

DIRECTOR REPORT

Dear Members,

MARK-O-LINE TRAFFIC CONTROLS PVT LTD

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts of your Company for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Amount In Rs)

Particulars	Year ended 31 st March 2017	Year ended 31 st March 2016
Turnover	29,51,48,812	35,46,61,098
Profit/(Loss) before taxation	1,67,80,681	1,86,58,133
Less: Tax Expense	42,74,702	59,15,926.87
Profit/(Loss) after tax	1,25,05,980	1,27,42,205
Add: Balance B/F from the previous year	5,10,14,115	3,82,71,909
Balance Profit /(Loss) C/F to the next year	6,35,20,095	5,10,14,115

DIVIDEND

Considering the future prospectus and business opportunity directors do not propose any dividend for the Financial Year ended March 31, 2017.

TRANSFER TO RESERVES

Amount of Rs. 1,25,05,980 was transferred to the reserves during the financial year ended 31st March, 2017.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended 31st March, 2017, 15 (Fifteen Times) Meetings of the Board of Directors of the Company was held.

*The number of meetings attended by the Directors during the FY 2016-17 is as follows:

<u>Name of the Directors</u>	<u>Number of meetings attended/total meetings held during the FY 2016-17</u>
Mr. Sanjay Bhanudas Patil	<u>16/16</u>
Mr. Vijay Ratanchand Oswal	<u>16/16</u>

STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company is engaged in Infrastructure sector. Considering current market situation your directors are in looking forward for positive ups in the industry which may result in increase in business opportunities for the company in coming years.

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. The Government of

India is taking every possible initiative to boost the infrastructure sector.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form No MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2017 is annexed hereto and forms part of this report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year ended 31st March, 2017 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

Apart from unsecured loan from Directors Company had accepted Inter Corporate Loan from M/s. Mark O Line Infra Pvt. Ltd. Having common directors closing balance as at year end was Rs. 2,12,61,896/-

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**A. Conservation of Energy, Technology Absorption**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

B. Foreign Exchange Earnings and Outgo

	Rs.
Earnings	N.A.
Outgo	N.A.

RISK MANAGEMENT

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

In view of the applicable provisions of the Companies Act, 2013, the Company is not mandatorily required to appoint any whole time KMPs.

DEPOSITS

The Company had not accepted any deposits during the year under review.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or an Associate Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of the Sec 135 regarding the provisions of the Corporate Social Responsibility are not applicable to the Company.

BOARD'S COMMENT ON THE AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self explanatory.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) in the preparation of the annual accounts for the year ended 31st March, 2017, the Company has followed the applicable accounting standards and there are no material departures from the same.

- (b) 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 as at 31st March, 2017 and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors



Sanjay Patil
Director (DIN - 00229052)



Vijay Oswal
Director (DIN - 00286756)

Place: Mumbai

Date: 07 September, 2017

ANNEXURE-1

***The number of meetings attended by the Directors during the FY 2016-17 is as follows:**

Name of the Directors	Board Meeting Dates	Number of meetings attended/total meetings held during the FY 2016-17
SANJAY BHANUDAS PATIL	20/04/2016 04/05/2016 23/06/2016, 02/08/2016 24/08/2016, 17/11/2016, 28/11/2016, 27/12/2016, 04/01/2017, 10/01/2017, 11/01/2017, 31/01/2017, 09/02/2017, 22/02/2017, 02/03/2017, 23/03/2017	16/16
VIJAY RATANCHAND OSWAL	20/04/2016 04/05/2016 23/06/2016, 02/08/2016 24/08/2016, 17/11/2016, 28/11/2016, 27/12/2016, 04/01/2017, 10/01/2017, 11/01/2017, 31/01/2017, 09/02/2017, 22/02/2017, 02/03/2017, 23/03/2017	16/16

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 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]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U99999MH2002PTC156371
ii.	Registration Date	08/11/2002
iii.	Name of the Company	MARK-O-LINE TRAFFIC CONTROLS PVT LTD
iv.	Category/Sub-Category of the Company	Company Limited By Shares, Indian Non Government Company
v.	Address of the Registered office and contact details	502,A WING, SHREE NAND DHAM SECTOR 11, CBD BELAPUR NAVI MUMBAI 400 614
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

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: -

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

[illegible]

Funds									
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
TotalPublic Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C.Shares heldby Custodianfor GDRs&ADRs	-	-	-	-	-	-	-	-	-
GrandTotal (A+B+C)	0	87372	87372	100	0	87372	87372	100	0

ii.Share holding of Promoters and others

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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.	Sanjay Patil	36,211	41.49	0	36,211	41.49	0	0
2.	Kirti Patil	7,771	9.00	0	7,771	9.00	0	0
3.	Sanskruti Patil	7,771	9.00	0	7,771	9.00	0	0
4.	Avinash Patil	12	0.01	0	12	0.01	0	0
5.	Bhanudas Patil	10	0.01	0	10	0.01	0	0
6.	Sangram Gaikwad	10	0.01	0	10	0.01	0	0
7.	Vishwajit Gaikwad	10	0.01	0	10	0.01	0	0
8.	Shailaja Gaikwad	12	0.01	0	12	0.01	0	0
9.	Rahul Modak	1	0.00	0	1	0.00	0	0
10.	Vijay Oswal	7,771	9.00	0	7,771	9.00	0	0
11.	Safala Oswal	4,317	5.00	0	4,317	5.00	0	0
12.	Jaya Oswal	4,317	5.00	0	4,317	5.00	0	0

13.	Kirti Oswal	432	0.50	0	432	0.50	0	0
14.	Rajesh Oswal	432	0.50	0	432	0.50	0	0
15.	Atul Bora	4,318	5.00	0	4,318	5.00	0	0
16.	Arusha Bora	4,317	5.00	0	4,317	5.00	0	0
17.	Karan Bora	4,317	5.00	0	4,317	5.00	0	0
18.	Kunal Bora	4,317	5.00	0	4,317	5.00	0	0
Class B								
1.	Sanjay Patil	616	60%	0	616	60%	0	0
2.	Vijay Oswal	205	20%	0	205	20%	0	0
3.	Atul Bora	205	20%	0	205	20%	0	0
	Total	1000	100	0	10000	100	0	0

iii.Change in Promoters' Shareholding(please specify, if there is no change

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	87,372	100	87,372	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase		-	-	-

	/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	87,372	100	87,372	100

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,40,69,564	3,77,87,319	0	13,18,56,883
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year	0		0	
- Addition	3,88,24,906	3,34,519		3,91,59,425
- Reduction	0	0	0	0
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	5,52,44,658	3,74,52,800	0	9,26,97,458
ii) Interest due but notpaid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a)Salary as per provisions containedinsection17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary undersection17(3)Income-taxAct,1961	33,00,000	-	-	-	33,00,000
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	33,00,000	-	-	-	33,00,00
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to the directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify		-	-	-	-
	Total(1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total(2)					
	Total(B) = (1 + 2)					
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0

	- as% of profit -others, specify...				
5.	Others, please specify	0	0	0	0
6.	Total	0	0	0	0

VII. PENALTIES/PUNISHMENT/COMPOUNDING 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	87	Condonation of Delay of Satisfaction of charge	6000	REGIONAL DIRECTOR	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. Other Officers In Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

PLACE: MUMBAI

DATE: 07 SEPTEMBER, 2017



SANJAY PATIL
Managing Director (DIN - 00229052)



VIJAY OSWAL
Director (DIN - 00286756)

R. G. MUNDADA & CO

Chartered Accountants
14, Purva Plaza,
515/516, Sadashiv Peth
Pune 411 030
Tel : 020-24459980 / 24465507

INDEPENDENT AUDITORS' REPORT **To the members of MarkolineTraffic Controls Pvt Ltd** **Report on Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Markoline Traffic Controls Pvt Ltd.** ("the Company"), which comprises the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss and 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 Standalone 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 standalone 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment 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 standalone 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 standalone 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, issued by the Institute of Chartered Accountants of India, as 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 standalone 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 company's director, 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, its *profit* and its cash flows for the year ended on that date.

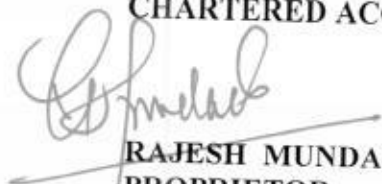
Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the 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 purpose 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, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d. In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31 March , 2017 and 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 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses .
 - iii. There were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note- 30 to the standalone financial statements.

For R. G. MUNDADA & CO.
CHARTERED ACCOUNTANTS


RAJESH MUNDADA
PROPRIETOR

MEMBERSHIP NUMBER: 41360
FIRM REG. NO.: 106685W

Place : Pune
Date : 07th September, 2017

"ANNEXURE A"

Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of Markoline Traffic Controls Pvt Ltd.

On the basis of such checks, as we consider appropriate, during the course of our audit, we report that:

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets.
- b) As explained to us, Fixed Assets have been physically verified by the management at regular intervals, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, title deeds of all the immovable properties are held in the name of the Company.
- ii. a) The Inventories have been physically verified during the year at reasonable intervals by the management. In our opinion the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable & adequate in relation to the size of the Company & nature of its business.
- c) The company is maintaining the proper records for recording the inventory and the discrepancies noticed on verification of stocks as compared to books were not material and have been properly dealt with in the books of accounts.
- iii. *The company has granted unsecured loans aggregating Rs.77.17 Lakhs to two parties covered in the register maintained under section 189 of the Companies Act, 2013.*
 - (a) *It is informed to us that the company has granted unsecured loan of Rs.19.58 lakhs to Mark O Line Technologies Pvt. Ltd. in which directors are interested, to set up research, development and testing facility with the condition that the said facility will be operated mainly for the benefit of the company. It is further informed that the said loan will be repaid within five years from completion of the setting up of such facility. In view of the above explanations we are unable to offer comment, whether granting of such loan is prejudicial to the interest of the company*
 - (b) *Loan to A-One Industries of Rs.57.58 lakhs. The said loan has been recovered fully during the year. The company has charged interest at the rate of 15% which is commensurate with interest on borrowings from banks by the company. Thus the granting of loan is not prejudicial to the interest of company as the entire amount of loan is fully recovered. However, the interest charged on the said loan is not recovered and to that extent it is prejudicial to the interest of the company.*



- iv. The company has granted loans to two parties in which director &/or relative of the director of the company which are not in compliance with the provisions of section 185 in respect of loans to the parties covered under the aforesaid section. Following are the details of such loans granted:

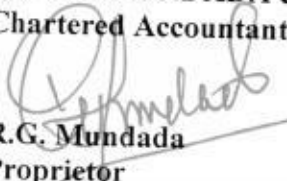
Sr. No.	Name of Party	Relationship with party	Amount of loan outstanding as on 01.04.2016	Amount of Loan made during the year	Amount of loan repaid during the year	Interest	Maximum amount of loan outstanding during the year	Amount of loan outstanding as on 31.03.2017
1.	Mark O Line Technologies Pvt. Ltd.	Associate Company	Rs.1,56,86,478/-	Rs.19,58,469/-	Rs.7,94,678/-	Rs.21,66,780/-	Rs.1,90,17,049/-	Rs.1,90,17,049/-
2	A One Oil Industries	Key Management Personnel's Relatives	NIL	Rs.57,58,321/-	Rs.58,01,515/-	Rs.4,31,936/-	Rs.55,00,000/-	Rs.3,88,742/-

- v. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of clause 3(v) of the order are not applicable to the Company.
- vi. According to the information and explanation given to us, the Central Government's directive in respect of maintenance of cost record under section 148(1) of the Companies Act, 2013 is not applicable.
- vii. a) As per records of the Company and according to the information and explanations given to us, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Wealth Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities and there is no undisputed amount payable in respect of the same which were in arrears as on 31st March, 2017 for a period of more than six months from the date they became payable.
- b) As per the information and explanations given to us, there are no dues of sales tax, income tax, custom tax, service tax, value Added Tax, wealth tax, excise duty, cess which have not been deposited on account of any disputes.
- viii. Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of the dues to the bank.
- 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.



- 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. The company being a private limited company the provision of clause 3 (xii) of the order are not applicable.
- xii. In our opinion, the Company is not a Chit Fund / 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.
- 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 him..
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For R.G.MUNDADA & CO.
Chartered Accountants


R.G. Mundada
Proprietor

Place : Pune

Date : 07th September, 2017

"Annexure B"

Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of Markoline Traffic Controls Pvt Ltd.

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 Markoline Traffic Controls Private Limited . ("the Company") as of March 31,2017 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 based on 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 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 as specified under section 143(10) of the Act, 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 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 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 controls 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 acquisitions, 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 limitation 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 to 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 controls 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 R.G.MUNDADA & CO.
Chartered Accountants


R.G. Mundada
Proprietor

Place : Pune

Date : 07th September, 2017

MARKOLINE TRAFFIC CONTROLS PVT LTD
BALANCE SHEET AS ON 31ST MARCH 2017

		(Amount in Rs.)	
Particulars	Note	As on 31 st March, 2017	As on 31 st March, 2016
<u>EQUITY AND LIABILITIES</u>			
Shareholders Funds:			
Share Capital	3	87,37,200	87,37,200
Reserves & Surplus	4	6,35,20,095	5,10,14,115
Money Received Against Share Warrants			
		7,22,57,295	5,97,51,315
Share Application Money Pending Allotment		-	-
Non-Current Liabilities			
Long-Term Borrowings	5	5,27,17,711	6,27,57,009
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities		-	-
Long-Term Provisions		-	-
		5,27,17,711	6,27,57,009
Current Liabilities			
Short-Term Borrowings	6	3,99,79,747	6,90,99,874
Trade Payables	7	2,38,61,465	4,98,14,676
Other Current Liabilities	8	3,90,25,835	3,48,45,148
Short-Term Provisions	9	26,08,955	68,19,224
		10,54,76,001	16,05,78,921
TOTAL		23,04,51,006	28,30,87,245
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	7,07,05,193	7,47,97,553
Intangible Assets		-	-
Capital Work-In-Progress		-	-
Intangible Assets Under Development		-	-
Non-Current Investment	11	75,210	75,100
Deferred Tax Assets (Net)	12	(19,24,778)	(6,21,067)
Long Term Loans and Advances	13	85,48,532	19,31,336
Other Non-Current Assets		-	-
		7,74,04,157	7,61,82,922
Current Assets			
Current Investment		-	-
Inventories	15	31,69,141	2,43,81,252
Trade Receivables	16	7,74,98,761	10,19,90,771
Cash and Cash Equivalents	17	53,06,883	1,12,25,248
Short-Term Loans and Advances	18	2,65,40,027	2,07,16,284
Other Current Assets	19	4,05,32,036	4,85,90,767
		15,30,46,849	20,69,04,323
TOTAL		23,04,51,006	28,30,87,245
Significant Accounting Policies	2.1		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR R. G. MUNDADA & CO.
CHARTERED ACCOUNTANTS

R. G. MUNDADA
PROPRIETOR

PLACE : PUNE
Date : 07th September, 2017

MARKOLINE TRAFFIC CONTROLS P. LTD.

DIRECTOR

DIRECTOR

MARKOLINE TRAFFIC CONTROLS PVT LTD
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
Income :			
Revenue From Operations	20	29,51,48,812	35,46,61,098
Other Income	21	46,28,290	18,57,193
Total Revenue		29,97,77,102	35,65,18,291
Expenses :			
Cost Material Consumed	22	10,85,73,830	16,84,16,206
Change in Inventory	23	1,92,38,899	(1,92,38,899)
Employee Benefits Expenses	24	4,23,81,917	7,78,45,194
Finance Costs	25	1,95,57,386	1,82,56,768
Depreciation and Amortization Expense	26	66,60,225	43,89,230
Other Expenses	27	8,65,84,164	8,81,91,660
Total Expenses		28,29,96,421	33,78,60,159
Profit before exceptional and extraordinary items and tax		1,67,80,681	1,86,58,132
Exceptional items		-	-
Profit before extraordinary items and tax		1,67,80,681	1,86,58,132
Extraordinary Items		-	-
Profit Before Tax		1,67,80,681	1,86,58,132
Tax Expense :			
(1) Prior Year taxes		(4,50,397)	-
(2) i) Current Tax		34,21,388	42,54,578
ii) Current Tax (MAT)		-	-
(3) Deferred Tax		13,03,711	16,61,349
Profit / (Loss) for ther period from continuing operations		1,25,05,980	1,27,42,205
Profit / (loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from Discontinuing operations after tax		-	-
Profit / (Loss) for the period		1,25,05,980	1,27,42,205
Earnings Per Share (EPS)	28		
Basic and Diluted (Rs)		143.13	145.84
Significant Accounting Policies	2.1		

AS PER OUR REPORT OF EVEN DATE ATTACHED

MARKOLINE TRAFFIC CONTROLS P. LTD.

FOR R. G. MUNDADA & CO.
 CHARTERED ACCOUNTANTS

R. G. MUNDADA
 PROPRIETOR

PLACE : PUNE

Date : 07th September, 2017

DIRECTOR

DIRECTOR

MARKOLINE TRAFFIC CONTROLS PVT LTD
Notes to Financial Statements for the year ended March 31, 2017

(Amount in Rs.)
As on 31st March, 2017 As on 31st March, 2016

Note 3 -
Share Capital

Authorised Share Capital

Class "A"

98000 (previous year 98000) equity shares of Rs.100/- each

98,00,000 98,00,000

Class "B"

2000 (previous year 2000) equity shares of Rs. 100/- each

2,00,000 2,00,000

1,00,00,000 1,00,00,000

Share Capital - Issued, Subscribed & Paid up

Class "A"

86,346 (previous year 86,346) equity shares of Rs.100/- each fully paid up

86,34,600 86,34,600

(Includes 9015 equity shares of Rs.100/- each issued as fully paid by way of bonus shares by capitalisation of reserves)

Class "B"

1026 (previous year 1026) equity shares of Rs.100/- each fully paid (Includes 855 equity shares of Rs.100/- each

1,02,600 1,02,600

87,37,200 87,37,200

a. The details of shareholders holding more than 5% shares

Class "A"

Name of the Share Holders

	2017		2016	
	No of shares	% Holding in the class	No of shares	% Holding in the class
Sanjay Patil	36,211	41.94%	36,211	41.94%
Kirtinandini Patil	7,771	9.00%	7,771	9.00%
Sanskriti Patil	7,771	9.00%	7,771	9.00%
Vijay Oswal	10	0.01%	7,771	9.00%
Kirti Oswal	8,193	9.49%	432	0.50%

Class "B"

Name of the Share Holders

	2017		2016	
	No of shares	% Holding in the class	No of shares	% Holding in the class
Sanjay Patil	616.00	60.04%	1,026.00	100.00%
Vijay Oswal	10.00	0.97%	205.00	19.98%
Kirti Oswal	195.00	19.01%	-	-
Atul Bora	205.00	19.98%	205.00	19.98%



(Amount in Rs.)

As on 31st March, 2017 As on 31st March, 2016

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	2017		2016	
	No of shares	Rs.	No of shares	Rs.
"A" Class				
Equity shares at the beginning of the year	86,346	86,34,600	86,346	86,34,600
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the period	86,346	86,34,600	86,346	86,34,600
"B" Class				
Equity shares at the beginning of the year	1,026	1,02,600	1,026	1,02,600
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the period	1,026	1,02,600	1,026	1,02,600

c. Terms / Rights attached to equity shares

The company has two classes of equity shares having a par value of Rs 100 per share.

Class "A" shares :

Each holder of equity share is entitled to ten votes for each share.
In event of liquidation of company the holder of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts.
The distribution will be in proportion to the number of equity shares held by the share holder.

Class "B" shares :

Each holder of equity share is entitled to one vote irrespective of number of shares held.
In event of liquidation of company the holder of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts.

Note 4 -

Reserves & Surplus

Profit & Loss Account

As per last balance sheet	5,10,14,115	3,82,71,909
Less : Adjusted for change in depreciation as per Sch II	-	-
Add: Current Year's Profit / (Loss)	1,25,05,980	1,27,42,206
	<u>6,35,20,095</u>	<u>5,10,14,115</u>



MARKOLINE TRAFFIC CONTROLS PVT LTD
Notes to Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

As on 31st March, 2017 As on 31st March, 2016

Note 5 -
Long Term Borrowings
Secured

i) ICICI Bank Ltd Car Loan Endeavour (Note:5.1)	-	89,475
ii) ICICI Bank Ltd Car Loan Polo (Note:5.2)	1,42,461	2,97,699
iii) Toyota Financial Service India Ltd (Note:5.3)	2,77,895	5,44,617
iv) Toyota Financial Service India Ltd (Note:5.4)	2,77,563	5,44,617
v) Reliance Capital Ltd A/c 000292108 (Note 5.5)	-	4,46,153
vi) ICICI Bank Car Loan A/c.No:0510(Camper) (Note:5.6)	1,01,229	2,84,447
vii) SREI Equipment Finance Ltd (HM Plant) (Note 5.7)	4,99,477	12,33,055
viii) SREI Equipment Finance Ltd (VSI Unit) (Note 5.8)	13,05,909	32,23,843
ix) Yes Bank Loan A/c. No:96659 (Note:5.9)	2,95,619	10,75,163
x) Yes Bank Loan A/c.No:96869 (Note 5.10)	23,89,220	86,99,726
xi) Reliance Capital Ltd A/c 000297097 (Note 5.11.)	-	16,88,026
xii) Reliance Capital Ltd A/c 000292747 (Note 5.12)	-	9,34,667
xiii) Malojiraje Sah Bank - NSM (Note:5.13)	12,98,363	14,83,416
xiv) Malojiraje Sah Bank -SSP (Note:5.13)	12,68,856	14,92,388
xv) Malojiraje Sah Bank- SBP (Note:5.13)	25,55,076	29,32,398
xvi) ICICI Bank Ltd Car Loan Eco Sport(Note:5.14)	3,45,355	-

Note 5.1 : (The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs.45,650/-)

Note 5.2 : (The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs.16,985/-)

Note 5.3 : (The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs.30,044/-)

Note 5.4 : (The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs.30,044/-)

Note 5.5 : The loan is secured against the vehicle (Mahindra HCV).The loan is payable in equated installments of Rs.69,950/- starting from 10/02/2015

Note 5.6 : The loan is secured against the vehicle (Camper).The loan is payable in equated installments of Rs.19,865/- starting from 22/12/2015.

Note 5.7 : The loan is secured against the vehicle and personal guarantee of the director..The loan is payable in equated installments of Rs.80,230/- starting from 03/03/2016.

Note 5.8 : The loan is secured against the vehicle and personal guarantee of the director..The loan is payable in equated installments of Rs.2,09,750/- starting from 03/03/2016.

Note 5.9 : The loan is secured against the vehicle and personal guarantee of the director..The loan is payable in equated installments of Rs.80,500/- starting from 15/10/2015.

Note 5.10 : The loan is secured against the vehicle and personal guarantee of the director..The loan is payable in equated installments of Rs.6,53,400/- starting from 15/10/2015.

Note:5.11 (The Loan is secured against Hypothecation of Paver M212,Mahindra HCV & Corporate Guarantee of company. The annual payment is fixed at monthly instalment of Rs.6,00,000/- & Rs.2,00,000/- for 9 months & 3 months respectively.

Note:5.12 (The Loan is secured against the vehicle. The Loan is payable in Equated Monthly Instalment of Rs.1,36,840/-)

Note 5.13 - The loan from Malojiraje Sahakari Bank is sanctioned in the name of the director Mr.Sanjay Patil and the employees Mr.Sunil Powar and Mr.Niyaz Momin. The disbursement of the loan is made by the bank in the name of the company as conveyed by the management & thus the same is considered in the books of the company. Further the said loans are secured against the immovable property of the third party , guaranteed by the director & also corporate guarantee of the company. The loan is payable in equated monthly instalment of Rs.39000/-, Rs.39,000/- & Rs.78000/- in respect of loan at Sr. No (i) , (ii) & (iii) respectively. The rate of Interest is 14%p.a.

Note 5.14 : The loan is secured against the vehicle and personal guarantee of the director..The loan is payable in equated installments of Rs.30,572/-.



MARKOLINE TRAFFIC CONTROLS PVT LTD

Notes to Financial Statements for the year ended March 31, 2017

	(Amount in Rs.)	
	As on 31st March, 2017	As on 31st March, 2016
Unsecured		
i) Capital First Ltd. A/c No.9263594 (Note 5.15)	4,01,964	-
ii) Deutsche Bank Loan A/c No.250029776720019 (Note 5.16)	25,00,344	-
iii) Fullerton India Cr Co Ltd Ac No. 036102410123175 (Note 5.17)	2,47,792	-
iv) MAGMA FINCORP LTD A/c No.G/0458/00000125 (Note 5.18)	8,55,403	-
v) RBL Bank Loan A/c No.809000818611 (Note 5.19)	2,55,620	-
vi) TATA CAP FIN.SER. LTD LOAN A/C NO.6728206 (Note 5.20)	2,46,764	-

Note 5.15 : The loan is payable in equated installments of Rs.1,92,758/-.

Note 5.16 : The loan is payable in equated installments of Rs.1,79,608/-.

Note 5.17 : The loan is payable in equated installments of Rs.1,96,097/-.

Note 5.18 : The loan is payable in equated installments of Rs.1,51,226/-.

Note 5.19 : The loan is payable in equated installments of Rs.1,91,417/-.

Note 5.20 : The loan is payable in equated installments of Rs.1,91,775/-.

From Directors

Sanjay Patil	81,72,453	1,50,35,696
Vijay Oswal	5,71,424	10,53,164

From Share holders

Shailaja Gaikwad	69,47,027	73,09,285
Atul Bora	5,00,000	5,00,000

From Associate Company

Markoline Infra Pvt. Ltd.	2,12,61,896	1,38,89,174
	5,27,17,711	6,27,57,009

Note 6 -**Short Term Borrowings****Secured**

State Bank of Hyderabad 62019802027 (Note 6.1)	3,99,79,747	6,90,99,874
------------------------------------------------	-------------	-------------

Note 6.1 : (Secured against Hypothecation of Current assets, charge on office at 501,502 Shree Nand dham, CBD Belapur of the company, personal properties of the Directors and further guaranteed by all the directors. The loan carries interest @ 13.95%)

3,99,79,747	6,90,99,874
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Note 7 -**Trade Payables****Trade Payables**

Creditors for Goods & Expenses	2,38,61,465	4,98,14,676
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2,38,61,465	4,98,14,676
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MARKOLINE TRAFFIC CONTROLS PVT LTD
Notes to Financial Statements for the year ended March 31, 2017

(Amount in Rs.)
As on 31st March, 2017 As on 31st March, 2016

Note 8 -
Other Current Liabilities
Current Maturities of Long Term Loans (Refer Note 5)
Secured

i) ICICI Bank Ltd Car Loan Endeavour (Note:5.1)	1,30,374	5,47,800
ii) ICICI Bank Ltd Car Loan Polo (Note:5.2)	2,03,820	2,03,820
iii) Toyota Financial Service India Ltd (Note:5.3)	3,60,528	3,60,528
iv) Toyota Financial Service India Ltd (Note:5.4)	3,60,528	3,60,528
v) Reliance Capital Ltd A/c 000292108 (Note 5.5)	5,80,517	8,39,400
vi) ICICI Bank Car Loan A/c.No:0510(Camper) (Note:5.6)	2,38,380	2,38,380
vii) SREI Equipment Finance Ltd (HM Plant) (Note 5.7)	9,62,760	9,62,760
viii) SREI Equipment Finance Ltd (VSI Unit) (Note 5.8)	25,17,000	25,17,000
ix) Yes Bank Loan A/c. No:96659 (Note:5.9)	9,66,000	9,66,000
x) Yes Bank Loan A/c.No:96869 (Note 5.10)	78,40,800	78,40,800
xi) Reliance Capital Ltd A/c 000297097 (Note 5.11.)	28,11,087	63,00,000
xii) Reliance Capital Ltd A/c 000292747 (Note 5.12)	12,42,884	16,42,080
xiii) Malojiraje Sah Bank - NSM (Note:5.13)	4,68,000	4,68,000
xiv) Malojiraje Sah Bank -SSP (Note:5.13)	4,68,000	4,68,000
xv) Malojiraje Sah Bank- SBP (Note:5.13)	9,36,000	9,36,000
xvi) ICICI Bank Ltd Car Loan Eco Sport(Note:5.14)	3,66,864	-

Unsecured

i) Capital First Ltd. A/c No.9263594 (Note 5.15)	23,13,096	-
ii) Deutsche Bank Loan A/c No.250029776720019 (Note 5.16)	20,11,536	-
iii) Fullerton India Cr Co Ltd Ac No. 036102410123175 (Note 5.17)	23,53,164	-
iv)MAGMA FINCORP LTD A/c No.G/0458/00000125 (Note 5.18)	18,14,712	-
v) RBL Bank Loan A/c No.809000818611 (Note 5.19)	22,97,004	-
vi) TATA CAP FIN.SER. LTD LOAN A/C NO.6728206 (Note 5.20)	23,01,300	-
R G Mundada & Co.	6,47,999	7,99,846
5% Retention Money - KTC Construction	58,525	-
TDS Payable	11,53,869	25,80,675
Service Tax Payable - F.Y.2015-16	-	6,56,719
Service Tax Payable - F.Y.2016-17	70,254	-
KKC Payable F.Y.2016-17	4,139	-
SBC Payable F.Y.2016-17	13,199	-
MP VAT Payable - F.Y.2015-16	-	61,56,812
MP VAT Payable - F.Y.2016-17	38,12,005	-
UP VAT Payable F.Y.2016-17	(2,78,508)	-
	3,90,25,835	3,48,45,148

Note 9 -
Short Term Provision

Salary Payable	22,86,774	45,48,118
Bonus Payable	1,34,839	4,97,950
Toll Collection Short/ Excess Money Payable	-	1,39,774
Expenses Payable	28,382	1,064
Uniform Deposit	-	-
ESIC Payable (Employees Share)	1,810	20,204
ESIC Payable (Employers Share)	4,905	54,618
P.F. Payable (Employers Share)	74,054	2,94,607
P.F. Payable (Employees Share)	64,766	2,64,616
Director Remuneration Payable	-	3,59,198
Profession Tax Payable	13,425	6,39,075
	26,08,955	68,19,224



MARKOLINE TRAFFIC CONTROLS PVT LTD
Notes to Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

As on 31st March, 2017
As on 31st March, 2016
Note 17 - Cash & Bank Balances

Cash In Hand	33,26,024	85,62,538
<u>Balances With Banks (Current A/c)</u>		
ICICI Bank - 7223	23,530	26,525
ICICI Bank A/c- 152	1,50,642	1,19,979
ICICI Bank A/c- 087305001431	17,64,880	24,74,401
Wama Bank - 308	6,782	6,837
Yes Bank - 0101	34,968	34,968
IndusInd Bank-CBD-201000145827	56	-
	53,06,883	1,12,25,248

Note 18 - Short Term Loans & advances

(Unsecured considered good by the Management)

Advances to Creditors	29,60,550	31,59,140
Markoline Hopetech Joint Venture	4,956	(6,34,524)
Markoline Technologies Pvt Ltd	1,90,17,049	1,56,86,478
Shankar Keru Kore	25,00,000	25,00,000
A One Oil Industries	4,66,492	-
Salary & Staff Advance	10,90,980	5,190
Prem Prakash Sharma Security Agency(Earnest Money)	5,00,000	-
	2,65,40,027	2,07,16,284

Note 19 - Other Current Assets

Bank Guarantee - Margin Money	81,21,158	1,10,02,150
Security Deposit & Retention Money	89,10,994	1,39,09,557
EMD for Engineers India Ltd	72,000	72,000
EMD for DMRC Ltd- New Delhi	-	12,90,000
EMD-GMR Highways Ltd	5,00,000	-
EMD-NMMC	3,74,500	-
Security Deposit - MPKVCL (Lebad Jaora)	14,51,481	14,51,481
Advances for Capital Goods	7,68,560	4,16,021
Other Misc. Deposits & Advances	55,500	85,750
Mobile Deposit	8,500	8,500
Rent Deposit	2,85,000	5,25,000
Imprest Money With Staff	9,06,631	20,10,748
MVAT Credit c/f	3,94,610	6,05,472
Prepaid Expenses	4,21,284	3,33,620
MVAT Refund F.Y.2011-12	4,29,786	4,29,786
CENVAT Credit on Capital Goods	-	26,374
<u>Income Tax Refunds</u>		
Income Tax Refund A.Y.2009-10	-	20,77,725
Income Tax Refund A.Y.2010-11	19,09,766	19,09,766
Income Tax Refund A.Y.2012-13	1,92,107	1,92,107
Income Tax Refund A.Y. 2013-14	29,16,344	29,16,344
Income Tax Refund A.Y. 2014-15	5,82,857	5,82,857
Income Tax Refund A.Y. 2015-16	35,81,022	35,81,022
Income Tax Refund A.Y. 2016-17	56,14,890	51,64,488
Income Tax Refund A.Y. 2017-18	30,35,046	-
	4,05,32,036	4,85,90,767



Note 29 - Related Party Transactions :

Related Party Disclosure :

a. Relationship :

Key Management Personnel -

Sanjay Patil
Vijay Oswal

Key Management Personnel's Relatives -

Shailaja Gaikwad
A One Oil Industries

Share Holder-

Atul Bora

Associate -

Markoline Infra Pvt Ltd
Markoline Technologies Pvt Ltd
Markoline Hopetech Joint Venture

b. Transactions with the related parties :

	Transactions	Key Management Personnel	Associate	Key Management Personnel's Relatives & Share Holder
i. Markoline Infra Pvt Ltd				
i) Opening Balance Payable			13889173.95	
ii) Advance Taken During the year			15,76,94,459	
iii) Advance Repaid During the year			15,11,72,677	
iv) Interest Payable			36,10,940	
v) Paver Hiring Charges Receivable			27,60,000	
vi) Balance Payable			2,12,61,896	
ii. Markoline Technologies Pvt Ltd				
i) Opening Balance Receivable			1,56,86,478	
ii) Advance Given During the year			19,58,469	
iii) Advance received back during the year			2,94,678	
iv) Interest Receivable			21,66,780	
v) Consultancy Fees Payable			5,00,000	
v) Closing Balance receivable			1,90,17,049	
iv. Markoline Hopetech- Joint Venture				
i) Opening Balance Payable			6,34,524	
ii) Capital Introduced During the Year			6,39,780	
iii) Capital Withdrawn during the year			-	
iv) Share of Loss from Joint Venture			300	
v) Closing Balance Receivable			4,956	
v. Atul Bora				
i) Opening Balance Payable				5,00,000
ii) Loan Taken During the year				-
iii) Loan Repaid During the year				-
iv) Balance Payable				5,00,000
vi. Sanjay Patil				
i) Opening Balance Payable		1,50,35,696		
ii) Loan Taken During the year		1,08,05,110		
iii) Loan Repaid During the year		1,76,68,353		
iii) Balance Payable		81,72,453		
iv) Remuneration as Director		33,00,000		



MARKOLINE TRAFFIC CONTROLS PVT LTD

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

1) CORPORATE INFORMATION

MARKOLINE TRAFFIC CONTROLS PVT LTD ('the company') is a private company domiciled in India & incorporated under the provisions of the Companies Act, 1956. The company is principally engaged in the business/ services of infrastructure operations.

2) BASIS & METHOD OF ACCOUNTING

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the Accounting Standards, notified under Sec.133 of the Companies Act, 2013 read together with Para 7 of the Companies(Accounts)Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company & consistent to those used in the previous year.

2.1) Significant Accounting Policies:

a) Use of Estimates:

The preparation of financial statements require estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of the current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring material adjustments to the carrying amounts of assets and liabilities in future period. Difference between the actual results & estimates are recognized in the period in which the results are known/materialized.

b) Fixed Assets & Depreciation:

Fixed Assets are stated at Written down value after providing for depreciation based on the useful lives of the assets as estimated by the management which coincides with the rates prescribed under Schedule-II of the Companies Act, 2013.

Depreciation on sold /discarded fixed assets is provided for up-to the date of sale/discarded as the case may be.

c) Impairment of Assets:

An asset is treated as impaired asset when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

d) Revenue:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Further revenue is



recognized on rendering of services and execution of contract. Other income and expenditure are accounted for on accrual basis except those with significant uncertainties.

e) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the revenue.

f) Employees Benefit :

Provident Fund

The Company's liability towards retirement benefit in the form of provident fund is fully funded & charged to Profit & Loss Account. The Company contributes to the employee provident fund maintained under the employee provident fund scheme run by the Central Government.

Gratuity

It is informed by the management that although the provisions of Gratuity Act are applicable to the Company in view of the attrition of the employees the management is of the view that no liability for such expenditure will arise in the future & therefore no provision is made in the accounts. It is further informed by the management that in the event any such liability arising in the future the same will be accounted in the year of payment.

Leave Encashment

Leave encashment to the employees is accounted for as & when the same is claimed by eligible employees.

g) Investments:

Investments are valued at cost. Provision for diminution is made to recognize a decline, other than temporary in the value of long term investments.

h) Provisions, Contingent liabilities and Contingent Assets:

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non -occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation . A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the notes.

Contingent assets are not recognized in the financial statement



i) Taxation:

Income Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.

Deferred Tax:

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are applicable for the current financial year. Further, the deferred tax asset is on account of difference of depreciation as per books & Income Tax and disallowances /allowances as per provisions of the Income Tax Act.

j) Current Assets, Loans & Advances:

Current Assets, Loans & Advances are stated at their net realizable value.

k) Inventories:

- i) Raw Material : Valued at Cost.
- ii) Work in Progress : There is no Work in Progress.
- iii) Finished Goods : There is no stock of Finished Goods.

l) Bad Debts:

Bad Debts / Advances are written off in the year in which they become irrecoverable.

- m) The previous year figures have been regrouped / rearranged wherever necessary so as to make them comparable with those of the current year.
- n) It is informed by the management that there is no amount payable to any suppliers registered under " The Micro , Small and Medium enterprises Development Act 2006".
- o) In framing the audit report we have considered the notifications/rules/circulars issued from time to time by the Ministry of Corporate Affairs in respect of loans and deposits taken and given till the date of signing of the audit report.

**FOR R.G.MUNDADA & CO.
CHARTERED ACCOUNTANTS**


**R.G.MUNDADA
PROPRIETOR**

**MARKOLINE TRAFFIC
CONTROLS PVT LTD.**


DIRECTOR


DIRECTOR