | 1,61,541 | Allotment | 1,61,541 | 0.50 |
| 2 | Bhagyanagar Securities Private Limited | - | - | 17.03.2017 | 81,223 | Allotment | 81,223 | 0.25 |
| 3 | Chand Kanwar | - | - | 17.03.2017 | 17,04,949 | Allotment | 17,04,949 | 5.33 |
| 4 | Devendra Surana | 10 | 0.002 | 17.03.2017 | 22,81,882 | Allotment | 22,81,882 | 7.13 |
| 5 | Devendra Surana (HUF) | - | - | 17.03.2017 | 67,500 | Allotment | 67,500 | 0.21 |
| 7 | G M Surana (HUF) | - | - | 17.03.2017 | 1,78,775 | Allotment | 1,78,775 | 0.56 |
| 8 | G M Surana (MHUF) | - | - | 17.03.2017 | 1,66,380 | Allotment | 1,66,380 | 0.52 |
| 9 | GM Surana | - | - | 17.03.2017 | 17,10,990 | Allotment | 17,10,990 | 5.35 |
| 10 | Manish Surana | 10 | 0.002 | 17.03.2017 | 24,66,704 | Allotment | 24,66,704 | 7.71 |
| 11 | Mitali Surana | 10 | 0.002 | 17.03.2017 | 3,00,000 | Allotment | 3,00,000 | 0.94 |
| 12 | Namrata Surana | 10 | 0.002 | 17.03.2017 | 18,70,335 | Allotment | 18,70,335 | 5.85 |
| 13 | Narender Surana | 10 | 0.002 | 17.03.2017 | 26,86,954 | Allotment | 26,86,954 | 8.40 |
| 15 | Narender Surana (HUF) | - | - | 17.03.2017 | 1,06,500 | Allotment | 1,06,500 | 0.33 |
| 16 | Nivruthi Surana | - | - | 17.03.2017 | 3,47,500 | Allotment | 3,47,500 | 1.09 |
| 17 | Rahul Surana | - | - | 17.03.2017 | 14,04,500 | Allotment | 14,04,500 | 4.39 |
| 18 | Shresha Surana | - | - | 17.03.2017 | 5,80,613 | Allotment | 5,80,613 | 1.81 |
| 20 | Sunita Surana | 10 | 0.002 | 17.03.2017 | 16,38,335 | Allotment | 16,38,335 | 5.12 |
| 21 | Surana Infocom Pvt Ltd | - | - | 17.03.2017 | 43,45,139 | Allotment | 43,45,139 | 13.58 |
| 23 | Surana Telecom and Power Limited | - | - | 17.03.2017 | 11,45,166 | Allotment | 11,45,166 | 3.58 |
| 25 | Vinita Surana | - | - | 17.03.2017 | 7,48,692 | Allotment | 7,48,692 | 2.34 |
| 26 | Bhagyanagar India Ltd | 39,99,940 | 99.99 | 17.03.2017 | - | - | - | 0.00 |
| | Total | 40,00,000# | 100.00 | | 2,39,93,678 | | 2,39,93,678 | 74.99 |

The Shareholding at the beginning of the year 01.04.2016 has been cancelled as per the Scheme of Arrangement.

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No | Name of the Share Holder | Shareholding at the beginning of the Year | | Increase / Decrease in shareholding | | | Cumulative Shareholding during the Year | |
|--------|--|---|----------------------------------|-------------------------------------|---------------|--------|---|----------------------------------|
| | | No of Shares | % of total shares of the company | Date | No. of shares | Reason | No of Shares | % of total shares of the company |
| 1 | Sambhav Munoth | 0 | 0.00 | - | - | - | 1,18,349 | 2.57 |
| 2 | United India Insurance Company Limited | 0 | 0.00 | - | - | - | 4,75,106 | 2.57 |
| 3 | Narender M | 0 | 0.00 | - | - | - | 3,68,436 | 1.15 |
| 4 | Ujjwal Manohar Chawathe | 0 | 0.00 | - | - | - | 3,83,967 | 1.20 |
| 5 | Arun Kumar Jain | 0 | 0.00 | - | - | - | 2,79,165 | 0.87 |
| 6 | General Insurance Corporation of India | 0 | 0.00 | - | - | - | 2,72,709 | 0.85 |
| 7 | Vaibhav Mutha | 0 | 0.00 | - | - | - | 2,57,500 | 0.80 |
| 8 | Nikita Luharuka | 0 | 0.00 | - | - | - | 1,01,299 | 0.32 |
| 9 | PCS Securities Ltd | 0 | 0.00 | - | - | - | 96,988 | 0.30 |
| 10 | AP Industrial Development Corporation | 0 | 0.00 | - | - | - | 88,350 | 0.28 |

Note: Pursuant to the Scheme of Arrangement the existing paid up capital of Company has been cancelled and fresh equity shares have been issued to the shareholders of Bhagyanagar India Limited (Demerged Company) on 17.03.2017.

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name of the Directors | Shareholding at the beginning of the year (as on 01.04.2016) | | Change in Shareholding | | Shareholding at the end of the year (as on 31.03.2017) | |
|---------|--|--|----------------------------------|------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of total shares of the Company | Increase | Decrease | No. of Shares | % of total shares of the Company |
| 1 | Narender Surana | 10 | 0.002 | - | - | 2686954 | 8.40 |
| 2 | Devendra Surana | 10 | 0.002 | - | - | 2281882 | 7.13 |
| 3 | Ms. Vinita Surana* | - | - | - | - | 748692 | 2.34 |
| 4 | Shri. Nagesh Boorugu* | - | - | - | - | 3600 | 0.01 |
| 5 | Dr R. N. Sreenath* | - | - | - | - | - | - |
| 6 | Shri. D Venkata Subbaiah* | - | - | - | - | - | - |
| 7 | Shri. Manish Surana# | 10 | 0.002 | - | - | 2466704 | 7.71 |
| S. No. | Name of the Key Managerial Personnel (KMP) | Shareholding at the beginning of the year | | Change in Shareholding | | Shareholding at the end of the year | |
| | | No. of Shares | % of total shares of the Company | Increase | Decrease | No. of Shares | % of total shares of the Company |
| 1. | Bhavana Dagia* Chief Financial Officer | - | - | - | - | - | - |
| 2 | Rohit Jain* Company Secretary | - | - | - | - | - | - |

* Appointed as Director/ KMP w.e.f 17.03.2017

Resigned from the Board w.e.f.17.03.2017.

Note: Pursuant to the Scheme of Arrangement the existing paid up capital of Company has been cancelled and fresh equity shares have been issued to the shareholders of Bhagyanagar India Limited (Demerged Company) on 17.03.2017.

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in Rs.)

| | Secured Loans Excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|---------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 56,11,00,555 | - | 56,11,00,555 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 56,11,00,555 | - | 56,11,00,555 |
| Change in Indebtedness during the financial year | - | | - | |
| Addition | - | - | - | - |
| Reduction | - | 56,11,00,555 | - | 56,11,00,555 |
| Net Change | - | 56,11,00,555 | - | 56,11,00,555 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. No. | Particulars of Remuneration | Devendra Surana, Whole Time Director | Total Amount (Rs.) |
|---------|---|--------------------------------------|--------------------|
| 1 | Gross Salary | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - |
| 2 | Stock Options | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as % of profit - others, specify.... | | |
| 5 | Others, please specify | - | - |
| | Total (A) | - | - |

B. Remuneration to other Directors:**1. Independent Directors:**

| Sl. No. | Particulars of remuneration | Name of Director | | | Total Amount (Rs.) |
|---------|--|-----------------------|--------------------|-------------------|--------------------|
| | | Shri. Nagesh Boorugu* | D.Venkata Subbiah* | Dr. R.N Sreenath* | |
| 1 | Sitting Fee for attending Board/Committee Meetings | 3000 | 3000 | 3000 | 9,000 |
| 2 | Commission | - | - | - | - |
| 3 | Others, please specify | - | - | - | - |
| | Total (B)(1) | 3000 | 3000 | 3000 | 9,000 |

The company has appointed Independent Directors on 17.03.2017. During the year under review the Company has held only one Board Meeting on 17.03.2017 and No Audit Committee Meeting held during the year under review.

2. Other Non-Executive Directors:

| Particulars of remuneration | Narender Surana, Director | Vinita Surana, Director | Total Amount (Rs.) |
|---|------------------------------|----------------------------|--------------------|
| -Fee for attending Board/Committee Meetings | - | - | - |
| - Commission | - | - | - |
| - Others, please specify | - | - | - |
| Total | - | - | - |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

| Sl. No. | Particulars of Remuneration | *Bhavana Dagia Chief Financial Officer | *Rohit Jain Company Secretary | Total Amount (Rs.) |
|---------|---|---|----------------------------------|-----------------------|
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - | - |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2 | Stock Options | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - Others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (C) | - | - | - |

* Appointed as Chief Financial Officer and Company Secretary w.e.f 17.03.2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-------------------------------------|---------------------------------|----------------------|--|-------------------------------------|--|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

REPORT ON CORPORATE GOVERNANCE

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”), the report containing the details of Corporate Governance systems and processes at Bhagyanagar Properties Limited is as follows:

The stakeholders may please note that Bhagyanagar Properties Limited was an unlisted public company during the financial year 2016-17. The Company was listed pursuant to the Scheme of Arrangement with M/s. Bhagyanagar India Limited. The Company’s shares are being traded in BSE and NSE from 20.07.2017. As the Company was unlisted, certain information could not be provided in this report due to non-applicability of regulations/provisions. However this being the first Annual Report after listing, the Company intends to provide all necessary information, wherever applicable in view of better Corporate Governance Practices.

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company follows the principles of fair representation and full disclosure in all its dealings and communications. The Company’s annual report, results presentations and other forms of corporate and financial communications provide extensive details and convey important information on a timely basis. Your company’s philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders, employees, government and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time. The Company’s core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders’ wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

With a view to align the Board Composition with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has been reconstituted on 17.03.2017. The Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31, 2017, the Board of Directors (“Board”) comprises of Six Directors, of which 5 are Non-Executive Directors and one is Executive Director. The Company has Three Independent Directors; Independent Directors comprise half of the total strength of the Board. The composition and category of the Board of Directors is as follows:

| Sl. No | Name of Director | Designation | Category |
|--------|----------------------------------|---------------------|-----------------------------------|
| 1 | Shri. Narender Surana | Director | Non-Executive Director (Promoter) |
| 2 | Shri. Devendra Surana | Whole Time Director | Executive Director (Promoter) |
| 3 | Ms. Vinita Surana | Director | Non-Executive Director |
| 4 | Shri. Sri Nagesh Boorugu | Director | Independent Director |
| 5 | Dr R. N. Sreenath | Director | Independent Director |
| 6 | Shri. D Venkata Subbaiah | Director | Independent Director |
| 7 | Shri. Manish Surana [#] | Director | Non-Executive Director (Promoter) |

[#] Resigned from the Board w.e.f.17.03.2017

b) Attendance of each director at the Board meetings and at the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2017 has been set out here below:

| Sl. No | Name of Director | No. of Board Meetings | | Attendance at last AGM on 04.06.2016 |
|--------|---------------------------|-----------------------|----------|--------------------------------------|
| | | Held | Attended | |
| 1 | Shri. Narender Surana | 7 | 7 | Present |
| 2 | Shri. Devendra Surana | 7 | 7 | Present |
| 3 | Ms. Vinita Surana* | 1 | 1 | NA |
| 4 | Shri. Sri Nagesh Boorugu* | 1 | 1 | NA |
| 5 | Dr R. N. Sreenath* | 1 | 1 | NA |
| 6 | Shri. D Venkata Subbaiah* | 1 | 1 | NA |
| 7 | Shri. Manish Surana# | 6 | 6 | Present |

* Appointed as director on the Board w.e.f 17.03.2017

Resigned from the Board w.e.f.17.03.2017.

c) Number of Other Directorships, Committee Membership(s) & Chairmanship(s):

| Sl. No. | Name of the Director | Other Directorships | Committee Membership | Committee Chairmanship |
|---------|---------------------------|---------------------|----------------------|------------------------|
| 1 | Shri. Narender Surana | 17 | 3 | - |
| 2 | Shri. Devendra Surana | 17 | 3 | - |
| 3 | Ms. Vinita Surana* | 18 | - | - |
| 4 | Shri. Nagesh Boorugu* | 1 | - | 1 |
| 5 | Dr R. N. Sreenath* | 5 | 3 | - |
| 6 | Shri. D Venkata Subbaiah* | 3 | 2 | 3 |
| 7 | Shri. Manish Surana# | 18 | - | - |

* Appointed as Director on the Board w.e.f. 17.03.2017

Resigned from the Board w.e.f. 17.03.2017.

- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.
- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015

d) Number of Board Meetings held and the date on which held:

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Seven Board Meetings were held during the financial year ended 31.03.2017, as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are:

| | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|
| 12.05.2016 | 30.07.2016 | 31.10.2016 | 22.11.2016 | 10.12.2016 | 19.12.2016 | 17.03.2017 |
|------------|------------|------------|------------|------------|------------|------------|

e) Disclosure of relationship between directors inter-se

Shri Narender Surana, Director and Shri Devendra Surana, Whole-Time Directors of the Company are Brothers and Ms.Vinita Surana is daughter of Shri Narender Surana, Director. Except Shri Narender Surana and Shri Devendra Surana and Ms.Vinita Surana, none of the Directors are related to any other Director.

f) Shares held by Non-Executive Directors

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2017 are as follows:

| Sl.No | Name of the Director | No of Equity Shares |
|-------|--------------------------|---------------------|
| 1 | Shri. Narender Surana | 26,86,954 |
| 2 | Ms. Vinita Surana | 7,48,692 |
| 3 | Shri. Sri Nagesh Boorugu | 3,600 |
| 4 | Dr R. N. Sreenath | Nil |
| 5 | Shri. D Venkata Subbaiah | Nil |

g) The details of familiarization programs imparted to independent directors:

Your Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization program is available on the website: <http://www.bhagyanagarindia.com/investor-relations.php>

**COMMITTEES OF THE BOARD**

The Committee of Directors has been constituted by the Board of Directors of the Company in their meeting held on 17th March, 2017. The composition and terms of reference of these committees are approved by the Board and are in line with the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The following statutory Committees were established by the Board:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

1. AUDIT COMMITTEE:**(a) Brief description of terms of reference:**

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing the annual financial statements and auditor's report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) compliance with listing requirements etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

(b) Composition, Name of members and Chairman:

As on March 31, 2017, the Audit Committee of the Board comprises of three (3) Independent Directors. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

| Sl.No | Name of Director | Designation |
|-------|--------------------------|-------------|
| 1 | Shri. Sri Nagesh Boorugu | Chairman |
| 2 | Dr.R.N.Sreenath | Member |
| 3 | Shri. D.Venkata Subbaih | Member |

(c) Meetings and attendance during the year:

Since the Committee was constituted on 17th March, 2017, no meeting of the committee were held during the financial year 2016-17.

2. NOMINATION & REMUNERATION COMMITTEE:

a. Brief description of terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Carry on the evaluation of every director's performance;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

b. Composition, Name of members and Chairman:

The Nomination and Remuneration Committee was constituted by the Board with 3 Independent Directors. The following is the composition of the Board.

| Sl.No | Name of Director | Designation |
|-------|--------------------------|-------------|
| 1. | Dr.R.N.Sreenath | Chairman |
| 2. | Shri. Sri Nagesh Boorugu | Member |
| 3. | Shri. Narender Surana | Member |

* The Company Secretary acts as the Secretary of the Committee.

c. Nomination and Remuneration Committee meetings & Attendance

Since the Committee was constituted on 17th March, 2017, no meeting of the committee were held during the year under review.

d. Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.
- The Non-executive directors are paid sitting fees for attending meetings of Board/ Committee.

e. Performance evaluation of Directors.

Since the Company was unlisted as on 31st March, 2017, Board evaluation for the financial year ending 31st March, 2017 was not applicable to your Company. However pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has approved the criteria for performance evaluation of all Directors, the Committees of the Directors and Board as a whole, on the recommendation of the Nomination and Remuneration Committee of the Company.

INDEPENDENT DIRECTORS' MEETING:

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulation, 2015, a meeting of the Independent Directors of the Company will be held during the current financial year 2017-18, without the attendance of Non-Independence Directors and members of the management.

5. Remuneration of Directors

(a) Details of Remuneration of Non – Executive Directors:

- There were no pecuniary transactions with any non-executive director of the Company.
- Non-Executive Directors are paid Sitting Fee for attending the Board and Committee Meetings.

During the financial under review the company has paid sitting fees to the Non-Executive Directors on 17.03.2017 only. There were no Audit Committee held during the year under review.

| S. No. | Name of Director | Sitting Fees paid (Rs.) |
|--------------|--------------------------|-------------------------|
| 1. | Shri. Sri Nagesh Boorugu | 3000 |
| 2. | Dr.R.N.Sreenath | 3000 |
| 3. | Shri. D.Venkata Subbaih | 3000 |
| Total | | 9000 |

Further the company has not paid any sitting fees to Non-Executive Directors for attending Meeting.

- (b) **Details of Remuneration of Executive Directors:** No executive director, during the year under review, is drawing remuneration.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

(a) Brief description of terms of reference:

The Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-id for Investor Grievances: investorservices_bpl@surana.com or cs@surana.com

(b) Composition:

| Sl.No. | Name of Director | Designation |
|--------|-----------------------|-------------|
| 1. | Dr.R.N.Sreenath | Chairman |
| 2. | Shri. Narender Surana | Member |
| 3. | Shri. Devendra Surana | Member |

(c) Name and Designation of Compliance Officer:

Shri Rohit Jain, Company Secretary is acting as Compliance Officer of the Company.

(d) Number of Shareholders complaints received so far.

During the financial year ended March 31, 2017, the Company has received no complaints.

(e) Number of complaints not resolved to the satisfaction of shareholders is Nil.

(f) There were no pending complaints as at the year end.

7. GENERAL BODY MEETINGS:

i) Location and Time, where last three Annual General Meetings held:

| Year | Locations | Date | Time |
|--------------------------------|---|----------------------------------|-----------|
| 10 th AGM (2015-16) | Bhagyanagar Properties Limited, 5 th Floor, Surya Towers, S P Road, Secunderabad - 500 003 | 04 th June, 2016 | 10.00 A.M |
| 09 th AGM (2014-15) | Bhagyanagar Properties Limited, 5 th Floor, Surya Towers, S P Road, Secunderabad - 500 003 | 15 th September, 2015 | 10.00 A.M |
| 08 th AGM (2013-14) | Bhagyanagar Properties Limited, 5 th Floor, Surya Towers, S P Road, Secunderabad - 500 003 | 18 th July, 2014 | 11.30 A.M |

ii. Whether any Special Resolutions passed in the previous 3 Annual General Meetings:

2015-16: In the AGM held on 04th June, 2016 the Company has passed no Special Resolutions.

2014-15: In the AGM held on 15th September, 2015 the Company has passed Special Resolutions as follows:

- Adoption of New Set of Memorandum of Association (MOA) without changing the Main Objects as per companies Act, 2013
- Adoption of New set of Articles of Association (AoA) as per companies Act, 2013.

2013-14: In the AGM held on 18th July, 2014 the company has passed Special Resolutions as follows:

- To authorize the Board to borrow money in Excess of Paid-up Capital and Free Reserves under section 180 (1)(c) of Companies Act, 2013.
- To authorize the Board to sell, Lease or dispose the undertaking under section 180(1)(a) of Companies Act, 2013

ii) Resolution passed through postal ballot during the year 2016-17:

There was no resolution was passed through Postal Ballot during the financial year 2016-17. Further there is no resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting of the Company.

8. MEANS OF COMMUNICATION:

- (a) **Financial / Quarterly Results:** Since the Company was unlisted as on 31st March, 2017, the publication of financial results is not applicable.

(b) Any website, where displayed

The Audited Financial results of the Company are published on the Company's website: www.bhagyanagarproperties.com.

(c) Website:

The website www.bhagyanagarproperties.com contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc.

9. GENERAL SHAREHOLDER INFORMATION:

| | |
|--|---|
| Annual General Meeting | Date : 26 th September, 2017 Time : 01.00 P.M Venue : Grand Solitaire Hotel, 1-240, 41 & 43, S.D. Road, Parklane, Secunderabad-500003 |
| Financial Calendar | 1 st April to 31 st March. |
| Date of Book Closure | 21.09.2017 to 26.09.2017 (both days inclusive) |
| Dividend Payment Date | Not Applicable |
| Listing on Stock Exchanges | BSE Ltd National Stock Exchange of India Limited |
| Scrip/Stock Code | 540621 on BSE BHAGYAPROP on NSE |
| ISIN Number for NSDL & CDSL | INE363W01018 |

The listing fees has been paid to the above stock exchanges viz., BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

- (a) **MARKET PRICE DATA:** Not applicable since the Company was unlisted as on 31st March, 2017.
- (b) **Performance in comparison to BSE SENSEX:** Not applicable since the Company was unlisted as on 31st March, 2017.
- (c) The company was unlisted as on 31st March, 2017, hence there was no suspension of trading in Securities of the Company.

(d) Registrar to an issue & Share Transfer Agents:

Registrar to an issue & Share Transfer Agents (for shares held in both Physical and Demat mode) are as follows:

M/s KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Phone # +91-40-67161526
Email ID: einward.ris@karvy.com / nageswara.raop@karvy.com

(e) Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Transfer Agents.

Share Transfer Committee is authorized to approve transfer of shares in the physical segment. The Shareholders/ Investor Grievance and Share Transfer Committee have delegated the authority for approving transfer and transmission of shares and other related matters to the Company Secretary and Managing Director of the Company. Such transfers take place on fortnightly basis. A summary of all the transfers/ transmissions etc. so approved is placed at every Committee meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

In compliance with the SEBI Listing Regulations, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

(f) Distribution of shareholding**(i) Shareholding Pattern as on 31st March, 2017:**

| Sl. No | Description | Total Shares | % Equity |
|--------|----------------------------|--------------|----------|
| 1 | Promoters | 1,84,22,150 | 57.58 |
| 2 | Promoters Bodies Corporate | 55,71,528 | 17.41 |
| 3 | Banks | 270 | 0.00 |
| 4 | Clearing Members | 1,592 | 0.00 |
| 5 | Government | 88,350 | 0.28 |
| 6 | H U F | 2,40,713 | 0.75 |

| Sl. No | Description | Total Shares | % Equity |
|--------|-------------------------------------|--------------------|---------------|
| 7 | Indian Financial Institutions | 7,47,815 | 2.34 |
| 8 | Bodies Corporates | 5,18,376 | 1.62 |
| 9 | Resident Individuals | 62,94,977 | 19.67 |
| 10 | Trusts | 896 | 0.00 |
| 11 | Mutual Funds | 5,250 | 0.02 |
| 12 | NBFC | 10,568 | 0.03 |
| 13 | Non Resident Indians | 90,205 | 0.28 |
| 14 | Non Resident Indian Non-repatriable | 1,960 | 0.01 |
| 15 | Non Resident Indian Repatriable | 350 | 0.00 |
| | Total: | 3,19,95,000 | 100.00 |

(ii) Distribution of shareholding as on 31.03.2017:

| Shares holding of nominal value of | No. of Shareholders | No. of Shares | % of total shares |
|------------------------------------|---------------------|--------------------|-------------------|
| 1 - 5000 | 10158 | 24,63,141 | 7.70 |
| 5001 - 10000 | 161 | 5,78,117 | 1.81 |
| 10001 - 20000 | 71 | 5,11,917 | 1.60 |
| 20001 - 30000 | 35 | 4,39,764 | 1.37 |
| 30001 - 40000 | 11 | 1,87,138 | 0.58 |
| 40001 - 50000 | 13 | 2,98,075 | 0.93 |
| 50001 - 100000 | 13 | 4,52,285 | 1.41 |
| 100001 & Above | 39 | 2,70,64,563 | 84.59 |
| Total | 10501 | 3,19,95,000 | 100.00 |

(g) Dematerialization of Shares & Liquidity

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

31,581,203 equity shares were dematerialized representing 98.71% of the total paid up equity share capital of the Company as on 31.03.2017.

(h) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31.03.2017.

(i) Commodity price risk or foreign exchange risk and hedging activities;

The Company is not carrying on any Commodity business and has also not undertaken any hedging activities hence same are not applicable to the Company.

(j) Site Location:

Sy.No. 221(P), 222(P), 223(P), 224(P), 50, 51 & 57, Vattinagulapally, Gopanpalli Village, Gachibowli, Hyderabad.

viii) Address for correspondence

| Sl. No. | Shareholders Correspondence for | Address |
|---------|--|--|
| 1. | Transfer/Dematerialization/ Consolidation / Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company. | M/s. Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Phone # +91-40-67161526 Email ID: einward.ris@karvy.com/ nageswara.raop@karvy.com Website : www.karvy.com |
| 2. | Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc. | Company Secretary Bhagyanagar Properties Limited 5 th Floor, Surya Towers, S.P.Road, Secunderabad – 500 003. Ph Nos. 040 - 27845119/ 44665750 E-mail : cs@surana.com Investorservices_bpl@surana.com Website: www.bhagyanagarproperties.com |

10. OTHER DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

Not applicable

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, www.bhagyanagarproperties.com. During the financial year under review, none of the Complaint has received.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company was unlisted as on 31st March, 2017. However, the Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

(e) Web link where policy for determining 'material' subsidiaries is disclosed;

The policy for determining 'material' subsidiaries is available on the website of the Company <http://www.bhagyanagarproperties.com/investor-relations.php>

(f) Web link where policy on dealing with related party transactions;

The policy on dealing with related party transactions is available on the website of the Company: <http://www.bhagyanagarproperties.com/investor-relations.php>

(g) Disclosure of commodity price risks and commodity hedging activities: Not applicable

11. The Company Complied with the requirements of the Schedule V Corporate Governance report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company was unlisted as on 31st March, 2017. However, the Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

13. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI(LODR) is not applicable to the company for the financial year ended 31.03.2017. However the company has complied the regulation of SEBI (LODR) as stated below:

| Regulation | Particulars of Regulation | Compliance Status (Yes/ No) |
|------------------|--|-----------------------------|
| 17 | Board of Directors | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stake Holders Relationship Committee | Yes |
| 21 | Risk Management Committee | Yes |
| 22 | Vigil Mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance requirement with respect of Subsidiary of Listed entity | Yes |
| 25 | Obligation with respect to Independent Director | Yes |
| 26 | Obligation with respect to Directors and Senior Management | Yes |
| 27 | Other Corporate Governance Requirement | Yes |
| 46(2) (b) to (i) | Website | Yes |

14. Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

15. CEO and CFO Certification

Since the Company was unlisted as on 31st March, 2017, the publication of financial results is not applicable. The annual certification given by the Director, whole-time Director and Chief Financial Officer of the Company is published in this Annual Report.

16. Disclosure with respect to Demat suspense account/ unclaimed suspense account:

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are no outstanding shares in the demat suspense account.

17. Unclaimed Dividend:

The Company has not issued any dividend since the inception of the Company. Hence it is not applicable.

18. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31, 2017, there were no proceeds from public issues, rights issues, preferential issues, etc. However, Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh sanctioned the Scheme of Arrangement vide Order dated 21.11.2016. As per the scheme of arrangement the company issued 3,19,95,000 equity shares of Rs. 2/- each to the shareholders of Bhagyanagar India Limited (Demerged Company) as consideration for transfer of real estate division of Bhagyanagar India Limited.

19. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <http://www.bhagyanagarproperties.com/investor-relations.php>

20. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.bhagyanagarproperties.com/investor-relations.php>

21. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Company Secretary is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

22. Particulars of Directors, who are seeking appointment/ re-appointment at the forthcoming Annual General Meeting:-

| Name of Director | SHRI. DEVENDER SURANA | MS VINITA SURANA | SHRI. NAGESH BOORUGU | DR.R.N.SREENATH | SHRI. D.VENKATA SUBBAH | |
|---|--|---|---|--|---|--|
| Expertise in specific functional areas | Shri Devendra Surana is a graduate in Mechanical Engineer and holds a Post Graduate Diploma in Management from IIM, Bangalore and chosen as the Brain of the Batch. Shri Devendra Surana is Managing Director of Ms. Bhagyanagar India Limited and Director of Surana Solar Limited, Surana Telecom and Power Ltd and Surana Group of Companies, has been in the field of Ferrous & Non Ferrous, Telecom Industry for more than 30 years and in the field of Renewable Energy industry for more than 10 years. He is the Past President of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) and Founder President of Young Entrepreneur Organization of Hyderabad Chapter and Past President of Rotary Club of Hyderabad Deccan. At present he is the Member of National Executive Committee for Federation of Indian Chambers of Commerce and Industry (FICCI). He is currently the president of the Telangana state council of FICCI. | Ms.Vinita Surana holds a Degree in M.sc. International Business and Management, Manchester Business School, Manchester, UK and International Diploma Program (Business Administration) University of California, Berkeley Ext., CA, USA. Ms.Vinita Surana also holds MBA from The Wharton School, University of Pennsylvania being one of the Top 3 Universities in USA. She was awarded by Womens Leader in India (2010). She is also a member of YEO, YI, YFLO. She is the Founder and President of V-Care Welfare Association, an NGO in Hyderabad, Telangana. | Shri Nagesh Boorugu has done MBA (Finance) and also graduate in Diamonds from GIA (Gemological Institute of America), Carlsbad, C.A, U.S.A. a world renowned institute in Diamonds. He is into jewellery business since 1992. He belongs to a family that runs Jewellery business since 1862. He is Government Approved Jewellery Valuer appointed by Govt of India, Income Tax Department. National Champion in Optimist Class Yachting in the year 1987 and 1988, represented India in "SAIL THE GULF 1993". He served as President for Junior Chamber International Secunderabad (India) for the year 2010 and also a Qualified Zone Level Trainer | Dr R.N. Sreenath has completed his M.Sc and Ph.D (I.I.S.C.) in the field of Specialization Semi-conductor & Solar Photo voltaic Technology. He has over 42 years of rich experience of which 25 years of experience in Semiconductor technology and balance 17 years in Solar Photovoltaic Technology. BEL, Bangalore for over 33 years from 1966 to 1999. | Shri D.Venkatasubbiah is a Graduate in Electronics and Communications, has held the post of Deputy Director General of Telecom Engg. Center, (TEC). He has wide experience in R&D work and engineering of Radio Relay systems covering VHF, UHF and Microwave Bands. He was also awarded the North East Telecom Award (1990) and Satellite Project Circle Award (1991) for meritorious services and outstanding contribution to Telecommunications. He has provided more than a decade of untiring service to Telecom Industry and service providers for basic telephony along with value added services covering Cellular Mobile, Radio Paging and Public Mobile Radio Trunking. | |
| Date of Birth | 02/08/1965 | 27/06/1984 | 11/08/1975 | 18/03/1941 | 01/07/1942 | |
| Qualification | B.E (Mechanical) | 1. M.Sc (International Business & Management), Manchester Business School, UK. 2. International Diploma Program (Business Administration) University of California, USA. 3. MBA, The Wharton School of University, USA | | M.Sc. Ph.D (I.I.S.C.) Field of Specialization Semiconductor & Solar Photo voltaic Technology | B.E | |
| List of other Companies in which Directorship is held as on 31 st March, 2017. | <ol style="list-style-type: none"> Bhagyanagar India Limited Surana Telecom and Power Limited Surana Solar Limited Bhagyanagar Properties Limited Everytime Foods Industries Private Limited Ap Golden Apparels Private Limited Value Infrastructure And Properties Pvt Ltd Tejas India Solar Energy Private Limited Solar Dynamics Private Limited | <ol style="list-style-type: none"> Surana Telecom and Power Limited Everytime Foods Industries Pvt Ltd Corpmmedia Publications India Pvt Ltd Value Infrastructure and Properties Pvt Ltd Bhagyanagar Metals Limited Green Energy Systems Private Limited Tejas Technopark Private Limited Crescentia Solar Private Limited Stealth Energy Private Limited | <ol style="list-style-type: none"> Innova Technologies Private Limited | <ol style="list-style-type: none"> Surana Telecom and Power Limited Surana Solar Limited Udhaya Semiconductors Limited Usi Photovoltaics Private Limited Aashraya Technologies Private Limited | <ol style="list-style-type: none"> Bhagyanagar India Limited Surana Telecom and Power Limited Aishwarya Technologies and Telecom Limited | |



| Name of Director | SHRI. DEVENDER SURANA | MS VINITA SURANA | SHRI. NAGESH BOORUGU | DR.R.N.SREENATH | SHRI. D.VENKATA SUBBAH |
|---|---|--|----------------------|--|---|
| | <p>10. Surana Solar Systems Private Limited</p> <p>11. Bhagyanagar Green Energy Limited</p> <p>12. Metropolitan Ventures India Limited</p> <p>13. Surana Infocom Private Limited</p> <p>14. Globecom Infra Ventures India Pvt Ltd</p> <p>15. Soentia Infocom India Private Limited</p> <p>16. Bhagyanagar Securities Private Limited</p> <p>17. Shah Sons Pvt Ltd</p> | <p>10. Solar Dynamics Private Limited</p> <p>11. Hyderabad Solar Limited</p> <p>12. Bhagyanagar Entertainment & Infra Development Company Pvt Ltd</p> <p>13. Bhagyanagar Energy and Telecom Pvt Ltd</p> <p>14. Innova Technologies Private Limited</p> <p>15. Majestic Logistics Private Limited</p> <p>16. Epicenter Entertainment Private Limited</p> <p>17. Shah Sons Pvt Ltd</p> | Nil | <p>1. Surana Solar Ltd (Member of Audit Committee)</p> <p>2. Surana Solar Ltd (Member of Nomination and Remuneration Committee)</p> <p>3. Surana Solar Ltd (Member of CSR Committee)</p> <p>4. Surana Telecom and Power Ltd (Member of Audit Committee)</p> <p>5. Surana Telecom and Power Ltd (Member of Nomination and Remuneration Committee)</p> | <p>1. Bhagyanagar India Ltd (Member of Nomination and Remuneration Committee)</p> <p>2. Surana Solar Ltd (Member of Audit Committee)</p> <p>3. Surana Solar Ltd (Member of Nomination and Remuneration Committee)</p> <p>4. Surana Solar Ltd (Member of Stakeholders Relationship Committee)</p> <p>5. Aishwarya Technologies And Telecom Limited (Chairman of Audit Committee)</p> <p>6. Aishwarya Technologies And Telecom Limited (Chairman of Nomination and Remuneration Committee)</p> <p>7. Aishwarya Technologies And Telecom Limited (Member of Independent Directors Committee)</p> |
| <p>Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2017.</p> | <p>1. Bhagyanagar India Ltd (Member of Stakeholders Relationship Committee)</p> <p>2. Surana Solar Ltd (Member of Stakeholders Relationship Committee)</p> <p>3. Surana Solar Ltd (Member of CSR Committee)</p> <p>4. Surana Telecom and Power Ltd (Member of Stakeholders Relationship Committee)</p> | Nil | Nil | <p>1. Surana Solar Ltd (Member of Audit Committee)</p> <p>2. Surana Solar Ltd (Member of Nomination and Remuneration Committee)</p> <p>3. Surana Solar Ltd (Member of CSR Committee)</p> <p>4. Surana Telecom and Power Ltd (Member of Audit Committee)</p> <p>5. Surana Telecom and Power Ltd (Member of Nomination and Remuneration Committee)</p> | <p>1. Bhagyanagar India Ltd (Member of Nomination and Remuneration Committee)</p> <p>2. Surana Solar Ltd (Member of Audit Committee)</p> <p>3. Surana Solar Ltd (Member of Nomination and Remuneration Committee)</p> <p>4. Surana Solar Ltd (Member of Stakeholders Relationship Committee)</p> <p>5. Aishwarya Technologies And Telecom Limited (Chairman of Audit Committee)</p> <p>6. Aishwarya Technologies And Telecom Limited (Chairman of Nomination and Remuneration Committee)</p> <p>7. Aishwarya Technologies And Telecom Limited (Member of Independent Directors Committee)</p> |

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015:

The Company has not obtained a certificate on compliance with the conditions of Corporate Governance under SEBI Listing Regulation, 2015 for the Financial Year 2016-17, Since the Company is not listed as on 31st March, 2017.

For and on behalf of the Board of Directors

Place : Secunderabad
Date : 01.08.2017

Narender Surana
Director
DIN:00075086

Devendra Surana
Whole-Time Director
DIN:00077296

Rohit Jain
Company Secretary
M.No. ACS-42347

INDEPENDENT AUDITORS' REPORT

To The Members of

BHAGYANAGAR PROPERTIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Bhagyanagar Properties Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure – A" a statement on matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g. With respect to the other matters included in the Auditor's Report and in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 2.21 of its financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November 2016 to 30th December 2016 and the disclosures are in accordance with the books of accounts maintained by the company.

**For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S**

**G. Ganesh
Partner
M.No.: 211704**

Place: Secunderabad
Date:26-May-2017

Annexure referred to in paragraph 1 of our report of even date

Re: Bhagyanagar Properties Limited

- i. a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management in a phased manner designed to cover all the fixed assets over the year. In respect of fixed assets verified according to this program, which we consider reasonable, no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company.
- ii. The company does not deal with any kind of inventory.
- iii. The Company has granted loans to one parties covered in the register maintained under section 189 of the Act.
 - a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the company's interest.
 - b) In respect of the aforesaid loans, the schedule of repayment of principle and interest has not been stipulated. Due to absence of schedule of repayment, the regularity of the same could not be commented.
 - c) In absence of specific schedule of repayment of loans, we are of the opinion of no overdue amounts.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. Maintenance of cost records is not applicable to the company.
- vii. a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess were in arrears as at 31st March 2017 for a period more than six months from the date they became payable.
- c) There are no dues of Duty of Excise, Duty of Customs and Income Tax.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company

has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.

- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

**For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S**

Place: Secunderabad
Date:26-May-2017

**G. Ganesh
Partner
M.No.: 211704**

Annexure B to the Auditor's Report:

Report on the Internal Financial Controls under the Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013('the Act)

We have audited the internal financial controls financial reporting of Bhagyanagar Properties Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls base on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013("the Act").

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of the internal financial controls over the financial reporting included obtaining an understanding of the internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls systems over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S

G. Ganesh
Partner
M.No.: 211704

Place: Secunderabad
Date:26-May-2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

| Particulars | Note No. | As at 31.03.2017 | As at 31.03.2016 |
|---|----------|----------------------|---------------------|
| I EQUITY AND LIABILITIES | | | |
| 1. SHAREHOLDERS' FUNDS | | | |
| a. Share Capital | 2.1 | 63,990,000 | 40,000,000 |
| b. Reserves and Surplus | 2.2 | 929,374,694 | (2,537,360) |
| | | 993,364,694 | 37,462,640 |
| 2. NON-CURRENT LIABILITIES | | | |
| a. Long-Term Borrowings | 2.3 | - | 561,100,555 |
| 3. CURRENT LIABILITIES | | | |
| a. Other Current Liabilities | 2.4 | 42,312,389 | 2,146,750 |
| TOTAL | | 1,035,677,084 | 600,709,945 |
| II ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| a. Fixed Assets | | | |
| (1) Tangible Assets | 2.5 | 564,548,901 | 592,731,901 |
| (2) Capital Work in Progress | 2.6 | - | 5,778,188 |
| b. Non Current Investments | 2.7 | 36,049,910 | - |
| c. Long term Loans and Advances | 2.8 | 389,886,270 | - |
| 2. CURRENT ASSETS | | | |
| a. Trade Receivables | 2.9 | 283,456 | 326,250 |
| b. Cash and Cash Equivalents | 2.10 | 34,359 | 1,873,605 |
| c. Short term loans and advances | 2.11 | 44,874,185 | - |
| TOTAL | | 1,035,677,084 | 600,709,945 |
| Significant Accounting Policies and Notes to Accounts | 1&2 | | |

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

G. Ganesh,
Partner
M. No. 211704

Place: Secunderabad,
Date : 26th May, 2017

For Bhagyanagar Properties Limited

Narender Surana
Director
DIN: 00075086

Bhavana Dagia
Chief Financial Officer

Devendra Surana
Whole-time Director
DIN: 00077296

Rohit Jain
Company Secretary
Membership No: A42347

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| Particulars | Note No. | For the Year 31.03.2017 | For the Year 31.03.2016 |
|---|----------|----------------------------|----------------------------|
| I. REVENUE FROM OPERATIONS | 2.12 | 24,686,764 | 326,250 |
| II. OTHER INCOME | 2.13 | 11,575 | - |
| III. TOTAL REVENUE | | 24,698,339 | 326,250 |
| IV. EXPENSES | | | |
| Employee Benefit costs | 2.14 | 2,378,366 | - |
| Finance Costs | 2.15 | 3,193 | 2 |
| Other Expenses | 2.16 | 8,286,848 | 195,791 |
| Depreciation | 2.5 | 91,488 | 103,424 |
| TOTAL EXPENSES | | 10,759,895 | 299,217 |
| V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX | | 13,938,444 | 27,033 |
| VI. PRIOR PERIOD ADJUSTMENT | | - | - |
| VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX | | 13,938,444 | 27,033 |
| VIII. PROFIT BEFORE TAX | | 13,938,444 | 27,033 |
| IX. TAX EXPENSE: | | | |
| 1. Current Tax | | 2,655,970 | - |
| 2. Taxes of earlier years | | 11,280 | - |
| X. PROFIT AFTER TAX | | 11,271,193 | 27,033 |
| EARNINGS PER EQUITY SHARE | | | |
| 1. Basic | | 0.35 | 0.01 |
| 2. Diluted | | 0.35 | 0.01 |
| Significant Accounting Policies and Notes to Accounts | 1&2 | | |

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

G. Ganesh,
Partner
M. No. 211704

Place: Secunderabad,
Date : 26th May, 2017

For Bhagyanagar Properties Limited

Narender Surana
Director
DIN: 00075086

Bhavana Dagia
Chief Financial Officer

Devendra Surana
Whole-time Director
DIN: 00077296

Rohit Jain
Company Secretary
Membership No: A42347

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| Particulars | 2016-17 | 2015-16 |
|--|---------------------|--------------------|
| A Cash Flow From Operating Activities | | |
| Net Profit before Tax as per annexed profit and loss account | 13,938,444 | 27,033 |
| Adjustment for: | | |
| Depreciation | 91,488 | 103,424 |
| (Profit)/Loss on sale of asset | (17,630,300) | - |
| Interest Received | (11,575) | - |
| Cash generated from Operations before working capital changes | (3,611,943) | 130,457 |
| (Less)/Add Adjustments for Working Capital Changes | | |
| Trade Receivables | 42,794 | (326,250) |
| Other Current Liabilities | 40,141,872 | 2,135,516 |
| Short term loans and Advances | (46,000) | - |
| | 40,138,666 | 1,809,266 |
| Cash generated from Operations | 36,526,723 | 1,939,723 |
| Direct Taxes paid for the Current year (Net) | 2,632,203 | - |
| Taxes of earlier years | 11,280 | - |
| Net cash (used in)/from Operating Activities (A) | 33,883,240 | 1,939,723 |
| B Cash flow from Investment Activities | | |
| Purchase of Fixed assets and Changes in Capital work in progress | (3,500,000) | (5,778,188) |
| Sale of Fixed Assets | 55,000,000 | - |
| Interest Received | 11,575 | - |
| Net Cash (used in)/from Investing Activities (B) | 51,511,575 | (5,778,188) |
| C Cash flow from Financing Activities | | |
| Proceed from borrowings (net of re-payments) | (15,000) | 5,661,507 |
| Loans given to Body Corporate | (35,010,417) | - |
| Other receivables | (44,828,185) | - |
| Loans given to Subsidiary Companies | (7,380,457) | - |
| Net Cash (used in)/from Financing Activities (C) | (87,234,059) | 5,661,507 |
| Net Increase / Decrease in cash and Cash Equivalents (A+B+C) | (1,839,246) | 1,823,042 |
| Cash and Cash Equivalents at the beginning of the year | 1,873,605 | 50,563 |
| Cash and Cash Equivalents at the end of the year | 34,359 | 1,873,605 |
| Change in Cash and Cash Equivalents | (1,839,246) | 1,823,042 |

Notes:

| 1. Components of cash and cash equivalents | 2016-17 | 2015-16 | Change over Previous year |
|--|---------|-----------|---------------------------|
| Cash in hand | 15,883 | 48,787 | (32,904) |
| Balances with banks | 18,476 | 1,824,818 | (1,806,342) |
| Total | 34,359 | 1,873,605 | (1,839,246) |

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS-3) 'Cash Flow Statement'.

As per our report of even date attached

For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

For Bhagyanagar Properties Limited

G. Ganesh,
Partner
M. No. 211704

Narender Surana
Director
DIN: 00075086

Devendra Surana
Whole-time Director
DIN: 00077296

Place: Secunderabad,
Date : 26th May, 2017

Bhavana Dagia
Chief Financial Officer

Rohit Jain
Company Secretary
Membership No: A42347

1. Significant Accounting Policies

i. Company Information

Bhagyanagar Properties Limited ('the Company') formerly known as Bhagyanagar Properties Private Limited is a limited company domiciled in India. During the financial year 2016-17, the Company has made application for listing of securities to the BSE and NSE under Rule 19(2)(b) of SCRR pursuant to the Scheme of Arrangement. Once the Company obtains grant of relaxation under the same, the company will commence the trading on the stock exchange. The main activities of the company are buying, selling and leasing of properties.

ii. Basis of Preparation of Financial Statements

The financial statements of Bhagyanagar Properties Limited ('the company') have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.

iii. Use of Estimates

The Preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operation during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iv. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from leases, rental services is recognized in accordance with the terms of the relevant agreement s as accepted and agreed with the customers.

v. Fixed Assets

Tangible Assets

Fixed Assets are stated at cost net of modvat / cenvat / value added tax less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

vi. Depreciation

Depreciation is provided on Straight Line Method, based on the useful life of the assets as estimated by the management.

vii. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

viii. Investments

Long Term Investments are carried at cost. However, diminution in value is provided to recognize a decline, other than temporary, in the value of investments.

ix. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

x. Government Grants and subsidies

Grants and subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

xi. Income Taxes/Taxation

Tax expense comprises of current tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

xii. Prior Period Expenses / Income

Prior period items, if material are separately disclosed in Profit & Loss Account together with the nature and amount. Extraordinary items & changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

xiii. Sundry Debtors, Loans and Advances

Doubtful Debts/Advances are written off in the year in which those are considered to be irrecoverable.

xiv. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) prescribed under Rule 7 of Accounting Standard Rules, 2014. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

Notes to Balance Sheet

Note : 2.1

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|--|----------|---------------------|---------------------|
| Share Capital | | | |
| a. Authorized Capital | | | |
| 32,500,000 Equity Shares of Rs. 2/- each (Previous year 5,000,000 shares) of Rs. 10/- each at par fully paid carrying equal rights and obligations | | | |
| Total | | 65,000,000 | 50,000,000 |
| b. Issued, subscribed and paid-up Capital | | | |
| 31,995,000 equity shares of Rs. 2/- each fully paid up (Previous year 4,000,000 shares) of Rs. 10/- each at par fully paid carrying equal rights and obligations (Options, Contracts and Commitments outstanding - Nil) | | | |
| Total | | 63,990,000 | 40,000,000 |

(a) There were no Bonus issues, forfeited shares and buy back of shares in last five years.

(b) Particulars of shares holding more than 5% of Issued Share Capital (5% of 31,995,000 shares)

| Name of the shareholder | As at March 2017 | | As at March 2016 | |
|--------------------------------|------------------|---------------|---------------------|--------------|
| | % | No. of shares | % | No of shares |
| Surana Infocom Private Limited | 13.58 | 4,345,139 | - | - |
| Chand Kanwar | 5.33 | 1,704,949 | - | - |
| Namrata Surana | 5.85 | 1,870,335 | - | - |
| Devendra Surana | 7.13 | 2,281,882 | - | - |
| Sunita Surana | 5.12 | 1,638,335 | - | - |
| Narender Surana | 8.40 | 2,686,954 | - | - |
| G.M Surana | 5.35 | 1,710,990 | - | - |
| Manish Surana | 7.71 | 2,466,704 | - | - |
| Bhagyanagar India Limited | 0.00 | - | 99.99 | 3,999,950 |

Reconciliation of shares outstanding at the beginning & at the end of the Reporting Period

| Particulars | No. | As at 31.03.2017 | No. | As at 31.03.2016 |
|---|------------|---------------------|-----------|---------------------|
| At the beginning of the year | 4,000,000 | 40,000,000 | 4,000,000 | 40,000,000 |
| Cancellation of shares on account of merger | 4,000,000 | 40,000,000 | - | - |
| Additional Issue if shares during the year | 31,995,000 | 63,990,000 | - | - |
| Outstanding at the end of the year | 31,995,000 | 63,990,000 | 4,000,000 | 40,000,000 |

Note : 2.2

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 | Sub Note | As at 31.03.2016 |
|--|----------|---------------------|----------|---------------------|
| Reserves and Surplus | | | | |
| (a) General Reserves | | | | |
| Balance as per last account | | - | | - |
| Add: Net Assets transferred on account of merger | 2.2(a) | 920,640,861 | | - |
| Balance at the year end | | 920,640,861 | | - |

Note : 2.2

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 | Sub Note | As at 31.03.2016 |
|--|----------|---------------------|----------|---------------------|
| (b) Surplus | | | | |
| Balance of Profit & Loss Account available for appropriation | | (2,537,360) | | (2,564,393) |
| Add: Profit during the year/period | | 11,271,193 | | 27,033 |
| Amount available for appropriation | | 8,733,833 | | (2,537,360) |
| Balance at the year end | | 8,733,833 | | (2,537,360) |
| TOTAL | | 929,374,694 | | (2,537,360) |

Note: Addition to General Reserve in the current year is on account of merger of Real Estate unit of Bhagyanagar

2.2(a) India Limited with the company. Refer Note:2.17 for details.

Note : 2.3

| Particulars | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|------------------------------|----------|---------------------|---------------------|
| Long-Term Borrowings | | | |
| (a) Loan from Body Corporate | 2.3(a) | - | 561,085,555 |
| (b) Loan from Directors | | - | 15,000 |
| TOTAL | | - | 561,100,555 |

Note: Loan from Body Corporate in the previous year represents loan from Bhagyanagar India Limited which is

2.3(a) cancelled during the year on account of merger of Real estate unit of Bhagyanagar India Limited with the company. Refer Note:2.17 for details

Note: 2.4

| Particulars | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|--|----------|---------------------|---------------------|
| Other Current Liabilities | | | |
| (a) Audit Fees Payable | | 23,000 | 11,450 |
| (b) TDS Payable | | 33,900 | 300 |
| (c) Outstanding Expenses | | 2,031,770 | 30,000 |
| (d) Security Deposit | | 3,278,472 | 2,105,000 |
| (e) Bank Overdraft | | 3,421,480 | - |
| (f) Advance from Customers | | 33,500,000 | - |
| (g) Provision for Tax (Net of Receivables) | | 23,767 | - |
| TOTAL | | 42,312,389 | 2,146,750 |

ASSETS
Note: 2.5 - Fixed Assets

| Particulars | Land | Buildings | Grand Total |
|----------------------------|--------------------|------------------|--------------------|
| A. Gross Block | | | |
| At 1st April, 2015 | 592,719,734 | 243,350 | 592,963,084 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31st March, 2016 | 592,719,734 | 243,350 | 592,963,084 |
| Additions | 3,500,000 | 5,778,188 | 9,278,188 |
| Disposals | (37,369,700) | - | (37,369,700) |
| At 31st March, 2017 | 558,850,034 | 6,021,538 | 564,871,572 |
| B. Depreciation | | | |
| At 1st April, 2015 | - | 127,759 | 127,759 |

| Particulars | Land | Buildings | Grand Total |
|----------------------------|--------------------|------------------|--------------------|
| Charge for the Year | - | 103,424 | 103,424 |
| Disposals | - | - | - |
| At 31st March, 2016 | - | 231,183 | 231,183 |
| Charge for the Year | - | 91,488 | 91,488 |
| Disposals | - | - | - |
| At 31st March, 2017 | - | 322,671 | 322,671 |
| C. Net Block (A-B) | | | |
| At 31st March, 2016 | 592,719,734 | 12,167 | 592,731,901 |
| At 31st March, 2017 | 558,850,034 | 5,698,867 | 564,548,901 |

Note: 2.6 - Capital Work in Progress

| Particulars | Work in Progress |
|--------------------------------------|------------------|
| Opening as on 01-04-2016 | 5,778,188 |
| Less: Capitalised during the year | (5,778,188) |
| Closing Balance as 31-03-2017 | - |

Note: 2.7

| Particulars | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|---|----------|---------------------|---------------------|
| Non Current Investments | | | |
| A) Unquoted Securities | | | |
| 1) In Equity Instruments | | | |
| a) In Subsidiary Companies | 2.7(a) | | |
| (i) Scientia Infocom India Private Limited 3,004,000 Equity shares of Rs 10each fully paid up (PY-Nil) | | 30,400,000 | - |
| (ii) Metropolitan Ventures India Limited 500,000 Equity shares of Rs 10each fully paid up (PY-Nil) | | 5,649,910 | - |
| TOTAL | | 36,049,910 | - |

Note: Investments in Subsidiary companies in the current year represents investments made by Bhagyanagar India 2.7(a) Limited which are transferred during the year on account of merger of Real estate unit of Bhagyanagar India Limited with the company. Refer Note:2.17 for details.

Note: 2.8

| Particulars | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|---|----------|---------------------|---------------------|
| Long term Loans and Advances | | | |
| (a) Loans and Advances to Related Parties | | | |
| (i) Loans to Subsidiary Co's | 2.8(a) | 354,875,853 | - |
| (b) Loans to Body Corporate | 2.8(b) | 35,010,417 | - |
| TOTAL | | 389,886,270 | - |

Note:**2.8(a) Loans to Subsidiary Co's: It includes**

| Name of the Company | Balance as on 31.03.2017 | Balance as on 31.03.2016 |
|--|-----------------------------|-----------------------------|
| Scientia Infocom India Private Limited | 289,483,810 | - |
| Metropolitan Ventures India Limited (Wholly Owned) | 65,392,043 | - |
| | 354,875,853 | - |

Loan to subsidiary companies in the current year represents loan given by Bhagyanagar India Limited to Scientia Infocom India Private Limited and Metropolitan Ventures India Limited which is transferred during the year on account of merger of Real estate unit of Bhagyanagar India Limited with the company. Refer Note:2.17 for details

Note:
2.8(b) Loans to Body Corporate: It includes

| Name of the Company | Balance as on 31.03.2017 | Balance as on 31.03.2016 |
|----------------------------------|-----------------------------|-----------------------------|
| Surana Solar Limited | 13,010,417 | - |
| Tejas Technopark Private Limited | 22,000,000 | - |
| | 35,010,417 | - |

Note: 2.9

| Trade Receivables | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|---|----------|---------------------|---------------------|
| (a) Aggregate amount of Trade Receivables outstanding for a period less than six months Unsecured , considered good | | 283,456 | 326,250 |
| TOTAL | | 283,456 | 326,250 |

Note: 2.10

| Cash and Cash Equivalents | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------------|----------|---------------------|---------------------|
| (a) Cash and Cash Equivalents | | | |
| (i) Balances in current account | | 18,476 | 1,824,818 |
| (ii) Cash On Hand | | 15,883 | 48,787 |
| TOTAL | | 34,359 | 1,873,605 |

Note: 2.11

| Short term Loans and Advances | Sub Note | As at 31.03.2017 | As at 31.03.2016 |
|-------------------------------|----------|---------------------|---------------------|
| (a) Other receivables | 2.11(a) | 44,828,185 | - |
| (b) Loans to Office staff | | 46,000 | - |
| TOTAL | | 44,874,185 | - |

Note: .Other receivables represents amount receivable from Bhagyanagar India Limited -Rs. 4,48,28,185 for the 2.11(a) business carried on behalf of the company from 01.04.2016 to 23.01.2017, the effective date on which the court order was filed with the Registrar of Companies. Refer Note 2.17 for details

Notes to Profit & Loss Account
Note: 2.12

| Sub Note | For the Period 31.03.2017 | For the Period 31.03.2016 |
|--------------------------------|------------------------------|------------------------------|
| Revenue from Operations | | |
| Lease Rent | 7,056,464 | 326,250 |
| Profit on sale of assets | 17,630,300 | - |
| TOTAL | 24,686,764 | 326,250 |

Note: 2.13

| Sub Note | For the Period 31.03.2017 | For the Period 31.03.2016 |
|----------------------|------------------------------|------------------------------|
| Other Income | | |
| Miscellaneous Income | 11,575 | - |
| TOTAL | 11,575 | - |

Note: 2.14

| Sub Note | For the Period 31.03.2017 | For the Period 31.03.2016 |
|--------------------------------------|------------------------------|------------------------------|
| Employee Benefit Cost | | |
| Salaries and Other Employee Benefits | 2,375,236 | - |
| Staff Welfare Expenses | 3,130 | - |
| TOTAL | 2,378,366 | - |

Note: 2.15

| | Sub Note | For the Period 31.03.2017 | For the Period 31.03.2016 |
|----------------------|----------|------------------------------|------------------------------|
| Finance Costs | | | |
| Financial Charges | | 3,193 | 2 |
| TOTAL | | 3,193 | 2 |

Note: 2.16

| | Sub Note | For the Period 31.03.2017 | For the Period 31.03.2016 |
|--|----------|------------------------------|------------------------------|
| Other Expenses | | | |
| Payments to The Auditor for Statutory Audit | | 17,250 | 11,450 |
| for Tax Audit | | 5,750 | - |
| Power and Fuel | | 41,581 | 51,161 |
| Filing Fees | | 64,395 | 3,778 |
| Professional & Consultancy Fees | | 801,886 | 2,850 |
| Travelling and Conveyance | | 755,160 | 2,635 |
| Rates & Taxes | | 619,140 | 4,636 |
| Repairs and development expenses | | 4,557,125 | 59,021 |
| Watch and Ward | | 89,267 | 60,000 |
| Printing & Stationery | | 20,360 | 260 |
| Advertisements | | 22,673 | - |
| Carriage Inwards | | 55,000 | - |
| Director's sitting Fees | | 10,500 | - |
| Other Miscellaneous Expenses | | 156,069 | - |
| Insurance | | 89,932 | - |
| Legal and License Fees | | 4,030 | - |
| Telephone Charges | | 798,330 | - |
| Entertainment Expenses | | 178,400 | - |
| TOTAL | | 8,286,848 | 195,791 |

(All amounts in rupees except share data and unless otherwise stated)

Note: 2.17**I Merger of Real Estate Unit of M/s Bhagyanagar India Limited with the Company.**

Persuant to Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956, M/s Bhagyanagar India Limited (BIL) has demerged its Real Estate Business and vested in to the Company, with effect from 1st April 2016, the appointed date on going concern basis. The scheme has been approved inter alia by shareholders of M/s Bhagyanagar Properties Limited (BPL) and Hon'ble High Court of Judicature of Telangana and Andhra Pradesh, has become effective on 23rd January 2017.

In terms of Scheme, the company will issue and allot its share to the shareholders of M/s Bhagyanagar India Limited (BIL) in the ratio of 1 (one) Equity share of face value of Rs 2/- each fully paid in the Company for every 1 (One) Equity share of face value of Rs 2/- each fully paid held by the shareholders of BIL on the record date fixed for this purpose.

Transfer and vesting of assets and liabilities of the Real Estate Business of BIL to the company has been effected at the values appearing in the books of accounts of Real Estate Unit of M/s Bhagyanagar India Limited as at 1st April 2016 and recorded as such in the books of accounts of the company. Excess of Assets over Liabilities after the issue of fresh shares amounting to Rs 9206.41 lacs is recognised in these financial statements and as stipulated in the scheme, has been credited to "General Reserve".

The details of Assets relating to the Real Estate Business vested with the Company with effect from 1st April 2016 are as follows.

| Particulars | Amount | |
|---|--------------------|---------------------------------|
| Equity share Capital | 40,000,000 | (Cancellation of share capital) |
| Investment in shares - Scientia Infocom India Private Limited | 30,400,000 | |
| Investment in shares - Metropolitan Ventures India Limited | 5,649,910 | |
| Loan from Bhagyanagar India Limited | 561,085,555 | (Cancellation of loan) |
| Loan to Scientia Infocom India Private Limited | 282,133,353 | |
| Loan to Metropolitan Ventures India Limited | 65,362,043 | |
| Net Assets transferred | 984,630,861 | |
| Less: Equity Share Capital | 63,990,000 | |
| General Reserve | 920,640,861 | |

II Share Capital

Upon the Scheme becoming effective the Issued, Subscribed and Paid-up share Capital of the Company has been reorganised and increased from present of Rs 4,00,00,000/- comprising of 40,00,000 equity shares of Rs 10/- each fully paid up to Rs.6,39,90,000 /- comprising of 3,19,95,000 equity shares of Rs 2/- each fully paid up shares.

III Investment

Upon the Scheme becoming effective the investment held by M/s Bhagyanagar India Limited in M/s Scientia Infocom India Private Limited comprising of 30,40,000 Equity shares of value Rs.3,40,00,000/- and Metropolitan Ventures India Limited comprising of 5,00,000 Equity shares of value Rs.56,49,910/- have been transferred to the Company.

Note: 2.18 Earnings per share (EPS)

| Particulars | for the year ended 31.03.2017 Basic and Diluted | for the year ended 31.03.2016 Basic and Diluted |
|---|--|--|
| Net profit after tax | 11,271,193 | 27,033 |
| Net Profit available for equity share-holders | 11,271,193 | 27,033 |
| No of Equity shares- Basic | 31,995,000 | 4,000,000 |
| Nominal Value of each equity share (Rs) | 2.00 | 10.00 |
| Basic earning per share | 0.35 | 0.01 |

Note: 2.19: Related party disclosures

| a Related parties where significant influence exists and with whom transactions have taken place during the year | | | |
|--|--|----|--|
| 1 | Bhagyanagar India Limited | 10 | Bhagyanagar Securities Private Limited |
| 2 | Surana Telecom and Power Limited | 11 | Bhagyanagar Green Energy Limited |
| 3 | Surana Solar Limited | 12 | Bhagyanagar Energy & Telecom Private Limited |
| 4 | Scientia Infocom India Private Limited | 13 | Bhagyanagar Ventures Private Limited |
| 5 | Metropolitan Ventures India Limited | 14 | Tejas India Solar Energy Private Limited |
| 6 | Tejas Technopark Private Limited | 15 | Andhra Electro Galvanising works |
| 7 | Surana Infocom Private Limited | 16 | Shahsons Private Limited |
| 8 | Surana Solar Systems Private Limited | 17 | Crescentia Solar Private Limited |
| 9 | Innova Technologies Private Limited | 18 | Aryavaan Renewable Energy Private Limited |

b Key Managerial Personnel

Narender Surana
 Devendra Surana
 Rohit Jain (Company Secretary)

c The following is a summary of related party transactions

| Particulars | for the year 2016-17 | for the year 2015-16 |
|---------------------------------------|-------------------------|-------------------------|
| (i) Loans/ advances given | 35,010,417 | - |
| (ii) Interest received | 11,575 | - |
| | 35,021,992 | - |
| (a) Loans/ advances given | | |
| (i) Surana Solar Limited | 13,010,417 | - |
| (ii) Tejas Technopark Private Limited | 22,000,000 | - |
| | 35,010,417 | - |
| (b) Interest received | | |
| (i) Surana Solar Limited | 11,575 | - |

d The company has the following amounts due to/ from related parties (Due from related parties)

| Name of the company | for the year 2016-17 | for the year 2015-16 |
|--|-------------------------|-------------------------|
| 1 Scientia Infocom India Private Limited (On account of merger) | 289,483,810 | - |
| 2 Metropolitan Ventures India Limited (On account of merger) | 65,392,043 | - |
| 3 Surana Solar Limited | 13,010,417 | - |
| 4 Tejas Technopark Private Limited | 22,000,000 | - |
| 5 Bhayanagar India Limited | 44,828,185 | - |
| | 434,714,455 | - |

Note: Particulars of Loans and Advances in the nature of loans as required by Clause 32 of 2.20 the listing Agreement.

(Value in ₹.)

| Name of the Company | Balance as at 31.03.2017 | Maximum Outstanding during 31.03.2017 |
|--|-----------------------------|---|
| A. Subsidiaries | | |
| Scientia infocom India Private Limited | 289,483,810 | 289,483,810 |
| Metropolitan Ventures India Limited | 65,392,043 | 65,392,043 |

Note: Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 2.21 to 30th December, 2016.

| Particulars | SBNs | Other Denomination Notes | Total |
|---------------------------------------|--------|-----------------------------|---------|
| Closing cash in hand as on 08.11.2016 | 62,000 | 259 | 62,259 |
| (+) Permitted receipts | - | 110,000 | 110,000 |
| (-) Permitted payments | - | 19,710 | 19,710 |
| (-) Amount deposited in Banks | 62,000 | - | 62,000 |
| Closing Cash in hand as on 30.12.2016 | - | 90,549 | 90,549 |

As per our report of even date attached

**For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S**

For Bhayanagar Properties Limited

**G. Ganesh,
Partner
M. No. 211704**

**Narender Surana
Director
DIN: 00075086**

**Devendra Surana
Whole-time Director
DIN: 00077296**

Place: Secunderabad,
Date : 26th May, 2017

**Bhavana Dagia
Chief Financial Officer**

**Rohit Jain
Company Secretary
Membership No: A42347**

INDEPENDENT AUDITORS' REPORT

To The Members of

Bhagyanagar Properties Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bhagyanagar Properties Limited ("hereinafter referred to as "the Holding Company"), its subsidiaries, (the Holding company and its subsidiaries together referred as the Group") which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 - Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters included in the Auditor's Report and in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and explanations given to us:
 - i. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associates.
 - iii. The Company has provided requisite disclosures in Note 2.23 of its financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November 2016 to 30th December 2016 and the disclosures are in accordance with the books of accounts maintained by the company.

**ForSekhar & Co.,
Chartered Accountants
FRN: 003695-S**

**G. Ganesh
Partner
M.No.: 211704**

Place: Secunderabad
Date: 26-May-2017

Annexure A to the Auditor's Report:

Report on the Internal Financial Controls under the Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 (the Act)

In conjunction with our audit of the consolidated financial statements of Bhagyanagar Properties Limited ("the Holding Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India as of that date.

Management's responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Holding Company and its subsidiary companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of the internal financial controls over the financial reporting included obtaining an understanding of the internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary company incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the holding Company and its subsidiary companies incorporated in India, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S

G. Ganesh
Partner
M.No.: 211704

Place: Secunderabad
Date: 26-May-2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

| Particulars | Note No. | As at 31.03.2017 | |
|---|----------|------------------|----------------------|
| I EQUITY AND LIABILITIES | | | |
| 1. SHAREHOLDERS' FUNDS | | | |
| a. Share Capital | 2.1 | 63,990,000 | |
| b. Reserves and Surplus | 2.2 | 929,863,654 | |
| | | | 993,853,654 |
| 2. Minority Interest | 2.3 | | 9,209,352 |
| 3 NON-CURRENT LIABILITIES | | | |
| a. Long-Term Borrowings | 2.4 | | 43,016,124 |
| 4 CURRENT LIABILITIES | | | |
| a. Other Current Liabilities | 2.5 | | 42,335,389 |
| TOTAL | | | 1,088,414,519 |
| II ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| a. Fixed Assets | | | |
| (1) Tangible Assets | 2.6 | | 1,005,714,081 |
| (2) Capital Work in Progress | 2.7 | | 2,363,715 |
| b. Long term Loans and Advances | 2.8 | | 35,010,417 |
| 2. CURRENT ASSETS | | | |
| a. Trade Receivable | 2.9 | | 283,456 |
| b. Cash and Cash Equivalents | 2.10 | | 168,662 |
| c. Short term loans and advances | 2.11 | | 44,874,185 |
| TOTAL | | | 1,088,414,519 |
| Significant Accounting Policies and Notes to Accounts | 1&2 | | |

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

For Bhagyanagar Properties Limited

G. Ganesh,
Partner
M. No. 211704

Narender Surana
Director
DIN: 00075086

Devendra Surana
Whole Time Director
DIN: 00077296

Place: Secunderabad,
Date : 26th May, 2017

Bhavana Dagia
Chief Financial Officer

Rohit Jain
Company Secretary
Membership No: A42347

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017 (Amount in ₹)

| Particulars | Note No. | For the Year 31.03.2017 |
|---|----------|----------------------------|
| I. REVENUE FROM OPERATIONS | 2.12 | 24,686,764 |
| II. OTHER INCOME | 2.13 | 11,575 |
| III. TOTAL REVENUE | | 24,698,339 |
| IV. EXPENSES | | |
| Employee Benefit costs | 2.14 | 2,378,366 |
| Finance Costs | 2.15 | 3,515 |
| Other Expenses | 2.16 | 8,313,538 |
| Depreciation | 2.6 | 228,629 |
| TOTAL EXPENSES | | 10,924,048 |
| V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX | | 13,774,291 |
| VI. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX | | 13,774,291 |
| VII. PROFIT BEFORE TAX | | 13,774,291 |
| VIII. TAX EXPENSE: | | |
| 1. Current Tax | | 2,655,970 |
| 2. Taxes of earlier years | | 11,280 |
| IX. PROFIT AFTER TAX | | 11,107,040 |
| EARNINGS PER EQUITY SHARE | | |
| 1. Basic | | 0.35 |
| 2. Diluted | | 0.35 |
| Significant Accounting Policies and Notes to Accounts | 1&2 | |

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

For Bhagyanagar Properties Limited

G. Ganesh,
Partner
M. No. 211704

Narender Surana
Director
DIN: 00075086

Devendra Surana
Whole Time Director
DIN: 00077296

Place: Secunderabad,
Date : 26th May, 2017

Bhavana Dagia
Chief Financial Officer

Rohit Jain
Company Secretary
Membership No: A42347

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| Particulars | 2016-17 |
|--|---------------------|
| Cash Flow From Operating Activities | |
| Net Profit before Tax as per annexed profit and loss account | 13,774,291 |
| Adjustment for: | - |
| Depreciation | 228,629 |
| (Profit)/Loss on sale of asset | (17,630,300) |
| Interest Received | (11,575) |
| Cash generated from Operations before working capital changes | (3,638,955) |
| (Less)/Add Adjustments for Working Capital Changes | |
| Trade Receivables | 42,794 |
| Other Current Liabilities | 39,591,515 |
| Short term loans and Advances | (46,000) |
| | 39,588,309 |
| Cash generated from Operations | 35,949,354 |
| Direct Taxes paid for the Current year (Net) | 2,632,203 |
| Taxes of earlier years | 11,280 |
| Net cash (used in)/from Operating Activities (A) | 33,305,871 |
| Cash flow from Investment Activities | |
| Purchase of Fixed assets and Changes in Capital work in progress | (4,521,646) |
| Sale of Fixed Assets | 55,000,000 |
| Interest Received | 11,575 |
| Net Cash (used in)/from Investing Activities (B) | 50,489,929 |
| Cash flow from Financing Activities | |
| Proceed from borrowings (net of re-payments) | (15,000) |
| Loans given to Body Corporate | (40,760,417) |
| Receivable on merger | (44,828,185) |
| Net Cash (used in)/from Financing Activities (C) | (85,603,602) |
| Net Increase / Decrease in cash and Cash Equivalents (A+B+C) | (1,807,804) |
| Cash and Cash Equivalents at the beginning of the year | 1,976,465 |
| Cash and Cash Equivalents at the end of the year | 168,662 |
| Change in Cash and Cash Equivalents | (1,807,804) |

Notes:

(Amount in ₹)

| 1. Components of cash and cash equivalents | 2016-17 | 2015-16 | Change over Previous year |
|--|----------------|------------------|---------------------------|
| Cash in hand | 65,956 | 63,360 | 2,596 |
| Balances with banks | 102,706 | 1,913,105 | (1,810,400) |
| Total | 168,662 | 1,976,465 | (1,807,804) |

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS-3) 'Cash Flow Statement'.

2 Previous years figures are not available as it is the first year of consolidation.

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

For Bhagyanagar Properties Limited

G. Ganesh,
Partner
M. No. 211704

Narender Surana
Director
DIN: 00075086

Devendra Surana
Whole Time Director
DIN: 00077296

Place: Secunderabad,
 Date : 26th May, 2017

Bhavana Dagia
Chief Financial Officer

Rohit Jain
Company Secretary
Membership No: A42347

1. Significant Accounting Policies

- I. The Consolidated Financial Statements of Bhagyanagar Properties Limited ('BPL' or 'the parent company' or 'Holding Company') together with its subsidiaries (collectively termed as the 'The Group' are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.
- II. The financial statements of the Company and its Subsidiary Companies are combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenditures, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 "Consolidated Financial Statements" issued by Ministry of Corporate Affairs.
- III. In case of consolidation of Associate Company's Accounts, the Financial Statements are combined on equity basis by adjusting post acquisition changes in the investor's share of net assets of the investee after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by Ministry of Corporate Affairs.
- IV. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
- V. The financial statements of the entities used for the purpose of consolidation are drawn up to are reporting date as that of the parent company i.e., year ended March 31, 2017.
- VI. Investments other than in subsidiary and associates has been accounted as per AS-13 "Accounting for Investments" issued by "Ministry of Corporate Affairs".

VII. Other Significant Accounting Policies :

These are set out under significant accounting policies as given in the stand-alone financial statements of Bhagyanagar Properties Limited.

Notes to Consolidated Balance Sheet

Note : 2.1

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|--|----------|---------------------|
| Share Capital | | |
| a. Authorized Capital | | |
| 32,500,000 Equity Shares of Rs. 2/- each | | |
| Total | | 65,000,000 |
| b. Issued, subscribed and paid-up Capital | | |
| 31,995,000 equity shares of Rs. 2/- each fully paid up (Options, Contracts and Commitments outstanding - Nil) | | |
| Total | | 63,990,000 |

(a) There were no Bonus issues, forfeited shares and buy back of shares in last five years.

(b) Particulars of shares holding more than 5% of Issued Share Capital (5% of 31,995,000 shares) (Amount in ₹)

| Name of the shareholder | As at March 2017 | |
|--------------------------------|------------------|---------------|
| | % | No. of shares |
| Surana Infocom Private Limited | 13.58 | 4,345,139 |
| Chand Kanwar | 5.33 | 1,704,949 |
| Namrata Surana | 5.85 | 1,870,335 |
| Devendra Surana | 7.13 | 2,281,882 |
| Sunita Surana | 5.12 | 1,638,335 |
| Narender Surana | 8.40 | 2,686,954 |
| G.M Surana | 5.35 | 1,710,990 |
| Manish Surana | 7.71 | 2,466,704 |

(i) Reconciliation of shares outstanding at the beginning & at the end of the Reporting Period (Amount in ₹)

| Particulars | No. | As at 31.03.2017 |
|---|------------|---------------------|
| At the beginning of the year | 4,000,000 | 40,000,000 |
| Cancellation of shares on account of merger | 4,000,000 | 40,000,000 |
| Additional Issue if shares during the year | 31,995,000 | 63,990,000 |
| Outstanding at the end of the year | 31,995,000 | 63,990,000 |

Note : 2.2

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|---|----------|---------------------|
| Reserves and Surplus | | |
| (a) General Reserves | | |
| Balance as per last account | | - |
| Add: Net Assets transferred on account of merger | 2.2(a) | 920,640,861 |
| Balance at the year end | | 920,640,861 |
| (b) Surplus | | |
| Balance of Profit & Loss Account available for appropriation | | (1,624,986) |
| Add: Profit during the year/period | | 11,107,040 |
| Less: Profit / (Loss) of earlier years on acquisition of subsidiaries | | (295,456) |
| Less : Minority Interest (Current year's Profit/(Loss)) | | 36,194 |
| Balance at the year end | | 9,222,793 |
| TOTAL | | 929,863,654 |

Note: Addition to General Reserve in the current year is on account of merger of Real Estate unit of Bhagyanagar India 2.2(a) Limited with the company. Refer Note:2.18 for the details.

Note : 2.3

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|---|----------|---------------------|
| Minority Interest | | |
| Opening Balance as at 01.04.2016 | | - |
| Add: Increase in Minority Interest of Subsidiary (Scientia Infocom India Private Limited) | 2.3 (a) | 9,600,000 |
| Add : Profit / (Loss) of earlier years | | (354,454) |
| Add : Current year's Profit/ (Loss) Account | | (36,194) |
| TOTAL | | 9,209,352 |

Note : 2.4

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|-----------------------------|----------|---------------------|
| Long-Term Borrowings | | |
| (a) Loan from Directors | 2.4(a) | 43,016,124 |
| TOTAL | | 43,016,124 |

Note

2.4(a) Loan from Directors is interest free. There is no specific period for repayment of principal.

Note: 2.5

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|--|----------|---------------------|
| Other Current Liabilities | | |
| (a) Audit Fees Payable | | 46,000 |
| (b) TDS Payable | | 33,900 |
| (c) Outstanding Expenses | | 2,031,770 |
| (d) Security Deposit | | 3,278,472 |
| (e) Bank Overdraft | | 3,421,480 |
| (f) Advance from Customers | | 33,500,000 |
| (G) Provision for Tax (Net of Receivables) | | 23,767 |
| TOTAL | | 42,335,389 |

Note: 2.6 - Fixed Assets

(Amount in ₹)

| Particulars | Land | Building | Grand Total |
|----------------------------|--------------------|------------------|----------------------|
| A. Gross Block | | | |
| At 1st April, 2015 | 1,011,393,395 | 943,350 | 1,012,336,745 |
| Additions | 22,456,519 | - | 22,456,519 |
| Disposals | - | - | - |
| At 31st March, 2016 | 1,033,849,914 | 943,350 | 1,034,793,264 |
| Additions | 3,500,000 | 5,778,188 | 9,278,188 |
| Disposals | (37,369,700) | - | (37,369,700) |
| At 31st March, 2017 | 999,980,214 | 6,721,538 | 1,006,701,752 |
| B. Depreciation | | | |
| At 1st April, 2015 | - | 405,387 | 405,387 |
| Charge for the Year | - | 353,655 | 353,655 |
| Disposals | - | - | - |
| At 31st March, 2016 | - | 759,042 | 759,042 |
| Charge for the Year | - | 228,629 | 228,629 |
| At 31st March, 2017 | - | 987,671 | 987,671 |
| C. Net Block (A-B) | | | |
| At 31st March, 2016 | 1,033,849,914 | 184,308 | 1,034,034,222 |
| At 31st March, 2017 | 999,980,214 | 5,733,867 | 1,005,714,081 |

Note: 2.7 - Capital Work in Progress

| Particulars | Work in progress |
|-----------------------------------|------------------|
| At 1st April, 2016 | 7,120,257 |
| Add: Addition during the year | 1,021,646 |
| Less: Capitalised during the year | (5,778,188) |
| At 31st March, 2017 | 2,363,715 |

ASSETS
Note: 2.8

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|-------------------------------------|----------|---------------------|
| Long term Loans and Advances | | |
| (a) Loans to Body Corporate | 2.8(a) | 35,010,417 |
| TOTAL | | 35,010,417 |

Note
2.8(a) Advances to Body Corporate: It includes

| Name of the Company | Balance as on 31.03.2017 |
|---|-----------------------------|
| Surana Solar Limited (Formerly Surana Ventures Limited) | 13,010,417 |
| Tejas Technopark Private Limited | 22,000,000 |
| TOTAL | 35,010,417 |

Note: 2.9

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|---|----------|---------------------|
| Trade Receivable | | |
| (a) Aggregate amount of Trade Receivables outstanding for a period less than six months Unsecured , considered good | | 283,456 |
| TOTAL | | 283,456 |

Note: 2.10

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|----------------------------------|----------|---------------------|
| Cash and Cash Equivalents | | |
| (a) Cash and Cash Equivalents | | |
| (i) Balances in current account | | 102,706 |
| (ii) Cash On Hand | | 65,956 |
| TOTAL | | 168,662 |

Note: 2.11

(Amount in ₹)

| Particulars | Sub Note | As at 31.03.2017 |
|--------------------------------------|----------|---------------------|
| Short term Loans and Advances | | |
| (a) Receivable on merger | 2.11(a) | 44,828,185 |
| (b) Loans to Office staff | | 46,000 |
| TOTAL | | 44,874,185 |

Note: Receivable on account of merger represents amount receivable from Bhagyanagar India Limited -Rs.4,48,28,185 for the business carried on behalf of the company from 01.04.2016 to 23.01.2017, the effective date on which the court order was filed with the Registrar of Companies. Refer Note:2.18 for details.

Notes to Profit & Loss Account**Note: 2.12**

(Amount in ₹)

| Particulars | Sub Note | For the period 31.03.2017 |
|--------------------------------|----------|------------------------------|
| Revenue from Operations | | |
| Lease Rent | | 7,056,464 |
| Profit on sale of assets | | 17,630,300 |
| TOTAL | | 24,686,764 |

Note: 2.13

(Amount in ₹)

| Particulars | Sub Note | For the period 31.03.2017 |
|----------------------|----------|------------------------------|
| Other Income | | |
| Miscellaneous Income | | 11,575 |
| TOTAL | | 11,575 |

Note: 2.14

(Amount in ₹)

| Particulars | Sub Note | For the period 31.03.2017 |
|--------------------------------------|----------|------------------------------|
| Employee Benefit Cost | | |
| Salaries and Other Employee Benefits | | 2,375,236 |
| Staff Welfare Expenses | | 3,130 |
| TOTAL | | 2,378,366 |

Note: 2.15

(Amount in ₹)

| Particulars | Sub Note | For the period 31.03.2017 |
|----------------------|----------|------------------------------|
| Finance Costs | | |
| Financial Charges | | 3,515 |
| TOTAL | | 3,515 |

Note: 2.16

(Amount in ₹)

| Particulars | Sub Note | For the period 31.03.2017 |
|----------------------------------|----------|------------------------------|
| Other Expenses | | |
| Payments to The Auditor | | |
| for Statutory Audit | | 40,250 |
| for Tax Audit | | 5,750 |
| Power and Fuel | | 41,581 |
| Filing Fees | | 68,085 |
| Professional & Consultancy Fees | | 801,886 |
| Travelling and Conveyance | | 755,160 |
| Rates & Taxes | | 619,140 |
| Repairs and development expenses | | 4,557,125 |
| Watch and Ward | | 89,267 |
| Printing & Stationery | | 20,360 |
| Advertisements | | 22,673 |
| Carriage Inwards | | 55,000 |

| Particulars | Sub Note | For the period 31.03.2017 |
|------------------------------|----------|------------------------------|
| Director's sitting Fees | | 10,500 |
| Other Miscellaneous Expenses | | 156,069 |
| Insurance | | 89,932 |
| Legal and License Fees | | 4,030 |
| Telephone Charges | | 798,330 |
| Entertainment Expenses | | 178,400 |
| TOTAL | | 8,313,538 |

(All amounts in rupees except share data and unless otherwise stated)

Note: 2.18

I Merger of Real Estate Unit of M/s Bhagyanagar India Limited with the Company.

Persuant to Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956, M/s Bhagyanagar India Limited (BIL) has demerged its Real Estate Business and vested in to the Company, with effect from 1st April 2016, the appointed date on going concern basis. The scheme has been approved inter alia by shareholders of M/s Bhagyanagar Properties Limited (BPL) and Hon'ble High Court of Judicature of Telangana and Andhra Pradesh, has become effective on 23rd January 2017.

In terms of Scheme, the company will issue and allot its share to the shareholders of M/s Bhagyanagar India Limited (BIL) in the ratio of 1 (one) Equity share of face value of Rs 2/- each fully paid in the Company for every 1 (One) Equity share of face value of Rs 2/- each fully paid held by the shareholders of BIL on the record date fixed for this purpose.

Transfer and vesting of assets and liabilities of the Real Estate Business of BIL to the company has been effected at the values appearing in the books of accounts of Real Estate Unit of M/s Bhagyanagar India Limited as at 1st April 2016 and recorded as such in the books of accounts of the company. Excess of Assets over Liabilities after the issue of fresh shares amounting to Rs 9206.41 lacs is recognised in these financial statements and as stipulated in the scheme, has been credited to " General Reserve".

The details of Assets relating to the Real Estate Business vested with the Company with effect from 1st April 2016 are as follows.

| Particulars | Amount | |
|---|--------------------|---------------------------------|
| Equity share Capital | 40,000,000 | (Cancellation of share capital) |
| Investment in shares - Scientia Infocom India Private Limited | 30,400,000 | |
| Investment in shares - Metropolitan Ventures India Limited | 5,649,910 | |
| Loan from Bhagyanagar India Limited | 561,085,555 | (Cancellation of loan) |
| Loan to Scientia Infocom India Private Limited | 282,133,353 | |
| Loan to Metropolitan Ventures India Limited | 65,362,043 | |
| Net Assets transferred | 984,630,861 | |
| Less: Equity Share Capital | 63,990,000 | |
| General Reserve | 920,640,861 | |

II Share Capital

Upon the Scheme becoming effective the Issued, Subscribed and Paid-up share Capital of the Company has been reorganised and increased from present of Rs 4,00,00,000/- comprising of 40,00,000 equity shares of Rs 10/- each fully paid up to Rs.6,39,90,000 /- comprising of 3,19,95,000 equity shares of Rs 2/- each fully paid up shares

III Investment

Upon the Scheme becoming effective the investment held by M/s Bhagyanagar India Limited in M/s Scientia Infocom India Private Limited comprising of 30,40,000 Equity shares of value Rs.3,40,00,000/- and Metropolitan Ventures India Limited comprising of 5,00,000 Equity shares of value Rs.56,49,910/- have been transferred to the Company.

Note : 2.19 Subsidiaries Considered for Consolidation

| Name of the Company | Paid up capital | Extent of Holding as at 31st March,2017(%) | Equity Investment | Loans & Advances | Maximum Outstanding during the year |
|--|-----------------|--|-------------------|------------------|-------------------------------------|
| Scientia Infocom India Private Limited | 40,000,000 | 76 | 30,400,000 | 289,483,810 | 289,483,810 |
| Metropolitan Ventures India Limited | 5,000,000 | 100 | 5,000,000 | 65,392,043 | 65,392,043 |

Note: 2.20 Earnings per share (EPS)

(Amount in ₹)

| Particulars | for the year ended 31.03.2017 Basic and Diluted |
|---|--|
| Net profit after tax | 11,107,040 |
| Net Profit available for equity share-holders | 11,107,040 |
| No of Equity shares- Basic | 31,995,000 |
| Nominal Value of each equity share (Rs) | 2.00 |
| Basic earning per share | 0.35 |

Note: 2.21 Related party disclosures

a Related parties where significant influence exists and with whom transactions have taken

| place during the year | | | |
|-----------------------|--|----|--|
| 1 | Bhagyanagar India Limited | 10 | Bhagyanagar Securities Private Limited |
| 2 | Surana Telecom and Power Limited | 11 | Bhagyanagar Green Energy Limited |
| 3 | Surana Solar Limited | 12 | Bhagyanagar Energy & Telecom Private Limited |
| 4 | Scientia Infocom India Private Limited | 13 | Bhagyanagar Ventures Private Limited |
| 5 | Metropolitan Ventures India Limited | 14 | Tejas India Solar Energy Private Limited |
| 6 | Tejas Technopark Private Limited | 15 | Andhra Electro Galvanising works |
| 7 | Surana Infocom Private Limited | 16 | Shahsons Private Limited |
| 8 | Surana Solar Systems Private Limited | 17 | Crescentia Solar Private Limited |
| 9 | Innova Technologies Private Limited | 18 | Aryavaan Renewable Energy Private Limited |

b Key Managerial Personnel

Narender Surana

Devendra Surana

Rohit Jain (Company Secretary)

c The following is a summary of related party transactions

(Amount in ₹)

| Particulars | for the year 2016-17 |
|---------------------------------------|----------------------|
| (i) Loans/ advances given | 35,010,417 |
| (ii) Interest received | 11,575 |
| | 35,021,992 |
| (a) Loans/ advances given | |
| (i) Surana Solar Limited | 13,010,417 |
| (ii) Tejas Technopark Private Limited | 22,000,000 |
| | 35,010,417 |
| (b) Interest received | |
| (i) Surana Solar Limited | 11,575 |

d The company has the following amounts due to/ from related parties (Due from related parties)

| Name of the company | | for the year 2016-17 |
|---------------------|----------------------------------|-------------------------|
| 1 | Surana Solar Limited | 13,010,417 |
| 2 | Tejas Technopark Private Limited | 22,000,000 |
| 3 | Bhagyanagar India Limited | 44,828,185 |
| | | 79,838,602 |

Note: 2.22 Particulars of Loans and Advances in the nature of loans as required by Clause 32 of the listing Agreement.
(Value in ₹.)

| Name of the Company | Balance as at 31.03.2017 | Maximum Outstanding during 31.03.2017 |
|--|-----------------------------|---|
| A. Subsidiaries | | |
| Scientia infocom India Private Limited | 289,483,810 | 289,483,810 |
| Metropolitan Ventures India Limited | 65,392,043 | 65,392,043 |

Note: 2.23 Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

| Particulars | SBNs | Other Denomination Notes | Total |
|---------------------------------------|--------|--------------------------|---------|
| Closing cash in hand as on 08.11.2016 | 76,500 | 332 | 76,832 |
| (+) Permitted receipts | - | 160,000 | 160,000 |
| (-) Permitted payments | - | 19,710 | 19,710 |
| (-) Amount deposited in Banks | 76,500 | - | 76,500 |
| Closing Cash in hand as on 30.12.2016 | - | 140,622 | 140,622 |

Note : 2.24 Previous figures comparable figures are not available since it is the first year of consolidation

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

For Bhagyanagar Properties Limited

G. Ganesh,
Partner
M. No. 211704

Narender Surana
Director
DIN: 00075086

Devendra Surana
Whole Time Director
DIN: 00077296

Place: Secunderabad,
Date : 26th May, 2017

Bhavana Dagia
Chief Financial Officer

Rohit Jain
Company Secretary
Membership No: A42347

FORM AOC - 1

(Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

Part "A": Subsidiaries

| 1 | Sl. No. | 1 | 2 |
|----|---|--|--|
| 2 | Name of the Subsidiary | Scientia Infocom India Private Limited | Metropolitan Ventures India Limited |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as holding Company | Same as holding Company |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries | N/A | N/A |
| 5 | Share Capital | 40,000,000 | 5,000,000 |
| 6 | Reserves & Surplus | (1,627,702) | 2,375,922 |
| 7 | Total Assets | 370,883,732 | 72,779,465 |
| 8 | Total Liabilities | 332,511,434 | 65,403,543 |
| 9 | Investments | - | 0 |
| 10 | Turnover | - | - |
| 11 | Profit before taxation | (150,808) | (13,345) |
| 12 | Provision for taxation | - | - |
| 13 | Profit after taxation | (150,808) | (13,345) |
| 14 | Proposed Dividend | - | - |
| 15 | % of shareholding | 75.999% | 99.998% |
| | 1 | Names of subsidiaries which are yet to commence operations - Scientia Infocom India Private Limited and Metropolitan Ventures India Limited | |
| | 2 | Names of subsidiaries which have been liquidated or sold during the year - Nil | |

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

G. Ganesh,
Partner
M. No. 211704

Place: Secunderabad,
Date : 26th May, 2017

For Bhagyanagar Properties Limited

Narender Surana
Director
DIN: 00075086

Bhavana Dagia
Chief Financial Officer

Devendra Surana
Whole Time Director
DIN: 00077296

Rohit Jain
Company Secretary
Membership No: A42347

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BHAGYANAGAR PROPERTIES LIMITED

Regd. Office: 5th Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003.
(CIN: U70102TG2006PLC050010) Ph: 040-44665700, Fax : 040-27818868,
E-mail: investorservices_bpl@surana.com; URL: www.bhagyanagarproperties.com

11TH ANNUAL REPORT 2016-17

Attendance Slip

Folio No./DP ID and Client ID:

No. of Shares:

Name and address of
First/Sole Member :

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 11th Annual General Meeting of the Company, at Grand Solitaire Hotel, 1-240, 41 & 43, S.D.Road, Parklane, Secunderabad, Telangana - 500003 at 01.00 P.M. on Tuesday, the 26th September, 2017.

Name of the Member/Proxy
(Block Letters)

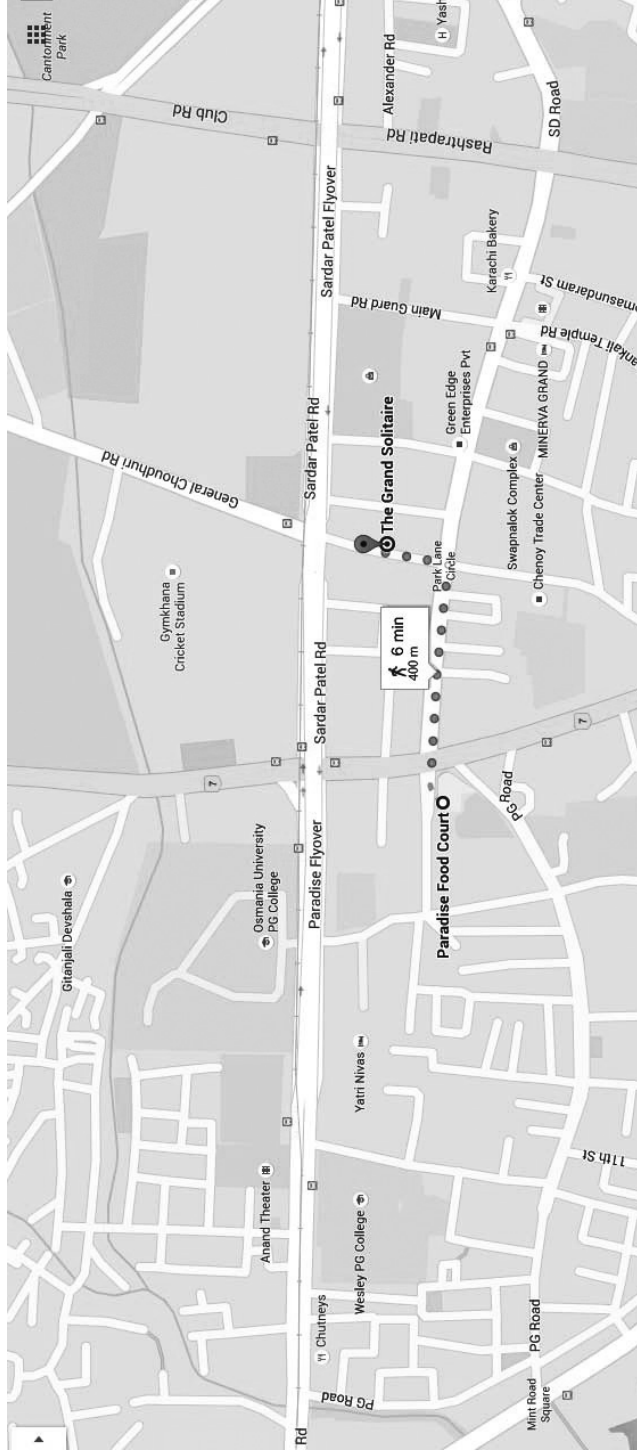
Signature of the Member/Proxy

Note:

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.
2. No gifts will be given.
3. Applicable for Investors holding shares in electronic form.
4. Strike out whichever is not applicable.

AGM VENUE

**The Grand Solitaire Hotel,
1-240, 41 & 43, S.D. Road, Parklane, Secunderabad, Telangana - 500003**




BHAGYANAGAR PROPERTIES LIMITED

Regd. Office: 5th Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003.
(CIN: U70102TG2006PLC050010) Ph: 040-44665700, Fax : 040-27818868,
E-mail: investorservices_bpl@surana.com; URL: www.bhagyanagarproperties.com

11TH ANNUAL REPORT 2016-17**Proxy Form**

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

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____ Folio No./Client Id: _____ DP ID: _____

I/We, being member(s) of Bhagyanagar Properties Limited, holding _____ shares of the Company, hereby appoint:

A Name : _____

Address : _____

E-mail Id : _____ Signature: _____

Or failing him/her

B Name : _____

Address : _____

E-mail Id : _____ Signature: _____

Or failing him/her

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the notice dated 1st August, 2017, convening the 11th Annual General Meeting of the Company to be held on 26th September, 2017, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:

| Item Nos. | Resolutions | | Vote (see note d.) (Please mention no. of shares) | | |
|-----------|--|---------------------|--|---------|---------|
| | | | For | Against | Abstain |
| 1. | Adoption of Financial Statements of the Company for the year ended 31 st March, 2017 including Balance Sheet as at 31 st March, 2017 and the Statement of Profit & Loss, Reports of the Board of Directors and Auditors thereon. | Ordinary Resolution | -- | | |
| 2. | Re-Appointment of Shri. Narender Surana (DIN-00075086) who retires by rotation and being eligible, offers himself for re-appointment. | Ordinary Resolution | | | |
| 3. | Appointment of M/s Luharuka & Associates (Firm Registration No. 001882S) as Statutory Auditors of the Company and to fix their remuneration. | Ordinary Resolution | | | |
| 4. | Appointment of Shri. Sri Nagesh Boorugu (DIN-00929331) as Independent Director of the Company. | Ordinary Resolution | | | |
| 5. | Appointment of DR. R.N. Sreenath (DIN-001) as Independent Director of the Company. | Ordinary Resolution | | | |
| 6. | Appointment of Shri. D. Venkatasubbiah (DIN-00006618) as Independent Director of the Company. | Ordinary Resolution | | | |
| 7. | Appointment of Shri. Devendra Surana (DIN-00077296) as Whole-Time Director of the Company. | Special Resolution | | | |
| 8. | Appointment of Ms. Vinita Surana (DIN-02332288) as Director of the Company. | Ordinary Resolution | | | |
| 9. | Raise Funds through Issue of Convertible Securities/GDR's/ADR's/ FCCB's/ECB's etc | Special Resolution | | | |
| 10. | To approve the Remuneration to be paid to M/s. BVR & Associates, Cost Auditors of the Company | Ordinary Resolution | | | |

Place :

Date :

Revenue
Stamp

Signature of the Shareholder



Notes:

- a) Proxy need not be a member of the Company.
- b) The Proxy Form in order to be effective shall be duly filled in and signed by the member(s) across Revenue Stamp and should reach the Company's Registered Office: 5th Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003 at least 48 hours before the commencement of the meeting.
- c) Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
- d) It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may think appropriate.



If undelivered please return to:
Secretarial Department

BHAGYANAGAR PROPERTIES LIMITED

Registered Office :

Surya Towers, 5th Floor,
Sardar Patel Road, Secunderabad - 500 003, India
Tel. : +91-040-27845119, 44665700, 27841198

Fax : +91-040-27818868

CIN: U70102TG2006PLC050010

E-mail : surana@surana.com

Investor Complaints: cs@surana.com, investorservices_bpl@surana.com

Website : www.surana.com, www.bhagyanagarproperties.com