

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALAJI HIGHWAYS HOLDING PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **BALAJI HIGHWAYS HOLDING PRIVATE LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 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 Ind AS 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 Ind AS 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 there under.

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 Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS 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 31st March, 2017, and its loss 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") Issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 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, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
 - (e) on the basis of the 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 - A"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has not pending litigation which would impact its financial position;
 - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
 - iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;
 - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. However we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures with respect to currency held other than SBNs are in accordance with books of account maintained by the company and as produced to us by the management.

For Gianender & Associates
Chartered Accountants
FRN: 004661N



G.K. Agrawal
Partner
M No. 081603

Place:
Date:

Annexure to the Independent Auditor's Report of Balaji Highways Holding Private Limited for the Year ended as on 31st March 2017

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i. The company has no fixed assets as on 31st March 2017, therefore the paragraph 3(i) of the Order is not applicable to the company.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. The subsection 1 of section 148 of the Companies Act 2013 is not applicable to the company, hence paragraph 3(vi) of the Order is not applicable to the company.
- vii.
 - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2017, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
 - b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. The company has not taken any loans or borrowings from any banks and a financial institution, and not issued any debentures during the year or in any previous years hence paragraph 3(viii) of the Order is not applicable to the company.
- ix. The Company has not raised money by way of initial public offer or further public offer and term loan, hence paragraph 3(ix) of the order is not applicable to the company.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid any managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, the transactions entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the

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financial statements as required by the applicable accounting standards.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For Gianender & Associates
Chartered Accountants
FRN: 004661N



G.K. Agrawal
Partner
M No. 081603

Place:
Date:

Annexure-A

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

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

We have audited the internal financial controls over financial reporting of **Balaji Highways Holding Private Limited ("the Company")** as of March 31, 2017 in conjunction with our audit of the 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 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. 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 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.

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 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 of internal financial controls over financial reporting included obtaining an understanding of 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 the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement 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 my /our audit opinion on the Company's 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 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 Gianender & Associates
Chartered Accountants
FRN: 004661N



G.K. Agrawal
Partner
M No. 081603

Place:
Date:

BALAJI HIGHWAYS HOLDING PRIVATE LIMITED

Balance Sheet as at 31st March 2017

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	Note	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
ASSETS				
NON-CURRENT ASSETS				
Financial assets				
Investments	3	1,21,06,550	1,21,06,550	1,21,06,550
CURRENT ASSETS				
Cash and Cash equivalents	4	3,53,673	25,759	4,259
Total assets		1,24,60,223	1,21,32,309	1,21,10,809
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	5	10,00,000	10,00,000	10,00,000
Other equity	6	(15,43,916)	(13,71,330)	(11,90,690)
Total Equity		(5,43,916)	(3,71,330)	(1,90,690)
CURRENT LIABILITIES				
Other current liabilities	7	1,30,04,139	1,25,03,639	1,23,01,499
Total equity and liabilities		1,24,60,223	1,21,32,309	1,21,10,809

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached
 For GIANENDER & ASSOCIATES
 Chartered Accountants
 Firm Regn No. 004661N

For and on behalf of the Board

R.K. AGRAWAL
 Partner
 M No: 085671

J. BRIJ MOHAN REDDY
 Director
 DIN: 00012927

T. RAJIV REDDY
 Director
 DIN: 06859435

Place: New Delhi
 Date: 23.05.2017

Place: Hyderabad
 Date: 23.05.2017

Place: Hyderabad
 Date: 23.05.2017

BALAJI HIGHWAYS HOLDING PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March 2017

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PARTICULARS	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
Revenue from Operations		-	-
Other Income		-	-
TOTAL REVENUE		-	-
Expenses:			
Other Expenses	8	1,72,586	1,80,640
TOTAL EXPENSES		1,72,586	1,80,640
Loss before tax from continuing operations		(1,72,586)	(1,80,640)
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Loss for the year		(1,72,586)	(1,80,640)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,72,586)	(1,80,640)
Earnings / (Loss) per equity share			
Basic and Diluted	16	(1.73)	(1.81)

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For GIANENDER & ASSOCIATES

Chartered Accountants

Firm Regn. No. 004661N

For and on behalf of the Board

R.K. AGRAWAL

Partner

M No: 085671

Place: New Delhi

Date: 23.05.2017

J. BRIJ MOHAN REDDY

Director

DIN: 00012927

Place: Hyderabad

Date: 23.05.2017

T. RAJIV REDDY

Director

DIN: 06859435

Place: Hyderabad

Date: 23.05.2017

BALAJI HIGHWAYS HOLDING PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31 March 2017

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(a) Equity share capital			
	Number	Amount	
Equity shares of ₹10 each issued, subscribed and fully paid			
At 1 April 2015	10,00,000	1,00,00,000	
At 31 March 2016	10,00,000	1,00,00,000	
At 31 March 2017	10,00,000	1,00,00,000	
(b) Other equity			
For the year ended 31 March 2017			
	Securities premium account	Retained earnings	Total equity
As at 1 April 2016	-	(13,71,330)	(13,71,330)
Loss for the period	-	(1,72,586)	(1,72,586)
At 31 March 2017	-	(15,43,916)	(15,43,916)
For the year ended 31 March 2016			
	Securities premium account	Retained earnings	Total equity
At 1 April 2015	-	(11,90,690)	(11,90,690)
Loss for the period	-	(1,80,640)	(1,80,640)
At 31 March 2016	-	(13,71,330)	(13,71,330)
The accompanying notes form an integral part of the financial statements.			
This is the Statement of Changes in Equity referred to in our report of even date.			
For GIANENDER & ASSOCIATES		For and on behalf of Board	
Chartered Accountants			
R.K. AGRAWAL	J. BRIJ MOHAN REDDY	T. RAJIV REDDY	
Partner	Director	Director	
M No: 085671	DIN: 00012927	DIN: 06859435	
Place: New Delhi	Place: Hyderabad	Place: Hyderabad	
Date: 23.05.2017	Date: 23.05.2017	Date: 23.05.2017	

BALAJI HIGHWAYS HOLDING PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March 2017

PARTICULARS	For the year ended 31.03.2017	For the year ended 31.03.2016
Cash Flow from Operating Activities:		
Net Profit / (Loss) Before Tax	(1,72,586)	(1,80,640)
Operating Profit before Working Capital Changes	(1,72,586)	(1,80,640)
Adjustments for:		
Increase / (Decrease) in other Current Liabilities	5,00,500	2,02,140
Cash Generated from Operations	5,00,500	2,02,140
Net Cash flow from Operating Activities	3,27,914	21,500
Cash Flow from Investing Activities:		
Purchase of Investments in Associates	-	-
Net Cash used in Investing Activities (B)	-	-
Cash Flow from Financing Activities:		
Net Cash from Financing Activities (C)	-	-
Net Increase in Cash and Cash Equivalents (A+B+C)	3,27,914	21,500
Cash and Cash Equivalents at the beginning of the year	25,759	4,259
Cash and Cash Equivalents at the close of the year	3,53,673	25,759
Cash on hand	284	5,933
Balance with Scheduled Banks		
- in Current Accounts	3,53,389	19,826
Total	3,53,673	25,759

The accompanying notes are an integral part of the Financial Statements

Note:

1. The Cash Flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 issued by ICAI on Cash Flow Statements and presents Cash Flow by Operating, Investing and Financing Activities.

2. Figures in brackets represent Cash Outflows.

As per our report of even date attached

For GIANENDER & ASSOCIATES

Chartered Accountants

Firm Regn No. 004661N

For and on behalf of the Board

R.K. AGRAWAL

Partner

M No: 085671

Place: New Delhi

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J. BRIJ MOHAN REDDY

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