



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly known as “Markolines Traffic Controls Limited”)
CIN U99999MH2002PLC156371


Our Company was originally incorporated as “Mark-O-Line Traffic Controls Private Limited” on November 08, 2002 at Pune, Maharashtra as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Pune. The Registered office of our Company got shifted from Pune to Mumbai vide Certificate of Registration of Regional Director order for Change of State dated September 27, 2005. The name of our Company was changed from “Mark-O-Line Traffic Controls Private Limited” to “Markolines Traffic Controls Private Limited” vide Fresh Certificate of Incorporation consequent upon Change of Name pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on February 17, 2018. Further, our Company was converted into a Public Limited Company pursuant to Shareholder’s resolution passed at the Extraordinary General Meeting of our Company held on April 19, 2021 and the name of our Company was changed to “Markolines Traffic Controls Limited” and a Fresh Certificate of Incorporation consequent upon conversion of Company to Public Limited dated August 10, 2021 was issued by Registrar of Companies, Mumbai, Maharashtra. The name of our Company further changed pursuant to Shareholder’s Resolution passed at the Extra Ordinary General Meeting held on August 17, 2021, to “Markolines Pavement Technologies Limited” and a fresh certificate of incorporation consequent upon the Change of Name issued on October 13, 2021 by Registrar of Companies, Mumbai, Maharashtra. For further Details of Incorporation and Change in Registered Office of our Company, please refer to section titled ‘**General Information**’ beginning on page 25 of this Letter of Offer.

Registered Office: 502, A Wing, Shree Nand Dham, Sector 11, CBD Belapur Navi Mumbai - 400614, Maharashtra India.

Contact Person: Mr. Parag Sudhir Jagdale, Company Secretary and Compliance Officer

Tel: +91 22 6266 1111; **E-mail:** company.secretary@markolines.com; **Website:** www.markolines.com

PROMOTERS OF OUR COMPANY: MR. SANJAY BHANUDAS PATIL AND MR. KARAN ATUL BORA

| | | |
|--|--|--------------------------|
| FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF MARKOLINES PAVEMENT TECHNOLOGIES LIMITED, FORMERLY KNOWN AS “MARKOLINES TRAFFIC CONTROLS LIMITED” (OUR “COMPANY” OR THE “ISSUER”) ONLY | | |
| RIGHT ISSUE OF UPTO 29,85,550 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH (“EQUITY SHARES” OR “RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹167 PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 157 PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO ₹ 4985.87 LAKH (“THE ISSUE”) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5(FIVE) RIGHTS EQUITY SHARES FOR EVERY 32 (THIRTY TWO) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS JANUARY 17, 2023 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 81 OF THIS LETTER OF OFFER | | |
| WILLFUL DEFAULTERS/FRAUDULENT BORROWERS | | |
| Neither the Company nor the Promoters or any of the Directors have been or are identified as Wilful Defaulter and/or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India. | | |
| GENERAL RISKS | | |
| Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in the Issue have not been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer, Specific attention of the investors is invited to “Risk Factors” beginning on page17 of this Letter of Offer before making an investment in this Issue. | | |
| ISSUER’S ABSOLUTE RESPONSIBILITY | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect. | | |
| LISTING | | |
| The existing Equity Shares of our Company are listed on SME Platform of BSE Limited (“BSE”). Our Company has received “In-Principle” approval from BSE for listing the Rights Equity Shares vide its letter dated December 23, 2022. Our Company will also make applications to the Stock Exchange to obtain its trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited. | | |
| REGISTRAR TO THE ISSUE | | |
|  BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2,6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Mumbai – 400 093 Maharashtra, India Tel No.: +91 -22- 62638200122; E-mail: rightsissue@bigshareonline.com ; Investor Grievance E-mail: investor@bigshareonline.com; Website: www.bigshareonline.com ; Contact Person: Mr. Vijay Surana; SEBI Registration No.: INR000001385 ; CIN: U99999MH1994PTC07653 | | |
| ISSUE SCHEDULE | | |
| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON# |
| January 27, 2023 | February 06, 2023 | February 09, 2023 |

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounces on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of the Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this chapter. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactment notified thereto.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the chapter titled “Statement of Special Tax Benefits” and “Financial Information” on pages 34 and 59 respectively, shall have the meaning given to such terms in such chapters.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Company Related Terms

| Term | Description |
|---|---|
| “Markolines Pavement Technologies Limited”, “Markolines”, “We” or “us” or “Our Company” or “the Issuer” | Unless the context otherwise indicates or implies, refers to Markolines Pavement Technologies Limited (Formerly known as Markolines Traffic Controls Limited), a public limited company incorporated as private limited under the Companies Act, 1956 and having Registered Office at 502, A Wing, Shree Nand Dham sector 11, CBD Belapur Navi Mumbai 400614, Maharashtra India. |
| “we”, “us”, or “our” | Unless the context otherwise indicates or implies, refers to our Company. |
| Articles of Association | The Articles of Association of our Company as amended from time to time. |
| Audited Financial Statements | The audited financial statements of our Company as at and for the year ended March 31, 2022 and 2021 which comprises of the balance sheet, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. |
| Auditors / Statutory Auditors | The Statutory Auditors of our Company being M/s. Gupta Agarwal & Associates., Chartered Accountants holding a valid peer review certificate as mentioned in the section titled “General Information” beginning on page 25 of this Letter of Offer. |
| Board / Board of Directors / our Board | The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to. |
| Director(s) | Any or all the director(s) of our Board, as may be appointed from time to time. |
| Equity Shares / Shares | Equity Shares of face value of Rs. 10/- each of our Company. |
| Key Managerial Personnel / KMP | Key Managerial Personnel of our Company in terms of section 203, 2(51) Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI (ICDR) Regulations 2018. For details, see section entitled “Our Management” beginning on page 55 of this Letter of Offer. |
| Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time. |
| Promoter | The promoters of our Company being Mr. Sanjay Bhanudas Patil and Mr. Karan Atul Bora. |
| Promoter Group | Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations. |
| Registered Office | The registered office of our Company situated at 502, A Wing, Shree Nand Dham sector 11, CBD Belapur Navi Mumbai - 400614, Maharashtra India. |
| Registrar of Companies / ROC | Registrar of Companies, Mumbai situated at Registrar of Companies, 100, Everest, Marine Drive, Mumbai – 400 002, Maharashtra, India. |

Issue Related Terms

| Term | Description |
|--|---|
| Abridged Letter of Offer | Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act. |
| Additional Rights Equity Shares / Additional Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement. |
| Allot/Allotment/Allotted | Allotment of Rights Equity Shares pursuant to the Issue. |
| Allotment Advice | The note or advice or intimation of Allotment sent to the Investors, who has been or is to be Allotted the Rights Equity Shares after the basis of allotment has been approved by the BSE. |
| Allotment Date | Date on which the Allotment is made pursuant to the Issue. |
| Allottee(s) | Persons to whom Rights Equity Shares of our Company are Allotted pursuant to this Issue. |
| Applicant(s) / Investor(s) | Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Applicant. |
| Application | Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, s, to subscribe to the Rights Equity Shares at the Issue Price. |
| Application Form / CAF / Common Application Form | Form (including online application form available for submission of application though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an Application for Allotment of Rights Equity Shares in the Issue. |
| Application Money | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price. |
| Application Supported by Blocked Amount/ASBA | The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with SCSB. |
| ASBA Account | Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be. |
| ASBA Applicant / ASBA Investor | Applicants / Investors who make Application in this Issue using the ASBA Process |
| Banker to the Issue | Collectively, the Escrow Collection Bank and the Refund Banks to the Issue in this case being, Axis Bank Limited |
| Banker to the Issue Agreement | Agreement dated January 06, 2023 entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof. |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” on page 81 |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Collection Centers | Centers at which the Designated Intermediaries shall accept the ASBA Forms |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI |
| Controlling Branches/ Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34and/or such other website(s) as may be prescribed by the SEBI from time to time. |
| Depository(ies) | A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 1996. |
| Designated Branches | Such branches of the SCSBs which shall collect the Application Forms or the plain paper Application, as the case may be, used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction and/or such other website(s) as may be prescribed by the SEBI from time to time |
| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. |

| Term | Description |
|---|--|
| | The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com |
| Designated RTA Locations | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.bseindia.com |
| Designated Stock Exchange | BSE Limited |
| Draft Letter of Offer/ DLoF/ DLOF | The draft Letter of Offer dated December 06, 2022 being filed with Stock Exchange, in accordance with the SEBI ICDR Regulations, for their observations. |
| Equity Shareholder(s) / Shareholder(s) | The holders of Equity Shares of our Company. |
| Eligible Equity Shareholders | Existing Equity Shareholders as on the Record Date i.e. January 17, 2023. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page NOTICE TO INVESTORS 10 . |
| Entitlement Letter/ Rights Entitlement Letter | A letter to be dispatched by the Registrar to all Existing Equity Shareholders as on the Record Date which will contain details of their Rights Entitlements based on their shareholdings as on the Record Date. |
| Issue / Rights Issue | Issue of up to 2985550 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ 167 per Rights Equity Share (including a premium of ₹ 157 per Rights Equity Share) aggregating up to ₹4985.87 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 5 (Five) Rights Equity Share for every 32 (Thirty Two) fully paid up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. January 17, 2023 |
| Issue Closing Date | February 09, 2023 |
| Issue Opening Date | January 27, 2023 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations. |
| Issue Price | ₹167/- per Rights Equity Share. |
| Issue Proceeds | Gross proceeds of the Issue. |
| Issue Size | Amount aggregating up to ₹4985.87 Lakh. |
| Letter of Offer/ LOF | The Letter of Offer dated January 11, 2023 to be filed with the Designated Stock Exchange, BSE and to be submitted with SEBI for information and dissemination purpose. |
| Listing Agreement | Uniform listing agreement entered into between our Company and the Stock Exchange. |
| MCA Circular | General Circular No. 21/2020 dated May 11, 2020 read with General Circular No. 27/2020 dated August 3, 2020 issued by the Ministry of Corporate Affairs, Government of India. |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further details, please see to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 30 |
| Net Worth | Net worth as defined under Section 2(57) of the Companies Act. |
| Non-ASBA Investor/ Non-ASBA Applicant | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounees. |
| Non-Institutional Bidders or NIIs | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations. |
| Offer Documents | The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto. |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before February 06, 2023 |
| Record Date | A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. January 17, 2023 |
| Refund Bank | The Banker to the Issue with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited |
| “Registrar to the Issue” / “Registrar” | Big share Services Private Limited. |

| Term | Description |
|---|--|
| Registrar Agreement | Agreement dated December 03,2022 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Renouncee(s) | Person(s), not being the original recipient, who has / have acquired Rights Entitlements from the Eligible Equity Shareholders, in accordance with SEBI ICDR Regulation read with SEBI Rights Issue Circulars. |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date, i.e. January 27, 2023. Such period shall close on February 09, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date. |
| Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s) | An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1) (vv) of the SEBI ICDR Regulations. |
| Rights Entitlement | The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being 5 (Five) Rights Equity Share 32 (Thirty Two) Equity Shares held on Record Date. The Rights Entitlements with a separate ISIN: INE0FW020016 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date. <i>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</i> |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. |
| Rights Equity Shares | Equity Shares of our Company to be Allotted pursuant to this Issue. |
| Self-Certified Syndicate Banks” or “SCSBs | The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time |
| Stock Exchanges | Stock exchanges where the Equity Shares are presently listed, being BSE Limited. |
| Transfer Date | The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| Wilful Defaulter | Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| Working Day | Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations. |

Conventional and General Terms

| Term | Description |
|-------------------------------------|--|
| A/c | Account |
| AGM | Annual general meeting |
| AIF | Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| BSE | BSE Limited |
| CDSL | Central Depository Services (India) Limited. |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970. |
| Companies Act, 2013 / Companies Act | Companies Act, 2013 along with rules made thereunder. |

| Term | Description |
|----------------------------------|--|
| Companies Act 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections). |
| CSR | Corporate Social Responsibility |
| Depository(ies) | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| DP ID | Depository Participant's Identification Number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EGM | Extraordinary general meeting |
| EPF Act | Employees' Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | Employees' State Insurance Act, 1948 |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| Financial Year/Fiscal | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GDP | Gross Domestic Product |
| GoI / Government | The Government of India |
| GST | Goods and services tax |
| HUF(s) | Hindu Undivided Family(ies) |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Income Tax Act / IT Act | Income Tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016 |
| INR or ₹ or Rs. Or Indian Rupees | Indian Rupee, the official currency of the Republic of India. |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| MCA | The Ministry of Corporate Affairs, GoI |
| Mn / mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| N.A. or NA | Not Applicable |
| NAV | Net Asset Value |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect. |
| NSDL | National Securities Depository Limited |
| OCB | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue. |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |

| Term | Description |
|---------------------------|---|
| PAT | Profit after tax |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| RBI | The Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the Securities Act |
| RONW | Return on Networth |
| SCRA | Securities Contract (Regulation) Act, 1956 |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |
| Securities Act | The United States Securities Act of 1933. |
| STT | Securities Transaction Tax |
| State Government | The government of a state in India |
| Trademarks Act | Trademarks Act, 1999 |
| TDS | Tax deducted at source |
| US\$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America |
| USA/ U.S./ US | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| w.e.f. | With effect from |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve-month period ending December 31 |

Abbreviations

| Term | Description |
|----------|---|
| Bn. | Billion |
| CAD | Current account deficit |
| CAGR | Compound annual growth rate |
| CBM | Curriculum-Based Measurement |
| COVID-19 | Coronavirus Disease 2019 |
| CPI | Consumer Price Index |
| EMDEs | Emerging Market and Developing Economies |
| G-20 | Group of 20 |
| GDP | Gross Domestic Product |
| GST | Goods and services tax |
| IIP | Index of industrial portfolio |
| IMF | International Monetary Fund |
| Mn. | Million |
| NIFTY | National stock exchange FIFTY |
| OPEC | Organization of Petroleum Exporting Countries |
| PA | Provisional Actual |
| PPP | Purchasing Power Parity |
| RBI | Reserve Bank of India |
| SENSEX | Sensitive Index |
| SIDBI | Small industrial Development Bank of India |

| Term | Description |
|--------|------------------------------|
| SME | Small and Medium Enterprises |
| USA/US | United States of America |
| USD | US Dollar |
| WEO | World Economic Outlook |
| WPI | Wholesale price index |
| YoY | Year-on-year |

NOTICE TO INVESTORS

The distribution of the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Those overseas Eligible Equity Shareholders who do not communicate with the Registrar to the Issue in the manner provided in the chapter titled “*Terms of the Issue*” and on the website of the Registrar to the Issue at www.bigshareonline.com to update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Letter of Offer and the Abridged Letter of Offer. Envelopes containing an Application Form and Rights Entitlement Letter should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

Neither the delivery of the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained is correct as at any time subsequent to the date of the Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

The contents of the Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer Rights of Equity Shares or Rights Entitlements. Accordingly, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

This Document is solely for the use of the person who received it from our Company or from the Registrar. This Document is not to be reproduced or distributed to any other person.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letter should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Letter of Offer, reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or unless the context otherwise require, the financial information and data in this Letter of Offer, with respect to our Company, is derived from our Unaudited Financial Results for the six months period ended September 30, 2022, audited financial statements for the financial year ended on March 31, 2022 and March 2021 which have been prepared by our Company in accordance with the Companies Act, and other applicable statutory and / or regulatory requirements ("Financial Statements"). We publish our financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. For further details, please see the chapter titled "**Financial Statements**" beginning on page 59 of this Letter of Offer.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular "Financial Year" or "Fiscal Year" or "Fiscal" are to the 12 (twelve) months period ended March 31 of that year.

All numerical values as set out in this Letter of Offer, for the sake of consistency and convenience, have been rounded off to two decimal places. In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Currency of Presentation

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India.
- Any reference to 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees in Lakh.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Letter of Offer has been derived from publicly available sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Letter of Offer is reliable, neither we have prepared or verified it independently. The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled "**Risk Factors**" beginning on page 17 of this Letter of Offer. Accordingly, investment decisions should not be based on such information.

Exchange Rates

This Letter of Offer may contain conversions of certain other currency amount into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- A prolonged slowdown in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.
- General economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- Our ability to respond to technological changes;
- Our ability to attract and retain qualified personnel;
- The effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- General social and political conditions in India which have an impact on our business activities or investments;
- Potential mergers, acquisitions restructurings and increased competition;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Changes in the competition landscape;
- Our ability to finance our business growth and obtain financing on favourable terms;
- Our ability to manage our growth effectively;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- Developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 17, 45 and 63 respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SECTION II: SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the chapters, “Objects of the Issue”, “Outstanding Litigation and Other Defaults” and “Risk Factors” on pages 30, 72, and 17 respectively.

Primary Business of our Company

We are a Highway Operations & Maintenance (O&M) Service providing company. We thrive to make Highway Operations & Maintenance cost effective and easier with the help of Innovation, Technology & out-of-the-box solutions. Our vast experience of 19 years in offering superior services in the Highway Operations & Maintenance (O&M) have earned us name in the (O&M) domain. Our principal business operations are broadly divided into three categories:

- i) Highway Operations under which we provide services like Toll operations, Route Patrolling and Incident management;
- ii) Highway Maintenance under which we provide services like Routine Maintenance, Preventive Maintenance and Major Maintenance & Repairs (MMR);
- iii) Specialized Maintenance Services under which we provide services which enhance the life and quality of road, these are Micro surfacing (MS), Base / Sub base Stabilization (FDR) and Cold In Place Recycling (CIPR).

Our company was incorporated on November 08, 2002 and since our inception we have gradually increased our execution capabilities in terms of the size and Number of projects that we have executed. We started our business operation with a single product that was thermoplastic road marking and over the years we have transformed into a well-known Highway Operations & Maintenance (O&M) service provider in India. In over a decade and a half, we have transitioned from a single product company to a multi-product company and aspire to be an Indian Multinational Company (MNC) in Highway Operations & Maintenance (O&M).

Object of the Issue

The Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

(₹ in Lakh)

| Sl. No. | Particulars | Amount to be financed from Net Proceeds of the Issue | Estimated deployment in FY 2022-23 |
|---------|---|--|------------------------------------|
| 1. | Funding the working capital requirements of our Company | 3425.00 | 3425.00 |
| 2. | General Corporate Purposes* | 1130.87 | 1130.87 |
| | Net Proceeds of the Issue | 4555.87 | 4555.87 |

*The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

** Assuming full subscription and Allotment and receipt of all Call Money with respect to the Rights Equity Shares.

For further details, please see the chapter titled “Objects of the Issue” on page 30 of the Letter of Offer.

Intention and extent of participation by the Promoter and Promoter Group

Our Promoter and Promoter Group has, vide letter dated December 06, 2022 (the “Subscription Letter”) informed us that they may renounce a part of its Rights Entitlement in favour of third parties. Our Promoter and Promoter Group may subscribe to their Rights entitlement in the Rights Issue subject to the aggregate amount of Rs. 500.00 Lakhs and may renounce their balance Rights Entitlement in favour of third parties.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of outstanding litigations

The following table sets forth the summary of outstanding litigations by and against our Company as on the date of this Letter of Offer

| Nature of Cases | Number of Outstanding Cases | Amount Involved* (In Rs.) |
|---|-----------------------------|---------------------------|
| <i>Litigation involving our Company</i> | | |
| Criminal proceedings against our Company | Nil | Nil |
| Criminal proceedings by our Company | Nil | Nil |
| Material civil litigation against Company | Nil | Nil |
| Material civil litigation by our Company | 7 | 21,27,83,975 |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and Indirect tax proceedings | 7 | 34,14,651 |
| <i>Litigation involving our Subsidiary</i> | | |
| Criminal proceedings against our Subsidiary | Nil | Nil |
| Criminal proceedings by our Subsidiary | Nil | Nil |
| Material civil litigation against our Subsidiary | Nil | Nil |
| Material civil litigation by our Subsidiary | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |

**To the extent quantifiable*

For details, see “*Outstanding litigation and Defaults – Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 72 of this Letter of Offer

Risk Factors

For details of the risks associated with our Company, please see the section titled “Risk Factors” beginning on page 17

Contingent liabilities

For details of contingent liabilities for the FY 2021-22, please see the section titled “Financial Information” beginning on page 59

Related party transactions

For details of related party transactions for the FY 2021-22, please see the section titled “***Financial Information***” beginning on page 59

Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Letter of Offer.

SECTION III: RISK FACTORS

An Investment in equity shares involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Letter of Offer before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Letter of Offer, including the sections titled "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the "***Financial Information***" included in this Letter of Offer beginning on pages 45, 63 & 59 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Materiality

The risk factors have been determined on the basis of their materiality.

The following factors have been considered for determining the materiality:

- Some events may not be material individually, but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may have material impact in the future.

The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified

INTERNAL RISKS

1. ***There are outstanding legal proceedings involving our Company, Promoters, Directors and Group Companies. Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.***

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the pending civil and other proceedings involving Our Company is provided below:

(Rs. in lakh)

| Nature of Cases | Number of Outstanding Cases | Amount Involved* (In Rs.) |
|---|-----------------------------|------------------------------|
| <i>Litigation involving our Company</i> | | |
| Criminal proceedings against our Company | Nil | Nil |
| Criminal proceedings by our Company | Nil | Nil |
| Material civil litigation against Company | Nil | Nil |
| Material civil litigation by our Company | 7 | 21,27,83,975 |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and Indirect tax proceedings | 7 | 34,14,651 |
| <i>Litigation involving our Subsidiary</i> | | |
| Criminal proceedings against our Subsidiary | Nil | Nil |
| Criminal proceedings by our Subsidiary | Nil | Nil |
| Material civil litigation against our Subsidiary | Nil | Nil |
| Material civil litigation by our Subsidiary | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |

**To the extent quantifiable excluding interest and penalty thereon*

Decisions in any of the aforesaid material outstanding legal proceedings or any other proceedings involving our Company, adverse to our interests may have a material adverse effect on our business, financial condition, cash flows and results of operations. If the courts or tribunals rule against our Company, we may face monetary and/or reputational losses and may have

to make provisions in our financial statements, which could increase our expenses and our liabilities. For details, see ***“Outstanding Litigation and Defaults”*** on page 72 of this Letter of Offer.

2. *Our business and our financial condition would be materially and adversely affected if we fail to obtain new contracts.*

We are a Highway Operations & Maintenance (O&M) Service providing company. We thrive to make Highway Operations & Maintenance possible cost effective and easier with the help of Innovation, Technology & out-of-the-box solutions. Our revenue constitutes two segments, major maintenance and repairs & Highway operations. Our revenue is based on the projects we bid for on ongoing basis. Infrastructure projects are typically awarded to us following a competitive bidding process and satisfaction of prescribed pre-qualification criteria. While service, quality, health and safety, records and personnel, as well as reputation, experience and sufficiency of financial resources are important considerations in final bid decisions. There can be no assurance that we would always be able to meet such financial and technical qualification criteria, whether independently or together with other joint venture partners. Further, once the prospective bidders satisfy the pre-qualification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. We cannot assure you that we would bid where we have been pre-qualified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. We may also not be able to secure bids due to negligence or disqualification of our joint venture partners in cases of bids in a consortium as these factors are beyond our control. The growth of our business mainly depends on our ability to obtain new contracts in the sectors in which we operate. Generally, it is very difficult to predict whether and when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of contracts, commencement of work and completion of projects in the scheduled time period. If we are unable to obtain new contracts for our business, our business will be materially and adversely affected.

3. *Delays in the completion of current and future projects could lead to termination of contracts or cost overruns or claims for damages, which could have an adverse effect on our cash flows, business, results of operations and financial condition.*

We provide our clients with performance guarantees for completion of the construction of our projects within a specified time frame. Subject to certain customary exceptions such as (i) occurrence and continuance of force majeure events that are not within our control, or (ii) delays that are caused due to reasons solely attributable to our client, failure to adhere to contractually agreed timelines or extended timelines could require us to pay liquidated damages as stipulated in the project contract. Such liquidated damages are often specified as a fixed percentage of the contract price and our clients are entitled to deduct the amount of damages from the payments due to us. The client may also be entitled to terminate the contract in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. With respect to some of our projects, in the event of termination for any of the aforesaid reasons, we may only receive partial payments under such agreements and such payments may be less than our estimated cash flows from such projects. Further, we may not be able to obtain extensions for projects on which we face delays or time overruns. In addition to the risk of termination by the client, delays in completion of development may result in cost overruns, lower or no returns on capital and reduced revenue for the client thus impacting the project's performance, as well as failure to meet scheduled debt service payment dates and increased interest costs from our financing agreements for the projects. The scheduled completion targets for our projects are estimates and are subject to delays as a result of, among other things, unforeseen engineering problems, force majeure events, issues arising out of right of way, unavailability of financing, unanticipated cost increases or adverse climatic conditions. We cannot assure you that such delays will not occur in the future. Such delays could jeopardize our reputation and our relationship with our existing clients and have adverse effects on our cash flows, business, results of operations and financial condition

4. *Our business involves usage of manpower and any unavailability of our employees or shortage of contract labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations.*

Our business involves usage of manpower and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of contract labourers at our project locations. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to us and the availability of contract labour. We may not be able to secure the required number of contractual labourers required for the timely execution of our projects for a variety of reasons including, but not limited to, possibility of disputes with sub-contractors, strikes, less competitive rates to our sub-contractors as compared to our competitors or changes in labour regulations that may limit availability of contractual labour. We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations.

Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. This may adversely affect our business and cash flows and results of operations.

5. *Our business is capital intensive. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our operations.*

Our business requires a significant amount of working capital which is based on certain assumptions, and therefore, any change of such assumptions would result in changes to our working capital requirements. In many contracts, significant amounts of working capital are required to finance the purchase or manufacturing of materials, mobilization of resources and other work on projects before payment is received from clients. Our working capital requirements may increase due to an increase in the size of our operations and the number and size of projects that are required to be executed within a similar timeframe. Since the contracts we bid typically involve a lengthy and complex bidding and selection process which is affected by a number of factors, it is generally difficult to predict whether or when a particular contract we have bid for will be awarded to us and the time period within which we will be required to mobilize our resources for the execution of such contract. In addition, we may need to incur additional indebtedness in the future to satisfy our working capital requirements.

Our capital expenditure requirements and growth strategy thus require continued access to significant amounts of capital on acceptable terms. We cannot assure you that market conditions and other factors will permit future project and acquisition financings, debt or equity, on terms acceptable to us. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner.

6. *Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised. Further, our management will have discretion in the application of the Net Proceeds, and there is no assurance that the Objects of the Issue will be achieved within the time frame expected or at all.*

We intend to use the Net Proceeds for the purposes described under “*Objects of the Issue*” on page 30 of the Letter of Offer. The Objects of the Issue include, funding of working Capital Requirements of our company amounting to ₹3,425.00 Lakh, and general corporate purposes amounting to ₹1130.87 Lakh. While we believe that utilization of Net Proceeds would help us further business growth and expansion, for our Company. Given the nature of our business and due to various uncertainties involved, we may be unable to utilize the Net Proceeds within the time frame or as per the schedule of deployment that we currently estimate. In the case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by means available to us, including internal accruals and additional equity and/or debt arrangements.

7. *There are no alternate arrangements for meeting our requirements for the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not yet identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer chapter titled “*Objects of the Issue*” on page 30 of this Letter of Offer

8. *Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.*

In the event, our client’s default or delay in making payments and clearing their dues, we may not have adequate resources to fund our business and implement our growth plans. This could have an adverse effect on the results of operations and our financial condition.

9. *We have entered into related party transactions in the past and may continue to do so in the future.*

Our Company has entered into various transactions with our Promoter and associate companies. While we believe that all such transactions are conducted on arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter “*Financial Information- Related Party Transactions*” beginning on page 59 of the Letter of Offer

10. *Our business strategies and expansion plans may be subject to various unfamiliar risks and may not be successful.*

Our business strategies include widening our customer base by entering into new geographies and strengthening our relationships with our existing clients. These strategies may require us to expand our operations to other geographical areas and in new industry verticals. Risks that we may face in implementing our business strategy in these markets may substantially differ from those previously experienced, thereby exposing us to risks related to new markets, industry verticals and clients. The commencement

of operations beyond our current markets and industry verticals is subject to various risks including unfamiliarity with pricing dynamics, competition, service and operational issues as well as our ability to retain key management and employees. There can also be no assurance that we will not experience issues such as capital constraints, difficulties in expanding our existing operations and challenges in training an increasing number of personnel to manage and operate our expanded business, or that we will be able to successfully manage the impact of our growth on our operational and managerial resources and control.

11. *Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past. Following are the details of our cash flow position during the last three financial years based on financial statements are;

(Rs. In Lakh)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Net cash flow from / (used in) operating activities | (1955.25) | 113.28 |
| Net cash flow from / (used in) investing activities | (151.79) | (155.65) |
| Net cash flow from / (used in) financing activities | 2234.97 | 42.87 |

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition. For further details please refer to **“Financial Information”** beginning on page 59

12. *If we are unable to respond to the demands of our existing and new clients, or adapt to technological changes or advances, our business and growth could be adversely affected.*

Our industry is characterized by increasingly complex and integrated infrastructure and services, new and changing business models and rapid technological and regulatory changes. Our clients’ needs and demands for our services evolve with these changes. Our future success will depend, in part, on our ability to respond to our clients’ demands for new services, capabilities and technologies on a timely and cost-effective basis. We also need to adapt to technological advancements and keep pace with changing regulatory standards to address our clients’ increasingly sophisticated requirements. Transitioning to these new technologies may be disruptive to our resources and the services we provide and may increase our reliance on third-party service providers. If we fail to adapt or keep pace with new technologies in a timely manner, provide customers with better services and user experience, or retain and attract skilled technology staff, it could harm our ability to compete, decrease the value of our services to our clients, and adversely affect our business and future growth.

13. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

14. *We are dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.*

Our performance depends largely on the efforts, expertise and abilities of our Key Managerial Personnel, senior management, and our operational personnel who possess significant experience in the industry in which we operate. We believe that the inputs and experience of our KMP and senior management, in particular, and other key personnel are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Moreover, we may be required to substantially increase the number of our qualified personnel in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the technology industry for such personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in retaining.

15. *Our operating expenses include overheads that may remain fixed in the medium term. In case there is any decline in our operating performance, we may be unable to reduce such expenses.*

Our operating expenses include various fixed costs, which are as such, not dependent on sales revenue. Any shortfall in sales may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in sales may thereby be magnified because a portion of our earnings are committed to paying these fixed costs. Accordingly, we believe that period-to-period comparisons of our results

may not necessarily give a correct presentation of the performance and should not be relied upon as indications of future performance.

RISKS RELATING TO THE RIGHTS ISSUE

16. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding.

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in the Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of the Company that may be caused as a result of the Rights Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Rights Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 81.

17. There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such an event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see “*Terms of the Issue*” beginning on page 81.

18. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

19. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

20. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Right entitlement will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Right entitlement may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

21. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

22. *Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.*

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

23. *The price of the Equity Shares may be highly volatile after the Issue.*

The price of the Right entitlement on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Right entitlement are initially traded will correspond to the prices at which the Right entitlement will trade in the market subsequently.

EXTERNAL RISKS

24. *Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.*

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- adverse geo-political conditions, political instability, terrorism or military conflict in India or in countries in the region or globally, including with India's neighbouring countries;
- changes in India's tax, trade, fiscal or monetary policies;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks, epidemics, pandemics or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and the price of the Equity Shares. In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries.

25. It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and our Directors and executive officers reside in India. A substantial majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to: i) effect service of process outside of India upon us and our Directors and officers; or ii) enforce in courts outside of India judgments obtained in such courts against us and our Directors and officers.

26. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

27. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include income tax and indirect taxes on goods and services such as goods and services tax ("GST"), surcharge and cess currently being collected by the central and state governments, which are introduced on a temporary or permanent basis from time to time. The central or state government may vary the corporate income tax in the future which may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could materially and adversely affect our business, financial condition and results of operations. GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services and has increased administrative compliance for companies, which is a consequence of increased registration and form filing requirements. As the taxation system is relatively new and could be subject to further amendments in the short term for the purposes of streamlining compliance, the consequential effects on us cannot be determined as of now and there can be no assurance that such effects would not adversely affect our business and future financial performance.

SECTION IV: INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on April 21, 2022 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 81 of this Letter of Offer.

| Particulars | Details of Equity Shares |
|--|--|
| Equity Shares proposed to be issued | Upto 29,85,550 Equity Shares |
| Rights Entitlement | 5 (Five) Rights Equity Share for every 32 (Thirty Two) fully Paid-up Equity Shares held on the Record Date |
| Fractional Entitlement | <p>The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 5 (Five) Right Shares for every 32 (Thirty Two) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored.</p> <p>However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.</p> |
| Record Date | January 17, 2023 |
| Face value per Equity Shares | ₹ 10.00 each |
| Issue Price per Rights Equity Shares | ₹ 167 per Rights Equity Shares |
| Issue Size | Upto 29,85,550 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 167 (Including a premium of ₹ 157) per Rights Equity Share not exceeding an amount upto ₹ 4985.87 Lakh |
| Voting Rights and Dividend | The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company. |
| Equity Shares issued, subscribed and paid up prior to the Issue | 191,07,520 Equity shares |
| Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement) | Upto 2,20,93,070 Equity Shares |
| Scrip Details | ISIN: INE0FW001016 BSE: 543364 ISIN for Rights Entitlement: INE0FW020016 |
| Use of Issue Proceeds | For details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 30 of this Letter of Offer. |
| Terms of the Issue | For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 81 of this Letter of Offer. |
| Terms of Payment | The full amount of the Issue Price is payable on Application |

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| Event | Indicative Date |
|--|-----------------------------|
| Issue Opening Date | Friday, January 27, 2023 |
| Last Date for On Market Renunciation of Rights | Monday, February 06, 2023 |
| Issue Closing Date* | Thursday, February 09, 2023 |

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was originally incorporated as “Mark-O-Line Traffic Controls Private Limited” on November 08, 2002 at Pune, Maharashtra as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Pune. The Registered office of our Company got shifted from Pune to Mumbai vide Certificate of Registration of Regional Director order for Change of State dated September 27, 2005. The name of our Company was changed from “Mark-O-Line Traffic Controls Private Limited” to “Markolines Traffic Controls Private Limited” vide Fresh Certificate of Incorporation Consequent upon Change of Name pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on February 17, 2018. Further, our Company was converted into Public Limited Company pursuant to Shareholder’s resolution passed at the Extraordinary General Meeting of our Company held on April 19, 2021 and the name of our Company was changed to “Markolines Traffic Controls Limited” and a Fresh Certificate of Incorporation consequent upon conversion of Company to Public Limited dated August 10, 2021 was issued by Registrar of Companies, Mumbai, Maharashtra, being. Further, name of our Company was changed from “Markolines Traffic Controls Limited” to “Markolines Pavement Technologies Limited” pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting held on August 17, 2021 and a Fresh Certificate of Incorporation issued on October 13, 2021 by Registrar of Companies Mumbai, Maharashtra. **Corporate Identification Number U99999MH2002PLC156371**

| BRIEF COMPANY AND ISSUE RELATED INFORMATION | |
|---|--|
| Registration Number | 156371 |
| Corporate Identification Number | U99999MH2002PLC156371 |
| Address of Registered Office and Factory Unit of our Company | 502, A Wing, Shree Nand Dham, Sector 11, CBD Belapur Navi Mumbai 400614, Maharashtra India. Tel: +91 22 6266 1111 Email: info@markolines.com Website: www.markolines.com |
| Address of Corporate office of our Company | 601, 602, 603, 604 & 605, 6th Floor, Wing-A, Shree Nand Dham, Sector 11, CBD Belapur, Navi Mumbai – 400614 |
| Address of Registrar of Companies | Registrar of Companies, Mumbai 100, Everest, Marine Drive, Mumbai – 400 002. Tel: 022-22812627/ 22020295/ 22846954 Fax: 022-22811977 |
| Company Secretary and Compliance Officer | Mr. Parag Sudhir Jagdale 502, A Wing, Shree Nand Dham, Sector 11, CBD Belapur Navi Mumbai 400614, Maharashtra India. Tel: +91 22 6266 1111 Email: company.secretary@markolines.com Website: www.markolines.com |
| Chief Financial Officer | Mr. Vijay Ratanchand Oswal 502, A Wing, Shree Nand Dham, Sector 11, CBD Belapur Navi Mumbai 400614, Maharashtra India. Tel: +91 22 6266 1111 Email: cfo@markolines.com Website: www.markolines.com |
| Designated Stock Exchange | BSE Limited (SME Platform of BSE Limited) P J Towers, Dalal Street, Fort, Mumbai– 400001, Maharashtra, India |
| Issue Programme | Issue Opens on: Friday, January 27, 2023 Issue Closes on: Thursday February 09, 2023 |

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY:

| REGISTRAR TO THE ISSUE | LEGAL ADVISOR TO THE ISSUE |
|--|--|
| BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2,6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Mumbai – 400 093 Maharashtra, India Tel No.: +91 -22-62638200122; E-mail: rightsissue@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration No.: INR000001385 CIN: U99999MH1994PTC07653 | M/S. M. V. KINI LAW FIRM Kini House, Near Citi Bank, D. N. Road, Fort, Mumbai 400 001 Tel No.: 91-22-22612527/28/29 Mobile: Email: vidisha@mvkini.com Website: www.mvkini.com Contact Person: - Ms Vidisha Krishnan |
| STATUTORY AUDITOR OF THE COMPANY | BANKER TO THE COMPANY |

| | |
|--|---|
| GUPTA AGARWAL & ASSOCIATES, Chartered Accountants, Imax Lohia Square, 23, Gangadhar Babu Lane, 3rd Floor, Room No. 3A, Kolkata – 700 012. Tel No.: +91-33-4604 1743 E-mail: guptaagarwal.associate@gmail.com Contact Person: Mr. Jay Shanker Gupta Firm Registration No.: 329001E Membership No.: 059535 | HDFC BANK LIMITED 26/1 Marathon IT Park, Bund Garden Park Pune – 411 001 Tel No.: 9655815558 E mail: alokesh.mohanty@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Alokesh Mohanty |
| BANKERS TO THE ISSUE / SPONSOR BANK | |
| AXIS BANK LIMITED Jeevan Prakash Building, Sir P. M. Road, Fort, Mumbai – 400 001. Tel No.: 022- 40867419 Mobile: 9619298042 Website: www.axisbank.com Contact Person: Mehdiali Abbas Fetteh | |

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).

For details on the ASBA process, see “*Terms of the Issue*” beginning on page 81 of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

ALLOCATION OF RESPONSIBILITIES

The Company has not appointed any merchant banker to the Issue (except for the purpose of obtaining pricing certificate, as may be required) and hence there is no inter-se allocation of responsibilities

CREDIT RATING

This being a Rights Issue of Equity Shares, there is no requirement of credit rating.

DEBENTURE TRUSTEES

Since this is not a Debenture issue, appointment of debenture trustees is not required.

MONITORING AGENCY

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to appoint a monitoring agency in relation to this Issue.

APPRAISING AGENCY

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

UNDERWRITING

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

EXPERTS

Except for the reports of the Auditor of our Company on the Audited Financial Information and Statement of Tax Benefits, included in the Letter of Offer/ Letter of Offer, our Company has not obtained any expert opinions.

MINIMUM SUBSCRIPTION

As per Regulation 86 of SEBI ICDR Regulations, the clause of minimum subscription will be applicable to the Company. If the Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, the Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, the Company will pay interest for the delayed period at the rate of 15% p.a. as prescribed under SEBI ICDR Regulations.

FILING

The Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Letter of Offer as the size of issue is less than Rs. 50.00 (Fifty Crores). The Letter of Offer has been filed with BSE (the Designated Stock Exchange having nationwide terminal) for obtaining in-principle approval. However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website to the e-mail address: cfddil@sebi.gov.in.

Issue Schedule:

| | |
|---|-----------------------------|
| Issue Opening Date | Friday, January 27, 2023 |
| Last date for On Market Renunciation of Rights* | Monday, February 06, 2023 |
| Issue Closing Date | Thursday, February 09, 2023 |
| Finalisation of Basis of Allotment (on or about) | Thursday February 16, 2023 |
| Date of listing (on or about) | Friday February 24, 2023 |

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

For further details, please see the chapter titled “*Terms of the Issue*” beginning on page 81

Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Letter of Offer and after giving effect to the Offer is set forth below:

| S. No. | Particulars | Amount (₹ in Lakh) | |
|-----------|--|-------------------------|--------------------------------|
| | | Aggregate Nominal Value | Aggregate value at Issue Price |
| A. | Authorised Share Capital | | |
| | 2,70,00,000 Equity Shares of ₹10.00 each | 2700.00 | - |
| B. | Issued, Subscribed and Paid-Up Share Capital before the Issue | | |
| | 1,91,07,520 Equity Shares of ₹10.00 each | 1910.75 | - |
| C. | Present Issue in terms of this Letter of Offer* | | |
| | Issue of upto 29,85,550 Equity Shares of ₹10.00 each for cash at a price of ₹167 per Equity Share ** | 298.56 | 4985.87 |
| D. | Issued, Subscribed and Paid-up Share Capital after the Issue*** | 2209.31 | - |
| | Upto 2,20,93,070 Equity Shares of ₹10.00 each | | - |
| E. | Securities Premium Account | | |
| | Before the Issue | 3097.33 | - |
| | After the Issue | 7784.64 | - |

Notes:

* The Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on April 21, 2022 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

** Investors will have to pay the entire offer price i.e. ₹ 167/- per Rights Equity Share at the time of Application.

***Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares

Notes to the Capital Structure:

a) The Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

b) All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.

c) At any given time, there shall be only one denomination of the Equity Shares.

Intention and extent of participation in the Issue by the Promoter and Promoter Group:

Our Promoter and Promoter Group has, vide letter dated December 06, 2022 (the “Subscription Letter”) informed us that they may renounce a part of its Rights Entitlement in favour of third parties. Our Promoter and Promoter Group may subscribe to their Rights entitlement in the Rights Issue subject to the aggregate amount of Rs. 500.00 Lakhs and may renounce their balance Rights Entitlement in favour of third parties.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Shareholding Pattern of our Company

Shareholding pattern of our Company as prescribed under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and last submitted to the stock at the **end of period September 30, 2022** to stock exchanges is available on below link:

<https://www.bseindia.com/stock-share-price/markolines-traffic-controls-ltd/mtcl/543364/shareholding-pattern/>

The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, for the period ended September 30, 2022 can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=543364&qtrid=115.00&QtrName=Sep-22>

The statement showing specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the letter of offer with the designated stock exchange:

There is no acquisition by any person belonging to “Promoter & Promoter Group” of the Company except 5,00,000 equity shares transferred by Mrs. Kirtinandini Patil who is part of Promoter Group to our Promoter Mr. Sanjay Patil

The statement showing shareholders holding more than 1% of the total number of Equity Shares for the period ended 30 September 2022 is as follows:

<https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=543364&qtrid=115.00&CompName=Markolines%20Pavement%20Technologies%20Ltd&QtrName=Sep-22&Type=TM>

For Public Category

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=543364&qtrid=115.00&QtrName=Sep-22>

Ex-Rights price per Equity Share

The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹165.93. The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

SECTION V: PARTICULARS TO THE ISSUE

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds raised through the Issue, after deducting Issue related expenses (“**Net Proceeds**”) towards the following objects:

- a. Funding the working capital requirement of the Company;
- b. General corporate purposes.

(Collectively, referred to herein as the “**Objects**”).

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

ISSUE PROCEEDS

The details of the Issue Proceeds are as follows:

| | | (₹ in Lakh) |
|---|------------------|-------------|
| Particulars | Estimated Amount | |
| Gross Proceeds to be raised through the Issue * | 4985.87 | |
| Less: Issue related expenses | 430.00 | |
| Net Proceeds | 4555.87 | |

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

UTILISATION OF NET ISSUE PROCEEDS

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

| | | | | (₹ in Lakh) |
|---------|---|--|-------------------------------------|-------------|
| Sl. No. | Particulars | Amount to be financed from Net Proceeds of the Issue | Estimated deployment in FY 2022-23^ | |
| 1. | Funding the working capital requirements of our Company | 3425.00 | 3425.00 | |
| 2. | General Corporate Purposes* | 1130.87 | 1130.87 | |
| | Net Proceeds** | 4555.87 | 4555.87 | |

^Any portion of the Net Proceeds not deployed for the stated Objects in FY 2022-23 will be deployed by our Company in FY 2023-24

*The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

** Assuming full subscription and Allotment and receipt of all Money with respect to the Rights Equity Shares.

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution. The deployment of funds raised through this Issue is at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Means of Finance:

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

DETAILS OF THE USE OF THE PROCEEDS

Fund the Working Capital Requirement of the Company

Our business is working capital intensive. We finance our working capital requirement from our internal accruals and bank finance. Considering the existing and future growth, the incremental working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹6076.80 Lakh for FY 2022-23. We intend to meet our working capital requirements to the extent of ₹3425.00 Lakh from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

Basis of estimation of working capital.

The details of our Company's composition of working capital as at March 31, 2022 and March 31, 2023 based on the Financial Statements. Further the source of funding of the same are as set out in the table below:

| Particulars | March 31, 2022 Audited | March 31, 2023 Estimated |
|---------------------------------------|---------------------------|-----------------------------|
| Current Assets | | |
| Inventories | 1404.53 | 1550.00 |
| Trade Receivables | 5841.31 | 8900.00 |
| Cash and Cash Equivalents | 160.37 | 40.00 |
| Other Current Assets | 5160.20 | 6310.60 |
| Total (I) | 12566.41 | 16800.60 |
| Current Liabilities | | |
| Trade Payables | 1046.08 | 800.00 |
| Other Current Liabilities | 441.99 | 455.35 |
| Short Term Borrowings | 828.99 | 150.00 |
| Short Term Provisions | 2110.90 | 773.00 |
| Provision for taxation | 493.94 | 900.33 |
| Total (II) | 4921.90 | 3078.68 |
| Net Working Capital (I) – (II) | 7644.52 | 13721.92 |
| Incremental Working Capital | | 6077.40 |
| Funding Pattern: | | |
| Internal Accruals | | 2652.40 |
| Part of the Issue Proceeds | | 3425.00 |

Assumptions for working capital requirement

Assumptions for Holding Levels

| Particulars | Holding level as on March 31, 2022 | Holding level as on March 31, 2023 |
|----------------------------|---------------------------------------|---------------------------------------|
| Current Assets | | |
| Inventories | 29 | 15 |
| Trade Receivables | 114 | 93 |
| Current Liabilities | | |
| Trade Payables | 128 | 42 |

Justification for Holding Period Levels

| Particulars | Detail |
|-------------------|---|
| Inventories | We have assumed trade receivables credit period of 29 days in the financial year 2022-23 as compare to 15 days for financial year 2021-22 of due to better management control. |
| Trade Receivables | We have assumed trade receivables credit period of 93 days in the financial year 2022-23 as compare to 114 days for financial year 2021-22 of due to better management control. |
| Trade Payables | We have assumed trade payables credit period of 42 days for the financial year 2022-23 as compared to 128 days for financial year 2021-22 due to better management control. |

1. General Corporate Purposes

Our Board will have flexibility in applying the balance amount, aggregating to ₹ 1130.87 Lakhs, towards General Corporate Purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Issue, including meeting our routine capital expenditure, funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives.

ISSUE EXPENSE

The total expenses of the Issue are estimated to be approximately ₹430.00Lakh*. The expenses of the Issue include, among others, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, and marketing expenses and other expenses.

The estimated Issue expenses are as under:

| Particulars | Expenses (₹ in Lakh) | % of Estimated Issue size | % of Estimated Issue expenses |
|--|-------------------------|------------------------------|----------------------------------|
| Fees of Registrar to the Issue | 2.50 | 0.05% | 0.58% |
| Fee to the Legal advisor, Other Professional Service Providers and Statutory fee | 20.00 | 0.40% | 4.65% |
| Fees payable to regulators, including Depositories and Stock Exchange | 5.00 | 0.10% | 1.16% |
| Statutory Advertising, Printing and Distribution | 2.50 | 0.05% | 0.58% |
| Marketing and Other expenses (including miscellaneous expenses and stamp duty) | 400.00 | 8.02% | 93.02% |
| Total | 430.00 | 8.62% | 100.00% |

** Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue*

APPRAISAL OF THE OBJECTS

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI. We confirm that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

BRIDGE LOAN

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument pending receipt of the Net Proceeds.

MONITORING UTILIZATION OF FUNDS FROM ISSUE

As this is an Issue for an amount less than Rs.10,000.00 Lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above.

STRATEGIC AND FINANCIAL PARTNERS TO THE OBJECTS OF THE ISSUE

There are no strategic or financial partners to the Objects of the Issue.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

OTHER CONFIRMATIONS

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, our Directors, associates or Key Managerial Personnel, except in the normal course of business and in compliance with the applicable laws.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors
Markoline Pavement Technologies
(Formerly known as “Markolines Traffic Controls Limited)
502, A Wing, Shree Nand Dhamsector 11, CBD Belapur
Navi Mumbai-400614, Maharashtra, India

Dear Sir,

Subject: Statement of Special Tax Benefits available to A Markolines Pavement Technologies Limited (Formerly known as “Markolines Traffic Controls Limited) (“the Company”) and its shareholders under the Indian tax laws prepared in accordance with the requirement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “ICDR Regulations”) for the proposed rights issue of equity shares having face value of Rs. 10 each (the “Equity Shares”) of the Company (the “Issue”)

We hereby report that this certificate along with the annexure (hereinafter referred to as “**The Statement**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘IT Act’) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2022 (i.e. applicable to F.Y. 2022-23 relevant to A.Y. 2023-24) (hereinafter referred to as the “IT Regulations”) and under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax[GST] Rules, Circulars and Notifications), presently in force in India. The Statement has been prepared by the management of the Company in connection with the proposed Public Issue, which we have initialed for identification purposes only.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the said relevant provisions of the tax laws and regulations applicable to the Company. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions which based on business imperatives which the Company may or may not choose to fulfill or face in the future.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. Further, the Preparation of enclosed statement and the contents stated therein is not exhaustive and is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India. Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

Our views are based on facts indicated to us, the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any such events subsequent, which may have a material effect on the discussions herein. Our views are exclusively for the limited use of the captioned Company in connection with its proposed public issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate along with the annexure is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus/Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For Gupta Agarwal & Associates,
Chartered Accountants,
Firm Registration No.: 329001E**

**Sd/-
Jay Shanker Gupta
Partner
Membership No.: 059535
UDIN: 22059535BEYBZA9388**

**Date: December 06, 2022
Place: Kolkata**

Annexure 1

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MARKOLINE PAVEMENT TECHNOLOGIES (FORMERLY KNOWN AS "MARKOLINES TRAFFIC CONTROLS LIMITED") ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2022-23. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

1. Special Tax Benefits to the Company

There are no Special tax benefits available to the Company.

2. Special Tax Benefits available to the shareholders of the Company

There are no Special tax benefits available to the shareholders of the Company.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y.2022-23 relevant to A.Y. 2023-24.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAXIMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

**For Gupta Agarwal & Associates,
Chartered Accountants,
Firm Registration No.: 329001E**

**Sd/-
Jay Shanker Gupta
Partner
Membership No.: 059535
UDIN: 22059535BEYBZA9388**

**Date: December 06, 2022
Place: Kolkata**

SECTION VI: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

INDIAN ECONOMY

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

- India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.
- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing 70% to the country's economic activity. With the economic scenario improving on recovering from the COVID-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also launching growth-oriented policies to boost the economy. In view of this, the country witnessed many developments in the recent past, some of which are mentioned below.

- As of July 15, 2022, India's foreign exchange reserves reached US\$ 572.71 billion.
- Private equity-venture capital (PE-VC) sector investments stood at US\$ 34.1 billion, up 28% YoY, across 711 deals through January-June 2022.
- India's merchandise exports stood at US\$ 676.2 billion in FY22. In June 2022, India's merchandise exports stood at US\$ 37.9 billion, recording the highest ever exports in June 2022.
- PMI Services was at 58.9 in May 2022 compared to 57.9 in April 2022.
- In June 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 1.44 trillion (US\$ 18.1 billion).
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 588.53 billion between April 2000-March 2022.

- In May 2022, the Index of Industrial Production (IIP) stood at 137.7 driven by mining, manufacturing and electricity sectors.
- Consumer Price Index (CPI) inflation stood at 7.01% in June 2022 compared to 7.04% in May 2022.
- In July 2022 (until 21 July 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 228,862 crore (US\$ 28.65 billion)
- Wheat procurement in Rabi 2021-22 and anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

OVERVIEW OF INFRASTRUCTURE SECTOR IN INDIA

INTRODUCTION

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. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development.

MARKET SIZE

India plans to spend US\$ 1.4 trillion on infrastructure through 'National Infrastructure Pipeline' in the next five years. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion. India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022.

Hundreds of new cities need to be developed over the next decade. Over the next 10 years, demand for urban freight is predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains. India is expected to become the third-largest construction market globally by 2022. Indian logistics market is estimated to touch US\$ 320 billion by 2025.

GOVERNMENT INITIATIVES AND INVESTMENTS

Some of the recent government initiatives and investments in the Infrastructure sector are as follows:

- In Union Budget 2022-23:
 - The government has given a massive push to the infrastructure sector by allocating Rs. 10 lakh crore (US\$ 130.57 billion) to enhance the infrastructure sector.
 - The government allocated Rs. 99107.71 crore (US\$ 17.24 billion) to National Highways Authority of India (NHAI).
 - The government announced an outlay of Rs. 60,000 crore (US\$ 7.72 billion) for the Ministry of Road Transport and Highways.
 - The government announced Rs. 76,549 crore (US\$ 9.85 billion) to the Ministry of Housing and Urban Affairs.
 - The government allocated Rs. 84,587 crore (US\$ 10.87 billion) to the Department of Telecommunications to create and augment telecom infrastructure in the country.
 - The total revenue expenditure by Railways is projected to be Rs. 234,640 crore (US\$ 30.48 billion)
 - 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over next three years.
 - Focus was on the PM GatiShakti - National Master Plan for multimodal connectivity to economic zones. Everything, from roads to trains, from aviation to agriculture, as well as many ministries and departments, will be integrated under the PM GatiShakti National Master Plan.
- In June 2022 Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 15 National Highway projects in Patna and Hajipur in Bihar worth Rs. 13,585 crore (US\$ 1.75 billion)
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at US\$ 26.20 billion and US\$ 27.92 billion, respectively, between April 2000-March 2022.

- In March 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highway inaugurated 19 National Highway projects in Haryana and Rajasthan totaling Rs. 1,407 crore (US\$ 183.9 million).
- The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth Rs. 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020.
- In November 2021, the Asian Development Bank (ADB) has approved a US\$ 250-million loan to support development of the National Industrial Corridor Development Programme (NICDP). This is a part of the US\$ 500-million loan to build 11 industrial corridors bridging 17 states.
- In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral co-operation.
- The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.
- In October 2021, the Union Cabinet of India approved the PM GatiShakti National Master Plan—including implementation, monitoring and support mechanism—for providing multi-modal connectivity.
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college and a specialised hospital in Jammu & Kashmir.
- In FY22, government initiatives such the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.
- As of October 2021, the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms compared with 4,956 kms, as of October 2020.
- To encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy is undertaking Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.
- In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth Rs.15 lakh crore (US\$ 206 billion) in the next two years.
- The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced Rs. 305,984 crore (US\$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

(Source: <https://www.ibef.org/industry/infrastructure-sector-india>)

OVERVIEW OF ROAD INDUSTRY OF INDIA

INTRODUCTION

India has the second-largest road network in the world, spanning a total of 6.21 million kilometres (kms). This road network transports 64.5% of all goods in the country and 90% of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country. In India, sale of automobiles and movement of freight by roads is growing at a rapid rate.

MARKET SIZE

In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

Highway construction in India increased at 17.00% CAGR between FY16-FY21. Despite pandemic and lockdown, India has constructed 13,298 km of highways in FY21.

Under the Union Budget 2022-23, the Government of India has allocated Rs. 199,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways.

In FY21, 13,298 kms of highway was constructed across India. In June 2021, the Ministry of Road Transport and Highways constructed 2,284 kms of national highways compared with 1,681 kms in June 2020.

In October 2020, the foundation stone was established for nine National Highway projects—with a total length of ~262 kms—worth >Rs. 2752 crore (US\$ 371.13 million) in Tripura.

The Government of India has allocated Rs. 111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2019-25. The roads sector is likely to account for 18% capital expenditure over FY 2019-25.

KEY INVESTMENTS/DEVELOPMENTS

The Union Minister of State for Road, Transport and Highways has stated that the Government aims to boost corporate investment in roads and shipping sector, along with introducing business-friendly strategies, which will balance profitability with effective project execution. According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), construction development^ sector attracted Foreign Direct Investment (FDI) inflow worth US\$ 26.1 billion between April 2000-June 2021. In FY22 (until November 2021), the private sector invested Rs. 15,164 crore (US\$ 1.98 billion) in roads.

GOVERNMENT INITIATIVES

- NHAI plans to construct 25,000 kilometres of national highways in 2022-23 at a pace of 50 km per day.
- India's Gati Shakti program has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres). The main aim of this program is a faster approval process which can be done through the Gati shakti portal and digitized the approval process completely.
- In the Union Budget 2022-23, government has planned for an increase in allocation for the central road fund by 19%, the total fund was Rs. 2,95,150 crores (US\$ 38.86 million).
- As of March 2022, the government plans to spend Rs. 10,565 crore (US\$ 1.38 billion) on the Trans-Arunachal Highway and Kaladan Multi-Modal Transport Project, as well as other roads development projects such as capital connectivity, district connectivity, connectivity to the international border, and improvement and strengthening of roads in the region of Sikkim.
- The Indian government launched Gati Shakti-National Master Plan, which will help lead a holistic and integrated development of infrastructure generating immense employment opportunities in the country.
- In October 2021, the government issued a notice related to concessions under the Vehicle Scrapping Policy (effective from April 2022) to encourage vehicle owners towards discarding old vehicles which have higher fuel consumption costs.
- In October 2021, the government launched a conversion project for 15 major roads in the Agartala smart city, the project will convert these roads to weather-resilient ones, and further strengthen development of the region.
- In October 2021, the government announced rules to improve road safety, such as fixed driving hours for commercial truck drivers and a mandate to install sleep detection sensors in commercial vehicles.
- In FY22 (until October), the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms compared with 4,956 kms in FY21 (until October).
- In October 2021, the government announced a plan to install charging stations every 40 to 60 kilometres on national highways to strengthen wayside amenities; in line with this, ~700 e-vehicle charging stations are expected to be installed by 2023, covering 35,000 to 40,000 kms of national highways.
- In September 2021, the Ministry of Road Transport and Highways constructed national highways extending 3,824 kms compared with 3,335 kms in August 2021.
- To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for Rs. 11,000 crore (US\$ 1.48 billion).
- In September 2021, the Indian government announced road projects worth Rs. 1 lakh crore (US\$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir. The region has also witnessed growth in national highways, from 7 in 2014 to 11 in 2021.
- In September 2021, the Ministry of Road Transport and Highways allocated Rs. 7,270 crore (US\$ 980.9 million) for road safety programmes in 14 states that constitute 85% of the total road fatalities in India.
- Under Phase-I of Bharatmala Pariyojana, the Ministry has approved implementation of 34,800 km of national highways in 5 years with an outlay of Rs. 5,35,000 crore (US\$ 76.55 billion). Under this scheme, 22 greenfield projects (8,000 kms length) are being constructed; this is worth Rs. 3.26 lakh crore (US\$ 43.94 billion).
- The government also aims to construct 23 new national highways by 2025.
- The Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari, is targeting to construct 40 kms per day in FY22.
- In August 2021, the Union Minister of Road Transport and Highways, Mr. Nitin Gadkari, announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana—the ambitious

road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.

- In August 2021, the Ministry of Road Transport & Highways extended certain relief measures provided earlier in view of the second COVID-19 wave. The following relief measures have been extended:
 - Relaxation in Schedule H/G with effect from July 01, 2021, until September 30, 2021, to improve liquidity of funds available with contractors and concessionaire.
 - Arrangement regarding direct payment to the approved sub-contractor through an escrow account can be continued until September 30, 2021, or completion of work by the sub-contractor, whichever is earlier.
- In August 2021, the Union Minister of Road Transport and Highways, Mr. Nitin Gadkari sanctioned Rs. 100 crore (US\$ 13 million) to restore roads affected by heavy rains in Konkan and Western Maharashtra. This includes Rs. 52 crore (US\$ 7.0 million) for temporary restoration and Rs. 48 crore (US\$ 6 million) for permanent restoration.
- In August 2021, the central government sanctioned >Rs. 600 crore (US\$ 81 million), of the Central Road and Infrastructure Fund (CRIF), for construction of 42 roads and bridges in Uttarakhand.
- In July 2021, the Ministry of Road Transport & Highways allocated Rs. 165 crore (US\$ 22 million) under Economic Importance and Inter State Connectivity Scheme (EIC&ISC) for FY22.
- In July 2021, the Ministry of Road Transport and Highways granted 162 kms road highway (New NH-365BG), as part of the economic corridor under the Bharatmala Pariyojana, with an aim to connect Andhra Pradesh and Telangana via a robust road infrastructure that supports speed of 100kms/hour. The total project cost is Rs. 2,600 crore (US\$ 350 million).
- In July 2021, Andhra Pradesh spent US\$ 296.05 million to build 8,970 kms of roads.
- In April 2021, the NHAI has decided to deploy Network Survey Vehicle (NSV) to enhance quality of the national highways. Carrying out road condition survey using NSV on the national highways was made mandatory for certifying completion of the project and every six months thereafter.
- In March 2021, the Mizoram-Myanmar road project, which was launched under SARDP-NE, completed 92% work and is scheduled to be completed by June 2021.
- Under the Union Budget 2021-22, the Government of India has allocated Rs. 108,230 crore (US\$ 14.85 billion) to the Ministry of Road Transport and Highways.
- The NHAI awarded 1,330 km of highways in the first half of FY21, which was 1.6x of the total awards in FY20 and 3.5x of the FY19-levels. NHAI, the nodal authority for building highways across the country, has set a target of awarding 4,500km of projects in FY21. The National Highways Authority of India (NHAI) is expected to award projects worth ~Rs. 2.25 lakh crore (US\$ 30.3 billion) with a total length of ~5,000 kms in FY22.
- In February 2021, the Minister for Road Transport & Highways Mr. Nitin Gadkari approved construction of the 158-kms ring road worth Rs 10,000 crore (US\$ 1.37) in Telangana.
- In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million for upgrading the state highway network and district road network in Andhra Pradesh.

ROAD AHEAD

The Government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 200,000 km of national highways is expected to be completed by 2022.

In the next five years, National Highway Authority of India (NHAI) will be able to generate Rs. 1 lakh crore (US\$ 14.30 billion) annually from toll and other sources.

Source: (<https://www.ibef.org/industry/roads-india>)

The sudden hit of COVID 19 pandemic impacted countries and economies all around the world. The pandemic induced lockdown resulted in an accumulation of a lot of projects which impacted their on-time completion and cost as well. Although, now businesses have devised new ways of working amidst the pandemic. The government is also working swiftly to turn the looming economy around by introducing initiatives and announcements for infrastructure and MSME sector. According to Government reports, with an average speed of 29.81 km per day, the construction of national highways during 2020-2021 was the highest ever in the last five years despite the Covid-19 crisis and months of lockdown. The total length of National Highway construction up to February 5, 2021 was 9,242 km.

Adding to the ongoing flow of roads and highways projects, this year's budget focused immensely on strengthening the infrastructure sector. The government's effort towards further enhancing the roads and highways projects to 7,400 new projects is a welcome step which will ensure a better year for the infrastructure sector as well as for the construction equipment industry. The multitude of announcements on the highway projects in Tamil Nadu, Kerala, West Bengal and Assam will further give a much-needed boost to the sector. The Minister of Road Transport and Highways Nitin Gadkari has also set the target for 2026 and planned to expand around 60,000 km of National Highways (NHs) in the next five years. Additionally, Ind-Ra and ICRA has revised its outlook on the construction equipment sector to 'Stable' from 'Negative' following a strong ramp up in volumes. The Off-Highway Research predicts that the availability of the Covid vaccine is expected to push the recovery rate further in 2021. Sales of road construction equipment will increase by 25 per cent to 76,375 units in 2021 and a further 16 per cent to 88,700 units in 2022. The construction market is forecast to touch 100,300 units in 2023 with a growth of 13 per cent. Another

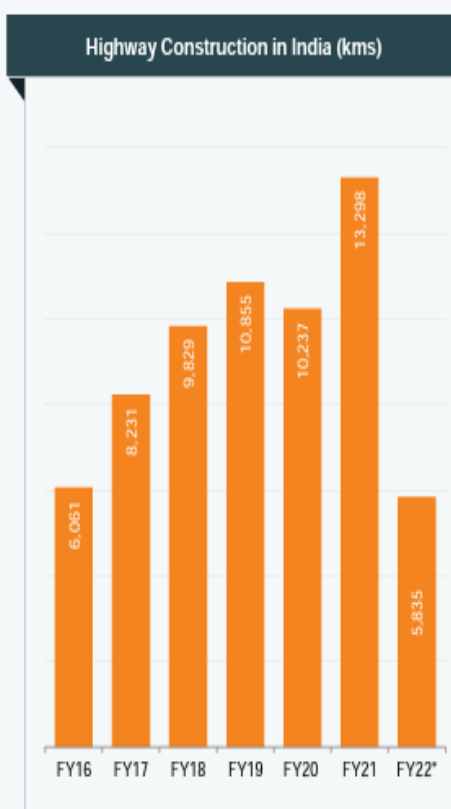
factor that will add to the growth of the road equipment industry in 2021 is technology. Technological elements like Virtual Reality, AI security and BIM are making a major impact on construction equipment productivity and efficiency. It has become necessary for every construction equipment manufacturer to equip their machines with the latest and advanced technology to make the workflow easy and resourceful. According to McKinsey, the use of innovative technologies is bolstering the construction industry with advancements such as pulsed radar object detection, drones, radio frequency identification (RFID), prefabrication, smart wearables, 3D printing, immersive solutions (VR/AR, Internet of Things (IoT) and smart materials. By harnessing industry 4.0 tools like IoT, AI and automation, processes will see 30 to 50% reduction in machine downtime; 15 – 30% improvement in labor productivity; 10 to 30% increase in throughput; and 10 to 20% decrease in the cost of quality. These advantages are important as full-scale digitization in construction could result in annual savings of between \$700 trillion and \$1.2 trillion. With the government focusing on construction and infrastructure activities we're confident that this year will be great for the CE segment. Keeping all the above initiatives in mind, the outlook for construction and infrastructure seems positive and all these efforts will play an important role in reviving the sector and bringing back the economy to normalcy.

Source: (<https://info.cecr.in/roads-and-pavements-sector-in-2021-a-report/>)

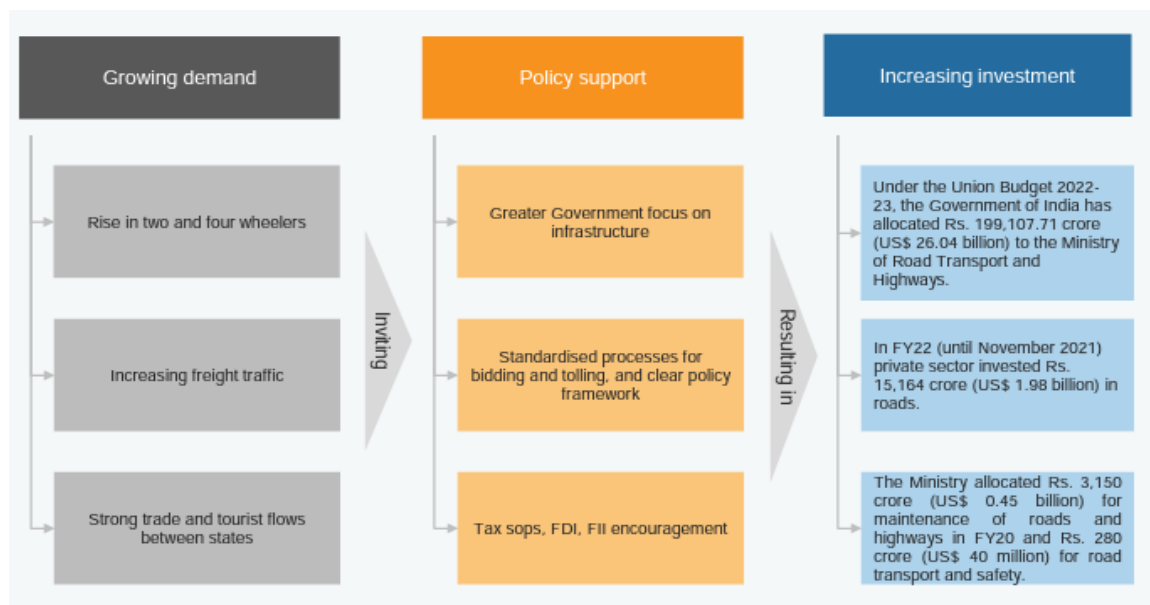
India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion) by 2022. The government also aims to construct 23 new national highways by 2025. Road building in India is second least expensive in Asia. Production of commercial vehicles increased to 752,022 in FY20 from FY16 at a CAGR of 2.42% commands stronger road network in India. In FY21, 13,298 kms of highway was constructed across India. In November 2020, passenger vehicle wholesale expanded by 9%, compared with the same month last year, due to increased demand in the festive season. Financial institutions received Government approval to raise money through tax-free bonds. 100% FDI is allowed under automatic route subject to applicable laws and regulations. The Finance Bill 2019 made certain changes in the Central Roads and Infrastructure Fund Act. The central Government will now be responsible for formulating criteria for any state road project. Growing participation of PPP. Under the Union Budget 2021-22, the Government of India has allocated Rs. 108,230 crore (US\$ 14.85 billion) to the Ministry of Road Transport and Highways. Transfer to National Investment Fund (NIF) was estimated at Rs. 6,070 crore (US\$ 868.51 million) for 2019-20.

| | Total Roads | State highways | National highways | Other roads |
|--------------------------------------|--------------|--------------------------------|--------------------------------|---------------------------------|
| Total Length | 6,215,797kms | 176,818 kms | 136,440 kms | 5,902,539 kms |
| Share in total roads in India | 100% | 3% of the total roads in India | 2% of the total roads in India | 95% of the total roads in India |

| Date | Description |
|----------------|---|
| November 2021 | In FY22 (until October), the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms. |
| October 2021 | The government inaugurated a national highway extending 527 kms and worth Rs. 4,075 crore (US\$ 542.34 million) in Ahmednagar, Maharashtra, to boost connectivity in the state. |
| September 2021 | To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for Rs. 11,000 crore (US\$ 1.48 billion). |
| August 2021 | The Ministry of Road Transport & Highways extended certain relief measures provided earlier in view of the second COVID-19 wave. The central government sanctioned >Rs. 600 crore (US\$ 81 million), of the Central Road and Infrastructure Fund (CRIF), for construction of 42 roads and bridges in Uttarakhand. |
| July 2021 | The Ministry of Road Transport and Highways constructed 2,284 kms of national highways until June 2021. Odisha has completed 62,192 kms of roads under the Pradhan Mantri Gram Sadak Yojana (PMGSY) programme, making it one of the highest performing states in construction of rural roads. |
| June 2021 | The Ministry of Road Transport and Highways constructed 1,470 kms of national highways until May 2021. In April 2021, 853 kms of the highway was completed. |
| May 2021 | The Minister for Road Transport & Highways, Mr. Nitin Gadkari, is targeting to construct 40 kms per day in FY22. |



STRONG DEMAND AND POLICY SUPPORT DRIVING INVESTMENT



RISING TRADE, VEHICULAR PRODUCTION

Growing domestic trade flows have led to rise in commercial vehicles and freight movement; supported by rise in production of commercial vehicles. In April 2021, automobile production (passenger, three-wheeler and two-wheeler vehicles and quadricycle) was 1.88 million. Higher individual discretionary spending has led to increased spending on cars, motorbikes and scooters. In FY21, domestic automobile sales (passenger, three-wheeler and two-wheeler vehicles) stood at 18.61 million.

FUTURE PROSPECTS REMAIN BRIGHT FOR THE ROAD SECTOR

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Arrangement regarding direct payment to the approved sub-contractor through an escrow account can be continued until September 30, 2021, or completion of work by the sub-contractor, whichever is earlier.

In August 2021, the Union Minister of Road Transport and Highways, Mr. Nitin Gadkari sanctioned Rs. 100 crore (US\$ 13 million) to restore roads affected by heavy rains in Konkan and Western Maharashtra. This includes Rs. 52 crore (US\$ 7.0 million) for temporary restoration and Rs. 48 crore (US\$ 6 million) for permanent restoration.

In August 2021, the central government sanctioned >Rs. 600 crore (US\$ 81 million), of the Central Road and Infrastructure Fund (CRIF), for construction of 42 roads and bridges in Uttarakhand.

Source: <https://www.ibef.org/industry/roads-india.aspx>, <https://www.ibef.org/download/Roads-December-2022>

OUR BUSINESS

The following information is qualified in its entirety by, and should be read in conjunction with more detailed information about our Company and its financial statements, including the notes thereto, in the section title “*Risk Factors*” and the chapters titled “*Financial Information*” and “*Management Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page no 17, 59 and 63 of this Letter Of Offer

Unless the context otherwise requires, in relation to business operations, in this section of this chapter all references to “we”, “us”, “our”, “ours” and “our Company” are to **Markolines Traffic Controls Limited** and Group Entities as the case may be.

OVERVIEW

We are a Highway Operations & Maintenance (**O&M**) Service providing company. We thrive to make Highway Operations & Maintenance cost effective and easier with the help of Innovation, Technology & out-of-the-box solutions. Our vast experience of 19 years in offering superior services in the Highway Operations & Maintenance (O&M) have earned us name in the (**O&M**) domain. Our principal business operations are broadly divided into three categories:

- i) Highway Operations under which we provide services like Toll operations, Route Patrolling and Incident management;
- ii) Highway Maintenance under which we provide services like Routine Maintenance, Preventive Maintenance and Major Maintenance & Repairs (MMR);
- iii) Specialized Maintenance Services under which we provide services which enhance the life and quality of road, these are Micro-surfacing (MS), Base / Sub base Stabilization (FDR) and Cold In Place Recycling (CIPR).

India is a developing country & numerous new highways & express ways are the need of the hour for efficient and fast movement of material & people. Due to liberalization & reforms taken up in the year 1991, the Indian Economy has opened up & this has led to global players coming in India. As a result of this, a need for better & faster movement of goods & people was desired & this necessitated improvement in the infrastructure facilities available in India. The infrastructure development could not have been complete without development of the Highways & Expressways which are the need of the hour. Such development also requires huge funding & therefore a new concept known as PPP (Public Private Partnership) was introduced by Govt. of India. In this concept, the road development was awarded to private participants on BOT (Build Operate & Transfer) basis who are required to put in the financial funds. The concessioner had to invest and make the road at his own cost and then recover his money by collection of Toll from the commuters for certain period of time. He was also supposed to maintain the facility developed. The private players, Indian as well as global, who were in such business grabbed this opportunity & developed the highways & the express ways across the country. And obviously for recovery of their investment they were required the set up the facility for toll collection of toll from the commuters as well as maintenance of the infrastructure developed. However, since Highway operation and maintenance being a very tedious and required certain special skill sets as organization. The private players/developers whose core activity was development did not want to diversify from their core business. This sought the option of outsourcing the operation & maintenance.

This being a new sector, there were not many players having requisite knowledge & expertise to run such outsource operation.

Our company who was in the business of road marking envisaged this opportunity & ventured in this business activity, Operation and maintenance of these infrastructure projects in 2009. As the same time because of its wear & tear nature of the highways, maintenance of the infrastructure developed also become mandatory. The periodic maintenance of these projects itself became one of the major activities for the various contractors.

As the time passing and maintenance of these projects becoming due and our company envisage another opportunity and decided to go in for offering complete array of maintenance services. Over the last few years, we have not only achieved huge credibility based on performance in the market but is also one of the well-known O & M operators in the country and today are one of the trusted service providers in the Highway O&M sector operating pan India basis under the Markolines Umbrella.

To keep up with trend to work with innovative and new technology, Markoline decided to go for the specialized road surfacing treatment called as Micro surfacing. This being a relatively new and cost-effective technology there is a huge potential for this business too. With the Markoline commitment, in a short span of few years of starting the operation. Our company has completed 81 Million SQM of Micro-surfacing and 197 Lane km of Cold In Place Recycling (CIPR) and Keeping up to the track record Markoline ventured into Base / Sub base Stabilization (FDR) and has achieved experience which is unique and unmatched in India.

Subsequent to the completion of various BOT projects where the highway infrastructure was ready which needed to be re-strengthened and maintained. Realizing the potential for Monetization, Government of India came up with new model Toll Operate & Transfer (TOT), wherein the about 5/10 projects were put in the Bundle and offered for Re-strengthen and maintenance for a long period of 15/30 years.

Due to the huge requirement of Funds, Long tenure and better returns many FDI's/FI's ventured in this business. For all such institutions, this not being the core business outsourcing of O&M was obvious and that brings in huge potential of 1000s of crores of business for this sector of O&M. Being very few service providers in this sector and Markolines with high credentials and one of the preferred vendors is at an advantageous position to en-cash and clock huge growth in coming years.

Our company was incorporated on November 08, 2002 and since our inception we have gradually increased our execution capabilities in terms of the size and Number of projects that we have executed. We started our business operation with a single product that was thermoplastic road marking and over the years we have transformed into a well-known Highway Operations & Maintenance (O&M) service provider in India. In over a decade and a half, we have transitioned from a single product company to a multi-product company and aspire to be an Indian Multinational Company (MNC) in Highway Operations & Maintenance (O&M). We have, since 2002, executed over 110+ Highway Operations & Maintenance (O&M) projects. As on the date of this letter of offer, we have completed projects of Major Maintenance & Repairs of around 1730 km and around 390.73 km of National Highways Projects are ongoing in the state of West Bengal, Maharashtra, Uttar Pradesh, Madhya Pradesh, and Rajasthan. We have completed projects for Toll Operations, Routine Maintenance, and Route Patrolling services, managing around 993km and around 1252.24 km of National Highways Projects ongoing in the state of Rajasthan, Uttar Pradesh, Maharashtra, Jharkhand, Bihar, Tamil Nadu, West Bengal, and Andhra Pradesh, Haryana, Telangana.

We strongly believe in innovation and technology. We have been pioneers in introducing latest technologies and successfully delivering high quality services to all our clients. Way back in 2002 when Road marking in India was done with small hand-held machines, we then introduced extrusion technology for road marking by importing a fully automated machine which was used to mark the road in a hassle free and precise manner. The first project of Road Marking executed for Ahmedabad Vadodara became a Landmark project in terms of quality and precision. We have done the same by introducing the Microsurfacing with Fiber in India. This use of technology and our innovative approach towards our services has helped us in completing (O&M) contracts with superior quality standards within time. This has gained us expertise and edge over competitors and also has built a trust over the years among our clientele. We understand the unique needs of our customers and offer reliable services according to their need. We are committed to surpass customer expectation and achieve customer loyalty with our excellent services delivered on schedule. We adhere strictly to ethical practices to aim for 100% customer satisfaction, with integrity.

We are always committed to fulfil the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted the best measures in the industry. We believe that we carry out extensive research, training and upgradation of technology to maintain the standards and quality of our services. We are providing services that ensures customer satisfaction. We believe that we have long-term and stable relationships developed over the years with our key customers through the quality of services we provide.

We have our registered office is located at 502, A Wing, Shree Nand Dham Sector 11, CBD Belapur Navi Mumbai 400614, Maharashtra, India Apart from this the company has its Corporate Office at 601, 602, 603, 604 & 605, 6th Floor, Wing-A, Shree Nand Dham, Sector-11, CBD Belapur, Navi Mumbai – 400614 having a combined total area of approximately 2559 Sq. ft. Moreover, our work demands to setup temporary project offices near to the project sites.

Our Company is promoted by Mr. Sanjay Bhanudas Patil and Mr. Karan Bora, Mr. Sanjay Bhanudas Patil is the guiding force behind all the strategic decisions of our Company and has been an anchor to our company since incorporation. Mr. Karan Bora, qualified Business Graduate the young Entrepreneur. Our Promoters have a long corporate and Entrepreneurial Experience. The promoters are the frontline force behind the company, they are leading the company from the front. In addition to our individual Promoters, our senior management team includes qualified, experienced and skilled professionals who have experience across various sectors. We believe the stability of our management team and the industry experience brought on by our individual Promoters and the senior management team will enable us to continue to take advantage of future market opportunities and expand into newer markets. Our senior management team is able to leverage our market position with their collective experience and knowledge in the Highway O&M industry, to execute our business strategies and drive our future growth. Our CFO have an experience of over two decades in the Highway Operations & Maintenance (O&M) industry.

Our revenue model is summarized as below:



Highway Operations:

Highways are the vital roads that connect various regions. A perfectly running highway network is one which is well managed and operated to deliver a safe and comfortable ride to the commuter. We offer a gamut of services to improve the performance of Highway Operations. Our solutions are designed to relieve vehicular congestion, maximize safety and boost the mobility of personal and commercial vehicles. We aspire to deliver a system that is safe, accessible and easy to navigate. Our excellent regional & cultural understanding and contingency management puts us ahead of the competition.

Highway Maintenance:

Highways are lifelines of a nation; it is crucial to keep these in good working condition. Markolines provides a suite of maintenance services to address diverse road conditions. Weather, traffic volume and geographical conditions often impact the roads and it is important to take these factors into consideration while arriving at the right treatment. Our team of experts is experienced to handle repairs, replacements and maintenance projects, and is guided by the tenets of health, safety, security and environment (HSSE). We are updated with knowledge on the latest trends and technologies and implement the same on our site to deliver an improved solution.

Specialized Maintenance Services:

We have always believed in latest Technology to increase the efficiency and performance of the highways for the better experience of the ultimate user. We provide various services under specialized maintenances such as Microsurfacing, Cold in Place Recycling, Soil Stabilization and Reclaimed Asphalt Pavement (RAP)

OUR LOCATIONS

| | |
|--------------------------|--|
| Registered Office | 502, A Wing, Shree Nand Dham Sector 11, CBD Belapur Navi Mumbai 400614, Maharashtra, India. |
| Corporate Office | 601, 602, 603, 604 & 605, 6th Floor, Wing-A, Shree Nand Dham, Sector-11, CBD Belapur, Navi Mumbai – 400614 |

OUR COMPETITIVE STRENGTHS

We have always believed in latest Technology to increase the efficiency and performance of the highways for the better experience of the ultimate user. We provide various services under specialized maintenances such as Microsurfacing, Cold in Place Recycling, Soil Stabilization and Reclaimed Asphalt Pavement (RAP)

We are a well-known Highway Operations & Maintenance (O&M) service enabling company with diversified Services portfolio.

We are one of the few Indian Highway (O&M) service enabling company in India offering complete spectrum of Highway O&M Services. We presently derive revenues from each of our Highway Operations, Highway Maintenance and Specialized Maintenance Services roads segments. We provide Highway O & M Services Pan India basis and are currently have projects across 9 states in India.

We have a proven track record for winning, developing and operating projects successfully.

We believe that we have a strong reputation in the Highway O & M domain and that we have a track record for winning projects and operating them, successfully. We believe that our ability to manage to various resources, use of Technology, collaboration with potential partners and industry experts and most importantly our research-based approach to providing solution to customers problem area puts us ahead of competition and achieve the highest customer satisfaction.

Efficient business model

Our growth is largely attributable to our performance base customer approach which involves careful identification of our projects and cost optimisation, which is a result of executing our projects with careful planning and strategy. This model has facilitated us in maximising our efficiency and increasing our profit margins. Additionally, our fleet of modern equipment ensures better control over execution and timely completion of projects. Our Company follows a strategic approach during the pre-bidding stage, which involves undertaking technical surveys and feasibility studies and analysing the technical and design parameters and the cost involved in undertaking the project. We believe that our strategic approach during the pre-bidding stage and providing customised solutions enables us not only to bid at competitive prices but helps us to successfully win projects. Once we win a bid, our focus is to ensure highest quality during the execution stage of the project, as a result of which, we believe, we are able reduce maintenance and repair costs and therefore realize higher margins during the operation and maintenance stage of the project. Through our experience of executing projects of varying sizes, we believe that we have developed internal systems and processes which help us in effective execution and management of our ongoing projects. Our experienced engineering and management teams are responsible for ensuring that we execute the project in a systematic and cost-effective manner by monitoring operational costs, administrative costs and finance costs at every stage of the project cycle and applying checks and controls to avoid any cost and time overruns.

Established brand and reputation in Highway O&M domain

We believe that our Group brand 'Markolines' is a recognizable brand in India when it comes to Highway O&M domain and is a differentiating factor for our customers. Our vast experience and proven track record help us to establish customer confidence. We also believe that our established brand and reputation has enabled and will enable us to obtain future business opportunities. We have gained significant experience and have established track record and reputation for efficient project management, execution and timely completion of projects in Highway O&M sector.

Rich Management Experience

Our Promoters have an experience in Highway O & M services industry of approximately 2 decades. Our Company is managed by a team of experienced and professional personnel, exclusively focused on different aspects of the industry. The team comprises of personnel having vast operational experience in every aspect of business including technical, nontechnical and management. With the cumulative experience of more than 200 years of our senior management we are capable of facing every challenge and creating a substantial growth within our Company. Our management's experience and knowledge enable us in addressing and mitigating various risks inherent in any business such as competition, price fluctuations.

Strong professional and execution team allows the Company to develop a strong business

Our Company has a team of able and experienced professionals with ability to actively manage funding operations. This coupled with proven promoter track record allows the Company to rapidly grow its client portfolio and business. We are a professionally managed company having qualified professionals, engineers and workers. We facilitate the integration of our workforce, processes and technology. Our key business processes are actively managed by our senior management. We believe that our motivated team of management and key managerial personnel along with our internal systems and processes complement each other to enable us to deliver high levels of client satisfaction.

Diversified Portfolio of Services offered

We provide a complete spectrum of Highway Operations & Maintenance (O&M) Services. Our services consist of Highway Operations under which we provide services like Toll operations, Route Patrolling and Incident management; ii) Highway Maintenance under which we provide services like Routine Maintenance, Preventive Maintenance and Major Maintenance & Repairs; iii) Specialized Maintenance Services under which we provide services which enhance the life and quality of road. Our services include Microsurfacing, Cold in Place Recycling, Soil Stabilization and Reclaimed Asphalt Pavement (RAP).

Progressive Employer

Markolines is continuously focused on creating an engaging atmosphere for our Employees to learn, contribute and grow. We nurture a sense of equality among our team members and offer them ample opportunities to pursue their passion and grow. There is an active FUN team that creates opportunities for enjoyment even while working. We believe in timely compliance of all statutory payments especially related to employees. Our company ensures a safe environment, dignity and respect for all our employees irrespective of gender, religion, caste.

Quality Service

We believe in providing quality and timely service to our customers. We have a set of standards for ourselves when it comes to timeliness and quality of service we provide to our customers. We believe that our quality service for the last 19 years has earned us a goodwill from our customers, has also helped us to add new customers to our existing customer base. Our company focuses on maintaining the level of consistently in our service, thereby building customer loyalty for our Brand.

BUSINESS STRATEGY

Continue focusing on our Operations & Maintenance (O&M) business in Highways sector and enhancing execution Efficiency

Our primary focus is to strengthen our market position in India in developing and executing O&M projects in the Highway O&M sector. Over the next few years, we will continue to focus on the operation, maintenance and development of our existing projects while seeking opportunities to expand our O&M projects in the Highways sector. We intend to capitalize on our experience and project execution expertise and continue to selectively pursue other infra segments. We believe that, given the Government's focus on improving infrastructure in India, the roads and highways infrastructure sector has high potential for growth and our experience and track record in the O&M business provides us with a competitive advantage in pursuing future opportunities. We intend to continue to focus on efficient project execution by adopting industry best practices and advanced technologies to deliver quality projects to the satisfaction of our clients.

We intend to continue to invest in modern equipment and latest technology to ensure timely, effective and efficient execution of projects. We seek to attract, train and retain qualified personnel and skilled laborers and further strengthen our workforce through more comprehensive training and provide adequate and skilled manpower to our clients. We also seek to offer our engineering and technical personnel a wide range of work experience, in-house training and learning opportunities by providing them with an opportunity to work on a variety of large, complex projects. We will continue focusing on improving our internal systems and processes and upgrade our IT systems to reduce manual intervention and improve reliability and efficiency of our business and operations. We also intend to utilize advanced technologies, designs, engineering and project management tools to increase productivity and maximize asset utilization in our activities.

Selectively expand our geographical footprint

Our Company started its operations in Gujarat and has gradually expanded in other states including West Bengal, Maharashtra, Rajasthan, Uttar Pradesh, Jharkhand, Bihar, Tamil Nadu and Andhra Pradesh, Haryana and Telangana. We plan to continue our strategy of diversifying and expanding our presence in different states for the growth of our business. We are elective when we expand in a new location and typically look to geographies where we can deliver high-quality services without experiencing significant delays and interruptions on account of adverse climatic conditions or regulatory delays. We believe that our strategy of selective expansion helps us in mitigating diversification related risks.

Diversify beyond projects in the roads and highways sector by leveraging existing capabilities

While our primary focus is on Operation and Maintenance projects in highways sector, as part of our business growth strategy, we also intend to diversify in other infra sectors and have secured a large contract for executing water supply projects on turnkey basis in Madhya Pradesh. We believe that, due to the increasing levels of the Government's focus and investment in infrastructure in India, certain segments such as airport runways, and development of smart cities provide us with exciting opportunities to further develop our business and achieve higher profitability. We seek to capitalise on such opportunities in new functional areas of infrastructure development. As part of our business growth strategy, we intend to diversify into, and shall consider bidding for, projects related to maintenance of airport runways, projects related to railways and metros for Operations and maintenance (O&M). In order to mitigate the risk of over-diversification, we seek to expand in businesses that require execution skills that are similar to our existing Highways O&M business and allow us to leverage our past experience and maximize the use of our manpower, equipment for our expansion and avoid additional investment in new equipment wherever possible. Further, in new areas where we may lack experience or expertise, we may also enter into strategic alliances and joint ventures with other companies.

To continue to be a key player in India's Highway Operations & Maintenance (O&M) sector.

We believe that the prospects for the Highway Operations & Maintenance (O&M) industry in India look positive with the government policy focusing on increasing investment in the infrastructure sector in India. We believe this provides tremendous business potential for an established and experienced O&M company, such as Markolines. We believe our track record in (O&M) in India will provide us with an advantage in the identification, bidding, winning, and successful execution of these projects.

Increase Brand awareness

We believe that it's critical for success to have strong brand recognition and recall value. We intend to enhance the brand recognition of our services through our presence in major cities. We also intend to focus on use of targeted marketing initiatives

such as digital and print advertisements, as well as marketing through traditional channels such as outdoor advertising. Our marketing and advertising initiatives shall be directed to increase brand awareness, acquire new customers, drive customer traffic across our retail channels and strengthen our brand recall value.

Continue to attract and retain talent

As part of our business strategy, we are focused on attracting and retaining high quality talent as we continue to expand our service offering. We have recruited and retained talented employees from a variety of backgrounds. We expect to continue to attract talented employees through our retention initiatives. We intend to invest adequate time and resources for training our employees, which we believe would foster mutual trust, improve the quality of our customer service and place further emphasis on our continued retention.

Strategic Acquisition and Alliance Opportunities

We intend to explore and evaluate strategic acquisition and technology alliance opportunities to gain access to new clients and sectors, add new technology capabilities to our offerings that drive synergies with our existing business ventures.

OUR BUSINESS SERVICES:

Roads make a crucial contribution to economic development and growth of a nation. Well-maintained roads bring vital social benefits like providing access to employment. India's ever-widening web of roads needs smooth operation and superior maintenance, and we are here to contribute to it by offering effective and efficient management solutions in Highway Operations, Highway Maintenance, Consultancy Services.

We adopt a customer-focused approach, committed to delivering a service that directly addresses the needs of our clients and the society we work in. Our unrelenting drive to improve and our unwavering commitment towards providing our clients with best-in-class services through focus on integrity, dedication and ethics fuels our success. Our professional and dedicated team is led by commitment to deliver the best and become the most preferred company in the sector. As we move forward, we continue to keep health, safety, security and environment at the core – and these are the tenets that we do not compromise on at any time.

Our Highway Operations & Maintenance (O&M) services are briefly described below:

HIGHWAY OPERATIONS:

Highways are the vital roads that connect various regions. A perfectly running highway network is one which is well managed and operated to deliver a safe and comfortable ride to the commuter. We offer a gamut of services to improve the performance of Highway Operations. Our solutions are designed to relieve vehicular congestion, maximise safety and boost the mobility of personal and commercial vehicles. We aspire to deliver a system that is safe, accessible and easy to navigate. Our excellent regional & cultural understanding and contingency management puts us ahead of the competition.

Services offered under Highway Operations are as follows:

1. TOLL OPERATION: Our team's prime objective is to collect maximum revenue by catering to maximum traffic and avoid leakages by minimising exemptions and violations. Markolines regularly imparts soft skills and toll operations training to Toll Staff to boost efficiency and save time. All our toll operations services are designed considering aspects like safety, effective traffic management and minimum vehicle processing time.

- We Ensure 24*7 operations to maintain smooth traffic flow and faster toll tax collection
- Collect maximum revenue by catering to maximum traffic
- Avoid leakages by minimizing exemptions and violations
- Offer services to address safety, effective traffic management and minimum vehicle processing period
- Impart soft skills and TMS training to Toll Collectors to boost efficiency and save time

The activities we cover under Toll Operations:

- Traffic Management
- Revenue Management

Tolling Strategy Studies

- Staff Recruitment and Training
- Surveillance and Audit Systems

- Housekeeping Service
- MIS Reporting

2. ROUTE PATROLLING: Keeping the routes safe and obstruction-free is a vital aspect of highway operations. With the motto of prevention is better than cure, Markolines Route Patrolling Services ensure that the Highway is under round-the-clock surveillance. Our team rigorously monitors the route for encroachments, blockages, and unlawful activities. We keep an eye for any condition that can potentially disrupt services and takes adequate measures to limit and eliminate the impact. Moreover, Control Rooms manned by experienced personnel help in quick assessment of situations based on the inputs provided by our Route Patrolling Team, to avert major disruption. This helps them alert the Incident Management Team for timely action.

Under Route Patrolling, our services include:

- Highway Patrol
- Control Room & HTMS Operations
- Prevention & Removal of Obstruction /encroachment along the corridor
- Highway Asset Monitoring and Reporting
- Security Service

3. INCIDENT MANAGEMENT: Our Incident Management team undergoes special training to handle any untoward incident that may occur on the routes and manage it in a safe and satisfactory manner till the end. Our team attends to the incident scene in a minimal time frame and tries to restore the flow of traffic at the earliest. We provide emergency medical aid and immediate evacuation of the injured to a nearby hospital. The team also safeguards personal property, conducts accident investigations and supervises scene clearance. Our Incident Management method reduces the effects of incident-related congestion by decreasing the time to detect incidents, arrival of emergency vehicles, and resuming smooth traffic movements.

Under Incident Management our services include:

- Accident Management
- Ambulance Service Management
- Crane Service Management
- Fire Fighting Service Management

HIGHWAY MAINTENANCE:

Highways are lifelines of a nation; it is crucial to keep these in good working condition. Markolines provides a suite of maintenance services to address diverse road conditions. Weather, traffic volume and geographical conditions often impact the roads and it is important to take these factors into consideration while arriving at the right treatment. Our team of experts is experienced to handle repairs, replacements and maintenance projects, and is guided by the tenets of health, safety, security and environment (HSSE). We are updated with knowledge on the latest trends and technologies, and implement the same on our site to deliver an improved solution.

Services offered under Highway Maintenance are as follows:

1. MAJOR MAINTENANCE & REPAIRS: We undertake major maintenance and repairs of highways which covers rehabilitation, renewal or resurfacing of the assets. The complex nature of these projects involves temporary road closures and diversion during the works. Such maintenance project requires accurate planning of resources, adequate safety arrangements, advanced machinery, proper coordination, faster turnaround time and seamless traffic management. Under Major Maintenance our team designs tailor-made plans for each project and follows stringent timelines to minimise disruption time.

Our Major Maintenance activities involve:

- Pavement Milling
- Bituminous Overlay/ Resurfacing
- Repair and Rehabilitation of Pavement
- Repair/Replacement of Road Furniture like MBCB, RPM, Blinkers, and Pavement Markings etc.

2. PREVENTIVE MAINTENANCE: Preventive maintenance is performed in response to triggers of deteriorating road condition that requires action before the problem gets out of hand (e.g. Microsurfacing, crack sealing, pothole patching, Rut Filling etc.). Our team is well- equipped and trained to perform the various Preventive or specialized activities such as Microsurfacing. Roads are among the most important public assets involving massive investment. We help keep the roads to the extent possible in its original condition, thus preserving the investments made on road assets.

Services managed under Preventive Maintenance:

- Microsurfacing
- Crack Sealing
- Slurry Sealing
- Fog Sealing
- Pothole Filling
- Patch Repairing
- Rut Filling

3. ROUTINE MAINTENANCE: Efficient routine maintenance keeps the road in good condition all the time and makes journeys more safe and pleasant. We take responsibility to maintain and enhance the aesthetic appeal of highways regularly by keeping it neat and operational at all times. By maintaining these vital resources, we enable convenient travel along the route. Our commitment to enhancing the travel experience for all, correct assessment of road conditions and timely delivery makes us a preferred partner.

Services managed under Routine Maintenance:

- Corridor cleaning
- Horticulture: Watering and Maintenance of median and avenue plantation
- Highway Structures and Asset Cleaning
- Repair and Rectification of highway assets
- Electrical Equipment Maintenance

SPECIALIZED MAINTENANCE SERVICES:

Services offered under Specialized Maintenance Services are as follows:

1. MICROSURFACING: Microsurfacing is a cost-effective surface treatment for preservation and extension of life of roads. With ample technical knowledge, Markolines has ventured into Microsurfacing to execute turn-key jobs and ensure smooth journeys across India. It is an eco-friendly surface treatment used to restore and preserve the surface characteristics of the road. It is a mix of polymer modified asphalt emulsion, graded aggregate, cement, water and additives. When applied in a semi-liquid condition with specialised paving equipment, it changes chemically and sets quickly. As a result, it gives a uniform coat of cold mix dense material that allows lesser downtime, resuming traffic within two hours of laying. It is called Green Technology for infrastructure projects. By using glass fibers in Microsurfacing, we have introduced the next generation known as Microsurfacing with Suspended Fiber Technology (MS - SFT) for the first time in India. Moreover, as a step ahead Markolines has set up an exclusive Technology Centre to offer latest techniques in Microsurfacing. The Technology Centre supports the field staff for the precise technical needs of a project considering the vital aspects like condition of road, resources available & environment and delivers solutions tailor-made for it – making us the #1 in Microsurfacing in India.

Thousands of new road kilometres are needed and will be built over the next years to expand the network of traffic arteries in the booming economy. This requires fast-paced, reliable and economical construction processes. At the same time for the existing roads, the sub-base of roads exposed to major stresses due to heavy goods traffic is often damaged. To remedy this damage, the complete road structure must be repaired. Cold-In-Place-Recycling (CIPR) and Soil stabilization is the best solution and meet both these requirements. It has become a standard construction method on large-scale construction projects around the world. As part of pavement rehabilitation services, we undertake Cold-in-Place Recycling (CIPR)

2. COLD-IN-PLACE RECYCLING: CIPR involves removing and reusing the existing asphalt surface. It involves grinding off the top layer (up to 200mm) of the existing asphalt surface and mixing the crushed asphalt with foamed bitumen and placing it back down with a recycler and allied machinery. Our team of experts can undertake this complex and specialized activity. As described in the ARRA (Asphalt Recycling and reclaiming Association) Basic Asphalt Recycling Manual, CIR “consists of recycling asphalt pavement without the application of heat during the recycling process to produce a rehabilitated pavement. The cold-in-place process is typically performed using a “train” of equipment, which includes a water tanker, bitumen tanker, recycler, graders and rollers. We own the complete set of machinery used in the Cold-in-Place Recycling (CIPR) process. CIPR can correct deep asphalt defects such as rutting, fatigue (alligator) cracking, and utility cuts that cannot be addressed by a surface treatment or an overlay, and allows minor corrections to the profile of a road surface, reduces reflective cracking, and results in a minor inconvenience to traffic.

Advantages of Cold-In-Place Recycling:

- CIPR overlay lasts 10-15 years as compared to 5-8 years of traditional overlay (Subject to traffic and overloading)
- Shorter construction period, due to high production capacity of recycling machines
- Cost effective due to reuse as well as on site execution.
- Conserves raw materials and natural Resources.
- Conserves energy

- Reduces greenhouse gas emissions
- Work is performed with minimal traffic disruption

3. SOIL STABILIZATION converts ground of insufficient bearing capacity into soil that is highly suitable for construction of roads, airports, ports, and factories. This improves the bearing capacity, Volume stability and the Resistance to water of the existing ground, which later forms the backbone of the new base strengthening the road pavements.

Lime Treatment reduces the soil moisture content (Drying). It reduces the plasticity of soil by aiding the compaction (Modification) and increasing early strength (Modification). It also increases the long-term strength of soil by reducing its swell potential (Stabilization). The permeability of cement-stabilized material is greatly reduced. The result is a moisture-resistant material that is highly durable and resistant to leaching over the long term. Cement-soil Stabilization is another technique, Where Portland cement can be used to stabilize and strengthen certain type of soils.

Advantages of Soil Stabilization:

- Higher resistance (R) values
- Reduction in plasticity
- Lower permeability
- Reduction of pavement thickness
- Elimination of excavation, exporting unsuitable material and importing new materials Aids compaction

COLLABORATIONS

Our Company has not entered into any collaboration agreements as on date of this Letter of Offer.

INFRASTRUCTURE FACILITIES FOR UTILITIES LIKE ELECTRICITY WATER & POWER.

Infrastructure Facilities

Our registered office is situated at 502, A Wing, Shree Nand Dham Sector 11, CBD Belapur Navi Mumbai 400614, Maharashtra, India and if have our corporate office at 601, 602, 603, 604 & 605, 6th Floor, Wing-A, Shree Nand Dham, Sector-11, CBD Belapur, Navi Mumbai – 400614.and our registered office and corporate office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Power

The company does not require much power except the normal requirement of the office of the Company, and for lighting, systems running etc. Adequate power is available for office from Maharashtra State Electricity Distribution Company Limited.

Water

Our registered office has adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.

EXPORT AND EXPORT OBLIGATIONS

Our Company does not have any export and export obligation.

CAPACITY AND CAPACITY UTILIZATION

Capacity and capacity utilization is not applicable to our Company since our business is not in the nature of a manufacturing concern with specified installed capacity.

HUMAN RESOURCE

Human resource is the key element for our Company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced, professional with expertise in capital markets. Our Company does not have any Employee Unions.

As of September 30, 2022, we had approximately **1453 employees** in our company. The Mumbai office contains our principal corporate offices which conducts administrative and reporting activities for us and extends support to the rest of our businesses to all the site offices across India. We have not experienced any material strikes, work stoppages, labor disputes or actions by or with our employees, and we consider our relationship with our employees to be good.

The Chairman and Managing Director of the Company himself leads the marketing activities work along with the capable marketing team. He builds customers relationship by personal involvement by giving the customers the most importance. He puts customer and his satisfaction at the center of the business and ensures the same by solution-based approach and performance on ground. And all the employees who are employed in their respective departments also work with integrity to make sure the operation the company are fulfilled and the targets the company has set are achieved.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

We have also adopted best practices, including deployment of advanced technology at our project sites, and regularly undertaking mock drills and other safety orientation programmes to promote a safe working environment. Our operations are subject to governmental, state and municipal laws and regulations relating to the protection of the environment, including requirements for water discharges, air emissions, the use, management and disposal of solid or hazardous materials or wastes and the cleanup of contamination. However, typically in contracts entered by us all the necessary approvals and environmental clearances for the project of the project are to be procured by our clients.

MARKETING AND DISTRIBUTION STRATEGY

We are mindful of the fact that there is stiffer competition in Highway O &M services industry; hence we have been able to hire some of the best marketing experts to handle our sales and marketing. Our sales and marketing team is recruited on the basis of experience in the industry and are trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of our Company. Our corporate goal is to grow our company to attain a prime position for Highway O&M Service through cutting edge technology and execution excellence in the India which is why we have mapped out strategy that will help us take advantage of the available market and grow to become a major force to reckon with not only in the India but also in other parts of the world.

Our company make use of the following marketing and sales strategies to attract clients;

- Introduce our company by sending introductory letters alongside our brochure to individuals, corporate organizations.
- Visiting Existing as well as Prospective clients.
- Encourage word of Mouth marketing from loyal & satisfied customers.
- Generating references thru Industry experts.
- Fully functional and self-explanatory web portal (www.markolines.com)
- We are in the era of digitalization; hence our company aims at creating visibility through all digital media channels.
- Advertise our business in relevant business magazines and newspapers.
- Attend and participate in relevant international and local expos, seminars, and business fairs.
- Engage direct marketing approach.

OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association require us to have not less than 3 Directors and not more than 15 Directors, subject to the applicable provisions of the Companies Act, 2013. As of the date of this Letter of Offer, Our Company has 5 (Five) Directors on our Board, which includes 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 2 (Two) Independent Directors.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

| Name, Father's /husband Name, Designation, DIN, PAN, DOB, Address, Occupation, Nationality, and Term | Other Directorships/ Designated Partners |
|---|---|
| Name: Mr. Sanjay Bhanudas Patil Father's Name: Mr. Bhanudas Ramchandra Patil DOB: November 04, 1967 Age: 55 Years Designation: Chairman and Managing Director Address: Plot No. 396/1/8, Anandvan Colony, Opp. Cattle Market, Karad, Satara - 415110, Maharashtra, India Occupation: Business Nationality: Indian DIN: 00229052 PAN: ABAPP1767A Date of Appointment: August 20, 2021 Term: Re-appointed as Chairman and Managing Director with effect from August 20, 2021 to August 19, 2026. | <ul style="list-style-type: none"> • Markolines Technologies Private Limited • Markolines Infra Private Limited |
| Name: Mr. Karan Atul Bora Father's Name: Mr. Atul Indrakumar Bora DOB: June 05, 1993 Age: 29 Years Designation: Executive Director Address: E-404, 10 Kasturkunj, ICS Colony Bhosale Nagar, Near Anandmayi Ashram, Shivaji Nagar, Pune - 411007, Maharashtra, India Occupation: Business Nationality: Indian DIN: 08244316 PAN: BHCPB8250P Date of Appointment: August 20, 2021 Term: Appointed as Executive Director with effect from August 20, 2021 to August 19, 2026 | <ul style="list-style-type: none"> • Markolines Technologies Private Limited. • Anantnath Realtors Private Limited • Markolines Infra Private Limited • Resgen Limited • Transteel Seating Technologies Private Limited • Comercinate Enterprises Private Limited • Transteel Seating Technologies Pvt. Ltd. |
| Name: Ms. Kirtinandini Sanjay Patil Father's Name: Mr. Arvind Yeshwantrao Dafle DOB: September 10, 1967 Age: 55 Years Designation: Non-Executive Director Address: 396/1/8, Anandvan Colony, Opp. Cattle Market, Karad, Satara -415110, Maharashtra, India Occupation: Business Nationality: Indian DIN: 09288282 PAN: ABAPP1768R Date of Appointment: August 21, 2021 | NIL |

| Name, Father's /husband Name, Designation, DIN, PAN, DOB, Address, Occupation, Nationality, and Term | Other Directorships/ Designated Partners |
|--|--|
| Term: Liable to retire by rotation | |
| Name: Mrs. Anjali Shivaji Patil Father's Name: Shivaji Uttam Patil DOB: December 16, 1975 Age: 47 Years Designation: Independent Director Address Plot No. 104, Flat No. 403, Ramya CHS, Shivam Nursing Home, Charkop, Sector 2, Kandivali (West), Mumbai - 40067, Maharashtra, India Occupation: Business Nationality: Indian DIN: 02136528 PAN: AORPP3389L Date of Appointment: August 17, 2021 Term: Appointed as Independent Additional Director with effect from August 17, 2021 | <ul style="list-style-type: none"> • Revati Organics Limited • Universal Arts Limited • Billwin Industries Limited • Anshuni Commercials Limited |
| Name: Mr. Akash Manohar Pathak Father's Name: Mr. Manohar Ramkrishna Phatak Date of Birth: March 05, 1968 Age: 54 years Qualification: Bachelor of Engineering (Chemical) Experience: 10+ years Designation: Independent Director Address: B1/704 Lunkad Collonade 7 th Floor, Hissa No. 5/ Survey No. 211, Lohegaon Vimannagar, Pune-411014, Dukrikline, Maharashtra, India Occupation: Professional Nationality: Indian DIN: 09288697 PAN: AGIPP7158E Date of Appointment: August 20, 2021 Term: Appointed as Independent Director for a period of 5 (Five) years with effect from August 20, 2021 to August 19, 2026. | NIL |

PAST DIRECTORSHIPS IN SUSPENDED COMPANIES

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchange during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

PAST DIRECTORSHIPS IN DELISTED COMPANIES

None of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

RELATIONSHIPS BETWEEN THE DIRECTORS:

Except as stated below, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013 as on the date of this Letter of Offer.

| Sr. No. | Name of the Director | Name of the Director | Relationship |
|---------|---------------------------|--------------------------------|--------------|
| 1. | Mr. Sanjay Bhanudas Patil | Mrs. Kirtinandini Sanjay Patil | Spouse |

ARRANGEMENTS OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS:

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

DETAILS OF SERVICE CONTRACTS ENTERED WITH DIRECTORS

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

OUR KEY MANAGERIAL PERSONNEL

All Key Managerial Personnel are permanent employees of our Company. In addition to our Managing Director, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Mr. Vijay Ratanchand Oswal - Chief Financial Officer

Mr. Vijay Ratanchand Oswal, is the Chief Financial Officer of our Company. He is a reliable and self-motivated individual who believes only in Leading from Front. He has vast business experience of 20+ years in various field. He handles the responsibility of finance managing cashflows and allocating budgets to each department. Apart from this he is also responsible for managing the technical affairs of the Company, handling client's technical queries and project execution along with team building and training, administration and Human Resource activities of the company. He has been associated with our company since 17th August 2021.

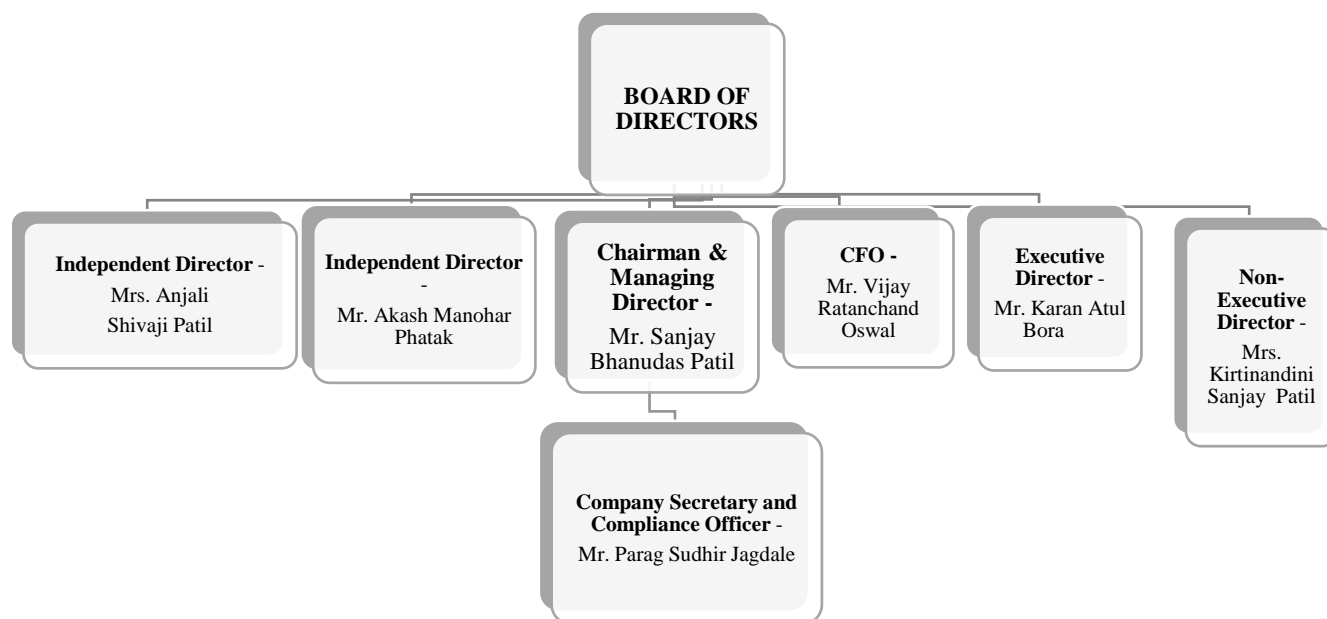
Mr. Parag Sudhir Jagdale – Company Secretary & Compliance Officer

Mr. Parag Sudhir Jagdale aged 34 years is the Company Secretary and Compliance Officer of our company. He is responsible for complying with various regulatory and statutory provisions, policies, acts applicable to the company from time to time. He has an experience of 6 years in the field of Secretarial and legal. . He has been associated with our company since 17th August 2021.

RELATIONSHIP OF KEY MANAGERIAL PERSONNEL WITH OUR DIRECTORS, PROMOTERS AND / OR OTHER KEY MANAGERIAL PERSONNEL:

None of the key Managerial Personnel are related to each other or to our Promoters or to any of our Directors.

ORGANISATION STRUCTURE



SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

| Sr. No. | Details |
|---------|--|
| 1 | Limited Review Report for the PE September 30, 2022 |
| 2 | Independent Auditor's Report on the Audited Financial Statement for the FY 2021-2022 |

Date: 14th November 2022

To,
The Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited
P. J. Tower, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Subject: Outcome of Board Meeting held to consider and approve Unaudited Financial Results for the quarter and year ended 30th September 2022.

Ref: Regulation 30 and 33 of SEBI (LODR) Regulations, 2015 BSE Scrip ID: 543325

With reference to the above captioned subject matter and pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we would like to inform you that the Board of Directors of the Company in their meeting held today i.e. Monday the 14th November 2022, which commenced at 05.00 p.m. and concluded at 05.39 p.m., transacted the following businesses:

1. Considered, approved, and taken on record the Unaudited Financial Statements along with Limited Review Report for the half year ended 30th September 2022 as recommended by Audit Committee.
2. Considered and approved revisions in the Policy on Disclosure and Internal Procedure, and Code of Conduct for Prevention of Insider Trading.

Pursuant to provisions Reg.33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby enclose the Unaudited Financial Statements for the half year ended 30th September 2022 along with a Limited Review Report from the Statutory Auditors of the Company.

We request you kindly take the above on record.

For Markolines Pavement Technologies Limited
(Formerly known as Markolines Traffic Controls Limited)


Parag Jagdale

Company Secretary & Compliance Officer
Membership No. A52205



Markolines Pavement Technologies Limited CIN : U99999MH2002PLC156371

Registered Office: 502, Wing-A, Shree Nand Dham, Sector 11, CBD Belapur, Navi Mumbai - 400614 Maharashtra, India
Corporate Office : 6th Floor, Wing A, Shree Nand Dham, Sector-11, CBD Belapur, Navi Mumbai - 400614, Maharashtra, India.

☎ +91 22-6266 1111 ✉ info@markolines.com 🌐 www.markolines.com

(Formerly Markolines Traffic Controls Limited)

Rs. in Lacs

Statement of Audited Financial Results for the Half Year ended 30th September, 2022

| Sr. No. | Particulars | 6 Months ended 30.09.2022 | 6 Months ended 31.03.2022 | Half Year to date figures as on 30.09.2021 | Year to date figures as on 31.03.2022 | Year to date figures as on 31.03.2021 |
|---------|---|------------------------------|------------------------------|--|---|---|
| | | Unaudited | Audited | Unaudited | Audited | Audited |
| 1 | Income from Operations | | | | | |
| | a) Revenue from Operations | 15,225.30 | 11,056.36 | 7,607.97 | 18,664.33 | 15,770.61 |
| | b) Other Operating Income | - | - | - | - | - |
| | c) Other Income | 12.48 | 17.43 | 8.10 | 25.53 | 25.91 |
| | Total Income from Operations (Net) | 15,237.78 | 11,073.79 | 7,616.07 | 18,689.86 | 15,796.52 |
| 2 | Expenses | | | | | |
| | (a) Cost of Materials Consumed | 2,172.05 | 1,671.49 | 1,313.30 | 2,984.79 | 5,959.39 |
| | (b) Purchase of stock-in-trade | - | - | - | - | - |
| | (c) Direct Expenses | - | - | - | - | - |
| | (d) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (438.97) | 316.86 | 168.14 | 485.00 | (413.29) |
| | (e) Employees Benefits Expenses | 2,006.51 | 2,060.50 | 1,949.24 | 4,009.74 | 3,193.86 |
| | (f) Finance Costs | 175.53 | 313.21 | 236.30 | 549.51 | 438.10 |
| | (g) Depreciation & Amortisation expense | 92.51 | 107.13 | 157.55 | 264.68 | 245.84 |
| | (h) Other Expenses | 10,304.84 | 5,517.02 | 3,390.60 | 8,907.62 | 5,712.23 |
| | Total Expenses | 14,312.47 | 9,986.21 | 7,215.13 | 17,201.34 | 15,136.13 |
| 3 | Profit before exceptional items and tax (1-2) | 925.31 | 1,087.58 | 400.94 | 1,488.52 | 660.39 |
| 4 | Exceptional Items (Net- Gain/Loss) | - | - | - | - | - |
| 5 | Profit before tax (3+4) | 925.31 | 1,087.58 | 400.94 | 1,488.52 | 660.39 |
| 6 | Exceptional Items-Provision for CSR Expenses | - | 21.07 | - | 21.07 | 14.41 |
| 7 | Profit before extraordinary items & tax | 925.31 | 1,066.51 | 400.94 | 1,467.45 | 645.98 |
| 7 | Tax Expense - Current Tax | 263.81 | 334.07 | 164.26 | 498.33 | 260.80 |
| | - Earlier year Tax | - | (4.38) | - | (4.38) | 12.28 |
| | - Deferred Tax | (6.24) | (14.55) | (22.77) | (37.32) | (28.76) |
| | - MAT Credit | - | - | - | - | - |
| 8 | Profit after tax (5-6) | 667.74 | 751.37 | 259.45 | 1,010.82 | 401.66 |
| 9 | Other Comprehensive Income | | | | | |
| | (a) Items that will not be reclassified to Profit & Loss | - | - | - | - | - |
| | (b) Income tax relating to items that will not be reclassified to Profit & Loss | - | - | - | - | - |
| | (c) Items that will be reclassified to Profit & Loss | - | - | - | - | - |
| | (d) Income tax relating to items that will be reclassified to Profit & Loss | - | - | - | - | - |
| 9 | Total Other Comprehensive Income (a+b+c+d) | - | - | - | - | - |
| 10 | Total Comprehensive Income (7+9) | 667.74 | 751.37 | 259.45 | 1,010.82 | 401.66 |
| 11 | Paid Up Equity Share Capital (FV of Rs. 10/- Each) | 1,910.75 | 1,910.75 | 1,910.75 | 1,910.75 | 87.37 |
| 12 | Earnings per Equity Share (EPS) of Rs. 10/- each (not annualized) | | | | | |
| (i) | a) Basic | 3.49 | 4.52 | 1.56 | 6.08 | 2.87 |
| | b) Diluted | 3.49 | 4.52 | 1.56 | 6.08 | 2.87 |

Notes :

- The above Financial Results were reviewed by Audit Committee and approved by the Board of Directors at the Meeting held on 14th November, 2022
- The Figures for the previous periods have been regrouped and rearranged wherever considered necessary.
- The Statutory Auditors have conducted an Audit of the above mentioned half year and year to date Results and limited review for the corresponding half year financial results as required by Regulation 33 of the SEBI (LODR) Regulations, 2015.
- The Compliance related to IND-AS is not applicable to our company as the company is listed on SME Platform of BSE.
- Segment reporting as defined in Accounting Standards - 17 is not applicable, as the business of the company falls in one segment.

For MARKOLINES PAVEMENT TECHNOLOGIES LIMITED

SANJAY B
PATIL

SANJAY BHANUDAS PATIL
Managing Director
DIN: 00229052

Digitally signed by SANJAY B PATIL
DN: cn=Sanjay B Patil, o=Markolines Pavement Technologies Limited, email=sanjay.patil@markolines.com, c=IN
Date: 2022.11.14 11:17:31 +05'30'



Place : Mumbai
Date :14th November, 2022

Statement of Assets and Liabilities as at 30th September, 2022



F- 3

Regitsered Office: 502, A Wing Shree Nand Dham, Sector 11, CBD Belapur, Navi Mumbai 400614, Maharashtra
CIN:- U99999MH2002PLC156371

| PARTICULARS | | | FIGURES AS AT THE END OF 30TH SEPTEMBER, 2022 | FIGURES AS AT THE END OF 31ST MARCH, 2022 |
|-------------|---|---------|---|---|
| A | <u>Cash Flow from Operating Activities :</u> | | | |
| | Net Profit/(Loss) before tax | | 925.31 | 1,467.45 |
| | Adjustments for: | | - | |
| | Finance Cost | | 175.53 | 549.51 |
| | Depreciation | | 92.51 | 264.68 |
| | Interest on Long term and current non-trade investments Interest on loans , deposits etc | | (8.74) | (12.77) |
| | Loss on Sale of Fixed Assets | | (0.21) | 0.25 |
| | Provisions for CSR | | - | 21.07 |
| | Operating Profit before working capital changes | | 1,184.40 | 2,290.19 |
| | Adjustments for: | | | |
| | (Increase) / Decrease in Inventories | | (354.94) | 488.80 |
| | (Increase) / Decrease in Trade Receivable | | (1,420.82) | (1,395.25) |
| | (Increase) / Decrease in Short Term Loans & Advances | | (404.41) | (358.82) |
| | (Increase) / Decrease in Other Current Assets | | 187.08 | (1,426.68) |
| | Increase / (Decrease) in Trade Payables | | 1,285.19 | (1,189.73) |
| | Increase / (Decrease) in Other Current Liabilities | | 64.10 | (170.19) |
| | Increase / (Decrease) in Provisions | | 582.72 | (165.79) |
| | Net adjustments | | (61.08) | (4,217.66) |
| | Operating Profit after working capital changes | | | |
| | Less: CSR Paid | | 20.57 | 27.77 |
| | Less: Income Tax Paid | | - | |
| | Net Cash from/ (used in) Operating Activities | (A) | 1,102.75 | (1,955.24) |
| B | <u>Cash Flow from Investing Activities :</u> | | | |
| | (Purchase) / Sale of Fixed Assets & W-I-P | | 60.95 | 2.83 |
| | Interest Income | | 8.73 | 12.77 |
| | Capital expenditure on fixed assets, including capital advances | | (289.96) | (167.39) |
| | Net Cash from/ (used in) Investing Activities | (B) | (220.28) | (151.79) |
| C | <u>Cash Flow from Financing Activities :</u> | | | |
| | Increase / (Decrease) in Long Term Borrowings | | (199.84) | (215.56) |
| | Increase / (Decrease) Short Trem Borrowings | | (648.21) | (653.36) |
| | Long Trem Provisions | | 18.92 | 43.26 |
| | Proceeds from IPO | | - | 3,610.12 |
| | Finance Cost paid | | (175.53) | (549.51) |
| | Net Cash from/ (used in) Financing Activities | (C) | (1,004.66) | 2,234.95 |
| | Net Increase/ (Decrease) in Cash & Cash Equivalents | (A+B+C) | (122.19) | 127.92 |
| | Cash & Cash Equivalents as at the beginning of the year | | 160.37 | 32.45 |
| | Cash & Cash Equivalents as at the end of the year | | 38.18 | 160.37 |

SANJAY B
PATIL

DIN: 00229052

Digitally signed by SANJAY B PATIL
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serialNumber=a9be6dd191594d41577da7bd9f7d5af
82c8bf74920edcf4b18cf95015df, cn=SANJAY B PATIL
Date: 2022.11.14 17:18:26 +05'30



Limited Review Report on Unaudited Financial Results for half year ended 30th September, 2022 of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

LIMITED REVIEW REPORT

To
The Board of Directors of
MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)

We have reviewed the accompanying statement of Unaudited Standalone Financial Results (“the statement”) of **M/s. MARKOLINES PAVEMENT TECHNOLOGIES LIMITED (Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)** (the Company) for the half year ended 30th September, 2022 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 (“Listing Regulations”).

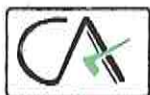
This Statement is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the Accounting Standard prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Kolkata
Date: 14th Day of November, 2022

For GUPTA AGARWAL & ASSOCIATES.
Chartered Accountants
FRN: 329001E
JAY SHANKER
GUPTA
(J.S.Gupta)
Partner
Mem. No. 059535
UDIN: 202059535BDCDCF6958



Independent Auditor's Report

To the Members of
M/s MARKOLINES PAVEMENT TECHNOLOGIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of M/s. **MARKOLINES PAVEMENT TECHNOLOGIES LIMITED (Formerly known as Markolines Traffic Controls Limited)** ("the Company"), which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and statement of cash flows for year ended on 31st March, 2022, and a summary of significant accounting policies and other explanatory information.

2. 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, 2022, the profit and total income, changes in equity and its cash flows for the year ended on that date.

3. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

4. Management's Responsibility for the Standalone Financial Statements

Management is responsible for the matters stated 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 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.



5. Auditor's Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on these financial statements.

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 the 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 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 financial statements.

6. Report on Other Legal and Regulatory Requirements

6.1 As required by the Companies (Auditor's Report) Order, 2020 ("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" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

6.2 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;

The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;

- c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under the Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- e) 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", and



- f) 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 which were required to be transferred to the Investor Education and Protection fund by the company.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the company has paid remuneration to its directors during the current year in compliance with section 197(16) of the Act.

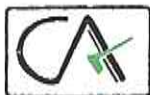
Date: 30th day of May, 2022
Place: Kolkata

For Gupta Agarwal & Associates
Chartered Accountants
FRN: 329001E

J.S Gupta
(Partner)

Membership No.: 059535
UDIN: 22059535AJXIPV2789





"Annexure A" to the Independent Auditor's Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of report of even date to the standalone financial statements of the company for the year ended March 31, 2022; we report that:

1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS [Clause 3(i)]:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
- (b) The company is maintaining proper records showing full particulars of intangible assets.
- (c) As explained to us, these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (d) The title deeds of immovable properties are held in the name of the company.
- (e) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (f) No proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

2. INVENTORY [Clause 3(ii)]

- a According to the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b The company has been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets; quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

3. LOAN GIVEN BY COMPANY [Clause 3(iii)]

The company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year.

The company has provided loans or provided advances in the nature of loans to any other entity during the year.

The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates – NIL

The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates are as follows:

Amount during the year: Nil

Outstanding as on 31.03.2022: Nil



The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated.

If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest- The schedule of repayment of principal and payment of interest has not been stipulated.

There is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties

The Company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment:

| | (Rs. In Lakhs) | | |
|---|----------------|---------------------------------|-----------------|
| | All Parties | Promoters (Including Directors) | Related Parties |
| Aggregate amount of loans/ advances in nature of loans- - Repayable on demand (A) | -- | -- | -- |
| Aggregate amount of loans/ advances in nature of loans- - Agreement does not specify any terms or period of repayment (B) | -- | -- | -- |
| Total (A+B) | -- | -- | -- |
| Percentage of loans/ advances in nature of loans to the total loans | -- | -- | -- |

4. LOAN TO DIRECTORS AND INVESTMENT BY COMPANY [Clause 3(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.

5. DEPOSITS [Clause 3(v)]

According to the information and explanation given to us the company has not accepted deposits from the public during the financial year under audit. Accordingly, the paragraph 3(v) of the order is not applicable to the company and hence not commented upon.

6. COST RECORDS [Clause 3(vi)]

As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



7. STATUTORY DUES [Clause 3(vii)]

(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and any other statutory dues have been regularly paid to the appropriate authorities, except ESI of Rs. 1.25 lakhs, PF of Rs. 9.05 lakhs, Professional tax of Rs. 2.51 lakhs, UPVAT of Rs. 0.08 lakhs payable in respect of same which were in arrears as on 31st March, 2022 for a period of more than Six months from the date that they became payable.

(b) According to the information and explanations given to us there are no dues of sales tax, income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute except:

As per the information and explanations given to us, the dues outstanding of Income Tax and VAT on account of any dispute is as follows:

| Nature of Statute | Nature of Dues | Disputed Amount (Rs. In Lacs) | Amount paid under protest (Rs. In lacs) | F.Y. to which it relates | Forum where dispute is pending |
|-------------------|-----------------------------|-------------------------------|---|--------------------------|-------------------------------------|
| Income Tax | Income Tax on Asst. | 16.59 | - | 2017-18 | Commissioner of Income Tax- Appeals |
| Income Tax | Income Tax on Asst. | 6.59 | - | 2018-19 | Commissioner of Income Tax- Appeals |
| Income Tax | Income Tax on Asst. | 3.98 | - | 2009-10 | Income Tax |
| MVAT | Maharashtra Value Added Tax | 14.93 | - | 2013-14 | Commissioner of Sales Tax |
| MVAT | Maharashtra Value Added Tax | 4.81 | - | 2017-18 | Commissioner of Sales Tax |

8. SURRENDERED OR DISCLOSED AS INCOME [Clause 3(viii)]

There are no such transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. REPAYMENT DUES [Clause 3(ix)]

In our opinion and according to information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The company has not issued any debentures.

The company is not a declared willful defaulter by any bank or financial institution or other lender.

According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained



According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes

The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. UTILISATION OF INITIAL AND FURTHER PUBLIC OFFER [Clause 3(x)]

During the F.Y. 2021-22, the company issued 51,28,000 fully paid equity shares of Rs. 10/- each at a premium of Rs. 68/- per share by way of initial public offer or further public offer and the IPO proceeds were applied for the purposes for which those are raised.

The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

11. FRAUD AND WHISTLE-BLOWER COMPLAINTS [CLAUSE 3(xi)]

To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.

Whistle-blower complaints have not been received during the year by the Company.

12. NIDHI COMPANY [Clause 3(xii)]

In our opinion and according to information and explanations given to us, clause (xii) of para 3 to Companies (Auditor's Report) Order, 2020 w.r.t. Nidhi Company is not applicable to company. Accordingly, the paragraph 3(xii) of the order is not applicable to the company and hence not commented upon.

13. RELATED PARTY TRANSACTION [Clause 3(xiii)]

In our opinion and according to information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

14. INTERNAL AUDIT: [CLAUSE 3(xiv)]

The company has an adequate internal audit system commensurate with the size and nature of its business and the report of internal auditor has been considered by us.

15. NON-CASH TRANSACTION [Clause 3(xv)]



In our opinion and according to information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the paragraph 3(xv) of the order is not applicable to the company and hence not commented upon.

16. REGISTER WITH RBI ACT, 1934 [Clause 3(xvi)]

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the order is not applicable to the company.

The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.

17. CASH LOSSES [Clause 3(xvii)]

The Company has not incurred cash losses in the Financial Year 2021-22 and in the immediately preceding financial year.

18. RESIGNATION OF STATUTORY AUDITORS [Clause 3(xviii)]

There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable.

19. MATERIAL UNCERTAINTY ON MEETING LIABILITIES [Clause 3(xix)]

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. TRANSFER TO FUND SPECIFIED UNDER SCHEDULE VII OF COMPANIES ACT, 2013 [Clause 3(xx)]

The provision relating to transfer to fund specified under schedule vii of the Companies Act, 2013 is not applicable to the company.

21. ADVERSE REMARKS IN CONSOLIDATED FINANCIAL STATEMENTS [Clause 3(xxi)]

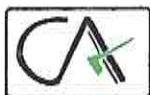
The company is not required to prepare consolidated financial statements for the period under review, accordingly, the paragraph 3(xxi) of the order is not applicable to the company.

Date: 30th day of May, 2022
Place: Kolkata

For Gupta Agarwal & Associates
Chartered Accountants
FRN: 329001E

J.S Gupta
(Partner)
Membership No.: 059535
UDIN: 22059535AJXIPV2789





"Annexure B" to the Independent Auditor's Report

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 M/s. **MARKOLINES PAVEMENT TECHNOLOGIES LIMITED** ("the Company") as of March 31, 2022 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 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 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 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, 2022, 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 (ICAI).

Date: 30th day of May, 2022
Place: Kolkata

For Gupta Agarwal & Associates
Chartered Accountants
FRN: 329001E

J.S Gupta
(Partner)
Membership No.: 059535
UDIN: 22059535AJXIPV2789



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)

CIN: U99999MH2002PLC156371

BALANCE SHEET AS ON 31ST MARCH 2022

(Amount Rs. In Lakhs)

| Particulars | Note | As at 31 st March, 2022 | As at 31 st March, 2021 |
|---|------|------------------------------------|------------------------------------|
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders Funds: | | | |
| Share Capital | 3 | 1,910.75 | 87.37 |
| Reserves & Surplus | 4 | 5,192.33 | 2,394.77 |
| Money Received Against Share Warrants | | | |
| | | 7,103.08 | 2,482.14 |
| Share Application Money Pending Allotment | | - | - |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 5 | 1,412.88 | 1,639.28 |
| Long-Term Provisions | 6 | 117.88 | 74.62 |
| | | 1,530.76 | 1,713.90 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 1,270.99 | 1,913.50 |
| Trade Payables | 8 | 1,046.08 | 2,235.81 |
| Other Current Liabilities | 9 | 571.49 | 741.68 |
| Short-Term Provisions | 10 | 2,033.35 | 1,711.88 |
| | | 4,921.90 | 6,602.87 |
| TOTAL | | 13,555.74 | 10,798.91 |
| <u>ASSETS</u> | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment and Intangible Assets | 11 | | |
| - Tangible Assets | | 887.91 | 989.22 |
| - Intangible Assets | | 2.59 | 1.67 |
| Non-Current Investment | 12 | 0.76 | 0.76 |
| Deferred Tax Assets (Net) | 13 | 80.05 | 42.73 |
| Long Term Loans and Advances | 14 | 18.00 | 18.00 |
| | | 989.32 | 1,052.38 |
| Current Assets | | | |
| Inventories | 15 | 1,404.53 | 1,893.33 |
| Trade Receivables | 16 | 5,841.31 | 4,446.06 |
| Cash and Cash Equivalents | 17 | 160.37 | 32.45 |
| Short-Term Loans and Advances | 18 | 505.32 | 146.49 |
| Other Current Assets | 19 | 4,654.88 | 3,228.20 |
| | | 12,566.42 | 9,746.54 |
| TOTAL | | 13,555.74 | 10,798.91 |
| Significant Accounting Policies | 2 | | |

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUPTA AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 329001E

JAY SHANKER GUPTA
PARTNER
MEM NO. 059535

UDIN:

Date: 30/05/2022
Place: Kolkata



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED

SANJAY BHANUDAS
PATIL
MANAGING DIRECTOR
DIN: 00229052

VIJAY RATANCHAND
OSWAL
CFO
Date: 30th May 2022
Place: Navi Mumbai

KARAN ATUL BORA
DIRECTOR
DIN: 08244316

PARAG JAGDALE
Company Secretary
ALS 52205



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)

CIN: U99999MH2002PLC156371

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount Rs. In Lakhs)

| Particulars | Note | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|------|---------------------------------------|---------------------------------------|
| Income : | | | |
| Revenue From Operations | 20 | 18,664.33 | 15,770.61 |
| Other Income | 21 | 25.53 | 25.91 |
| Total Revenue | | 18,689.85 | 15,796.52 |
| Expenses : | | | |
| Cost Material Consumed | 22 | 2,984.79 | 5,959.39 |
| Change in Inventory | 23 | 485.00 | (413.28) |
| Employee Benefits Expenses | 24 | 4,009.74 | 3,193.86 |
| Finance Costs | 25 | 549.51 | 438.10 |
| Depreciation and Amortization Expense | 26 | 264.68 | 245.83 |
| Other Expenses | 27 | 8,907.62 | 5,712.22 |
| Total Expenses | | 17,201.34 | 15,136.13 |
| Profit before exceptional and extraordinary items and tax | | 1,488.51 | 660.39 |
| Exceptional items - Provision for CSR Expenses | | 21.07 | 14.42 |
| Profit before extraordinary items and tax | | 1,467.44 | 645.97 |
| Extraordinary Items | | - | - |
| Profit Before Tax | | 1,467.44 | 645.97 |
| Tax Expense : | | | |
| (1) Prior Year Taxes | | (4.38) | 12.29 |
| (2) i) Current Tax | | 498.33 | 260.80 |
| ii) Current Tax (MAT) | | - | - |
| (3) Deferred Tax | | (37.32) | (28.76) |
| Profit / (Loss) for the period from continuing operations | | 1,010.81 | 401.65 |
| Profit / (loss) from discontinuing operations | | - | - |
| Tax expense of discontinuing operations | | - | - |
| Profit / (Loss) from Discontinuing operations after tax | | - | - |
| Profit / (Loss) for the period | | 1,010.81 | 401.65 |
| Earnings Per Share (EPS) | 28 | | |
| Basic and Diluted (Rs) | | 6.08 | 2.87 |
| Significant Accounting Policies | 2.1 | | |

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR GUPTA AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 329001E

JAY SHANKER GUPTA
PARTNER
MEM NO. 059535
UDIN:



Date: 30/05/2022
Place: Kolkata

**MARKOLINES PAVEMENT TECHNOLOGIES
LIMITED**

SANJAY BHANUDAS
PATIL
MANAGING
DIRECTOR
DIN: 00229052

VIJAY RATANCHAND
OSWAL
CFO

KARAN ATUL BORA
DIRECTOR
DIN: 08244316

PARAG JAGDALE
Company Secretary
ACS 52205
Date: 30th May 2022
Place: Navi Mumbai



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)

CIN: U99999MH2002PLC156371

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Amount Rs. In Lakhs)

| Particulars | | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--|--|---------------------------------------|---------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net profit before tax | | 1,467.44 | 645.97 |
| Adjustment for | | | |
| Add: Depreciation and amortisation | | 264.68 | 245.83 |
| Loss on sale of Fixed Assets | | 0.25 | 20.44 |
| Finance cost | | 549.51 | 438.10 |
| Provision for CSR | | 21.07 | 14.42 |
| | | 2,302.96 | 1,364.77 |
| Less : Interest on Long term and current non-trade investments | | | |
| Interest on loans , deposits etc | | 12.77 | 19.58 |
| | | 2,290.18 | 1,345.19 |
| Operating profit before working capital changes | | 2,290.18 | 1,345.19 |
| Changes in working capital : | | | |
| Adjustment for (increase)/decrease in operating assets : | | | |
| Add : Inventories | | 488.80 | (197.22) |
| Trade receivables | | (1,395.25) | (639.20) |
| Other current assets | | (1,426.68) | (1,011.83) |
| Short term loans and advances | | (358.82) | 77.35 |
| | | (401.77) | (425.72) |
| Adjustment for increase/(decrease) in operating liabilities : | | | |
| Add : Trade payables | | (1,189.73) | 602.37 |
| Other current liabilities | | (170.19) | (164.88) |
| Short-term provisions | | (165.79) | 101.50 |
| Cash generated from Operations | | (1,927.48) | 113.28 |
| Less : CSR paid | | 27.77 | - |
| Net cash from Operating Activities (A) | | (1,955.25) | 113.28 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Interest received on investments | | 12.77 | 19.58 |
| Sale of Fixed Assets | | 2.83 | 12.67 |
| Capital expenditure on fixed assets, including capital advances | | (167.39) | (187.90) |
| Net cash/(used) in Investing Activities (B) | | (151.79) | (155.65) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Net IPO Proceeds | | 3,610.13 | - |
| Short Term Borrowings | | (642.52) | 755.69 |
| Long Term Borrowings | | (226.40) | (306.21) |
| Long Term Provisions | | 43.26 | 31.49 |
| Interest paid | | (549.51) | (438.10) |
| Net cash/(used) in Financing Activities (C) | | 2,234.97 | 42.87 |
| D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | | 127.93 | 0.49 |
| Cash and Cash Equivalents at the beginning of the year | | 32.45 | 31.96 |
| Cash and Cash Equivalents at the end of the year | | 160.37 | 32.45 |



Ref

MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)
CIN: U99999MH2002PLC156371
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Note :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

2. Previous year's figures have been regrouped/ reclassified to confirm to those of the Current Year

3. Cash & Cash Equivalents include:

- Cash In Hand
- With Scheduled Banks
 - On Current Accounts
 - On Fixed Deposits

| (Amount in Rs.) | |
|---------------------------------------|---------------------------------------|
| For the year ended 31st March 2022 | For the year ended 31st March 2021 |
| 32.26 | 31.32 |
| 128.11 | 1.13 |
| 160.37 | 32.45 |

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUPTA AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 329001E



JAY SHANKER GUPTA
PARTNER
MEM NO. 059535

Date: 30/05/2022
Place: Kolkata

MARKOLINES PAVEMENT TECHNOLOGIES LIMITED

SANJAY BHANUDAS PATIL
MANAGING DIRECTOR
DIN: 00229052

VIJAY RATANCHAND
OSWAL
CFO
Date: 30th May 2022
Place: Navi Mumbai

KARAN ATUL BORA
DIRECTOR
DIN: 08244316

PARAG JAGDALE
Company Secretary
ACS 52205



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)
CIN: U99999MH2002PLC156371

Notes to Financial Statements for the year ended March 31, 2022

(Amount Rs. In Lakhs)

**Note 3 -
Share Capital**

Authorised Share Capital

Ordinary Equity Shares

1000000 equity shares of Rs.10/- each

2000000 equity shares of Rs.10/- each

| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
|------------------------|------------------------|

100.00

2,000.00

2,000.00 100.00

Share Capital - Issued, Subscribed & Paid up

Ordinary Equity Shares

873720 equity shares of Rs.10/- each fully paid up

19107520 equity shares of Rs.10/- each

87.37

1,910.75

1,910.75 87.37

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

| Name of the Share Holders | As at 31st March, 2022 | | As on 31st March, 2021 | |
|---------------------------|------------------------|------------------------|------------------------|------------------------|
| | No of shares | % Holding in the class | No of shares | % Holding in the class |
| Sanjay Patil | 54,04,640 | 28.29% | 3,37,790 | 38.66% |
| Kirtinandini Patil | 12,43,360 | 6.51% | 77,710 | 8.89% |
| Jaya Oswal | 13,89,760 | 7.27% | 86,860 | 9.94% |
| Karan Bora | 14,14,400 | 7.40% | 88,400 | 10.12% |
| Kunal Bora | 13,81,440 | 7.23% | 86,340 | 9.88% |
| Total | 1,21,75,680 | 63.72% | 7,60,980 | 87.10% |

b. The details of promoters' shareholders holding

| Name of the Share Holders | As at 31st March, 2022 | | As on 31st March, 2021 | |
|---------------------------|------------------------|-----------|------------------------|-----------|
| | No of shares | % Holding | No of shares | % Holding |
| Sanjay Patil | 54,04,640 | 28.29% | 3,37,790 | 38.66% |
| Kirtinandini Patil | 12,43,360 | 6.51% | 77,710 | 8.89% |
| Kirti Oswal | 13,42,080 | 7.02% | 83,880 | 9.60% |
| Jaya Oswal | 13,89,760 | 7.27% | 86,860 | 9.94% |
| Karan Bora | 14,14,400 | 7.40% | 88,400 | 10.12% |
| Kunal Bora | 13,81,440 | 7.23% | 86,340 | 9.88% |
| Total | 1,21,75,680 | 63.72% | 7,60,980 | 87.10% |

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

| Ordinary Equity Shares | 31.03.2022 | | 31.03.2021 | |
|--|--------------|----------------|--------------|----------------|
| | No of shares | Rs. (in Lakhs) | No of shares | Rs. (in Lakhs) |
| Equity shares at the beginning of the year | - | - | - | - |
| Add : Shares transferred from Class A (after split from Rs. 100/- to Rs. 10/-) | - | - | 863460 | 863.46 |
| Add : Shares transferred from Class B (after split from Rs. 100/- to Rs. 10/-) | - | - | 10260 | 10.26 |
| Outstanding at the end of the period | - | - | 873720 | 873.72 |

| | | |
|--|-------------|----------|
| Equity shares at the beginning of the year | 8,73,720 | 87.37 |
| Add : Bonus Shares issued during the year | 1,31,05,800 | 1,310.58 |
| Add : Issue of shares During the year | 51,28,000 | 512.80 |
| Outstanding at the end of the period | 19107520 | 1,910.75 |

c. Terms / Rights attached to equity shares

The company has one class of equity shares having at par value of Rs. 10/- per share. The company has sub divided its two classes of equity shares from face value of Rs. 100/- vide resolution passed in members meeting dated 28th June, 2020 each to face value of Rs 10/- each. The company has reclassified Class A and Class B shares into Ordinary equity shares vide resolution passed at EGM on 31st July, 2020

Ordinary Equity 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.

Notes:

During the F.Y. 2021-22, the company issued 13105800 fully paid equity shares of Rs. 10/- each as Bonus shares to its existing shareholders in ratio of 1:15 (15 fully paid equity shares of Rs. 10/- each against One equity shares of Rs. 10/- each) vide its resolution passed at EGM dated 17.08.2021 and allotted on 26.08.2021

Further during the F.Y. 2021-22, the company issued 51,28,000 fully paid equity shares of Rs. 10/- each at a premium of Rs. 68/- per share through Initial Public Offering and allotted on 23.09.2021



Perf

MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)
CIN: U99999MH2002PLC156371

Notes to Financial Statements for the year ended March 31, 2022

Note 4 -

Reserves & Surplus

Securities Premium

As per last balance sheet
Add: Current Year's
Less: IPO Expenses

(Amount Rs. In Lakhs)

| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
|------------------------|------------------------|

| | |
|-----------------|----------|
| - | - |
| 3,487.04 | - |
| 389.71 | - |
| 3,097.33 | - |

Profit & Loss Account

As per last balance sheet
Add: Current Year's Profit / (Loss)
Less: Bonus Issue

| | |
|----------|----------|
| 2,394.77 | 1,993.12 |
| 1,010.81 | 401.65 |
| 1,310.58 | - |

| | |
|-----------------|-----------------|
| 2,095.00 | 2,394.77 |
|-----------------|-----------------|

| | |
|-----------------|-----------------|
| 5,192.33 | 2,394.77 |
|-----------------|-----------------|

TOTAL

Note 5 -

Long Term Borrowings

Secured

Malojiraje Sah Bank - NSM (Note:5.1)
Malojiraje Sah Bank -SSP (Note:5.1)
Malojiraje Sah Bank- SBP (Note:5.1)
Axis Bank Car Loan Eco Sport SBP (Note 5.2)
Axis Bank Car Loan Endeavour SBP (Note 5.3)
Axis Bank Car Loan Innova SBP (Note 5.4)
BMW India Financial Services P Ltd (Note 5.5)
ICICI Bank Ltd Car Loan Isuzu (Note 5.56)
ICICI Bank Ltd Car Loan Innova Crysta (Note 5.6)
IndusInd Bank Loan A/c 646F (Note 5.57)
IndusInd Bank Loan A/c MWV00276E (Note 5.7)
IndusInd Bank Loan A/c MWV00300E (Note 5.8)
IndusInd Bank Loan A/c MWV00349E (Note 5.9)
IndusInd Bank Loan A/c MWV00350E (Note 5.10)
IndusInd Bank Loan A/c MWV00497L (Note 5.11)
IndusInd Bank Loan A/c MWV00498L (Note 5.12)
Yes Bank Loan A/c M Benz (Note 5.13)
IndusInd Bank (Machinery & custom duty loan) (Note 5.24)
OXYZO Loan No. OXYSPF11BD5D (Note 5.43)
OXYZO Loan No. OXYSPF01H2DP (Note 5.44)
SBI GECL Covid 19 (Note 5.47)
ICICI Bank Ltd Car Loan Innova Crysta (Note 5.45)
ICICI Bank Ltd Car Loan Innova Crysta (Note 5.46)
HDFC GECL Loan (Note 5.66)
IndusInd Bank Loan A/c No-200059710 (Note 5.55)

(Amount Rs. In Lakhs)

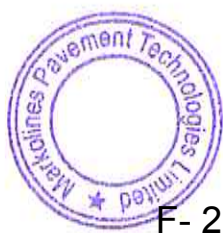
| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
|------------------------|------------------------|

| | |
|--------|--------|
| 6.02 | 9.50 |
| 6.09 | 9.57 |
| 11.05 | 18.16 |
| 2.00 | 6.73 |
| 7.30 | 24.10 |
| 1.52 | 5.25 |
| - | 10.91 |
| 30.00 | - |
| - | 3.85 |
| 22.54 | - |
| - | 14.74 |
| - | 1.52 |
| 1.70 | 7.57 |
| 4.89 | 17.57 |
| 1.18 | 5.27 |
| 1.18 | 5.27 |
| 22.90 | 34.18 |
| 288.79 | 354.80 |
| - | 102.05 |
| - | 281.60 |
| - | 65.29 |
| 24.46 | 28.91 |
| 22.72 | 27.46 |
| 265.00 | - |
| 22.03 | 24.42 |
| - | - |
| - | - |

Unsecured

Aditya Birla Finance Ltd-ABFLMUMBIL00000127075 (Note 5.48)
Ambit finvest (Note 5.67)
Deutsche Bank Loan A/c No.350029776720028 (Note 5.49)
Avantse Financial Services Ltd (Note 5.15)
AXIS Bank Loan A/c -137 (Note 5.59)
AXIS Finance Loan A/c -1275 (Note 5.60)
CLIX Capital Loan a/c no - AC 008 (Note 5.61)
HDFC Bank Ltd A/c 58517803 (Note 5.16)
IVL Finance Loan A/c 5000315014 (Note 5.18)
Sundaram Finance Ltd A/c N024100186 (Note 5.20)
Sundaram Finance Ltd A/c N024100187 (Note 5.21)
Suryoday Small Finance Bank Ltd (Note 5.22)
AXIS Bank Loan A/c No-BPR064705025991 (Note 5.29)
CLIX Capital Loan a/c no - AC2019082643866 (Note 5.30)
ECL Finance Ltd-LANDSBL0000076804 (Note 5.31)
Fedbank Financial Services Ltd-FEDMUM0BL0487542 (Note 5.51)
Fullerton India Loan A/c No- 3019 (Note 5.62)
Fullerton India Loan A/c No- 026002410552056 (Note 5.33)
Growth Source Finance Ltd- 6469 (Note 5.63)
IDFC First Bank-A/c No-25028460 (Note 5.34)
India Infoline Finance Ltd-Loan A/c No-SL2495813 (Note 5.35)
IndusInd Bank Loan A/c No-706000144040 (Note 5.36)
Inditrade Fincorp - 1284 (Note 5.64)
KapitalTech Finance Loan A/c No-1001104000162 (Note 5.37)
Kotak Mahindra Bank Loan A/c No-CSG-153144723 (Note 5.38)
Magma Fincorp - 0037 (Note 5.65)
NEOGROWTH Credit Loan A/c No-1063158 (Note 5.39)
Rattan India FinanceLoan A/c No- BLMUM0BL_V000005003552 (Note 5.40)
RBL Bank loan a/c no-BLMUM006200038390 (Note 5.41)
Shriram City Union Finance Loan A/c No-CDBDRTF1909300018 (Note 5.42)
Edelweiss Retail Finance Ltd LMUMSBL0000086181 (Note 5.50)
ICICI Bank - UPMUM00043240081 (Note No 5.52)
RBL Bank loan a/c no-BLMUM006200071868 (Note 5.53)
Moneywise Financial Services (Note 5.54)
ICICI Business Credit Card (Note 5.58)

| | |
|--------|-------|
| 35.47 | 65.00 |
| 11.05 | - |
| 34.26 | 48.45 |
| 0.06 | 13.40 |
| 40.61 | - |
| 23.09 | - |
| 32.50 | - |
| 0.14 | 8.50 |
| - | 11.12 |
| 6.11 | 65.62 |
| 6.09 | 65.50 |
| (0.06) | 18.01 |
| - | 19.22 |
| - | 20.16 |
| 3.53 | 24.98 |
| 16.30 | 30.00 |
| 33.68 | - |
| - | 27.98 |
| 24.01 | - |
| 0.09 | 22.71 |
| 1.20 | 23.18 |
| 4.18 | 30.75 |
| 7.37 | - |
| 6.10 | 24.11 |
| - | 22.34 |
| 22.59 | - |
| 27.66 | 43.46 |
| 1.09 | 28.12 |
| 35.91 | - |
| 3.17 | 22.13 |
| 10.65 | 16.74 |
| 54.33 | 75.00 |
| - | 50.00 |
| 37.61 | 50.21 |
| 49.57 | - |



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)
CIN: U99999MH2002PLC156371

Notes to Financial Statements for the year ended March 31, 2022

(Amount Rs. In Lakhs)

From Directors

Sanjay Patil
Vijay Oswal

From Related Parties

Shailaja Gaikwad
Safala Oswal

From Group Company

Markolines Infra Private Limited

| | As on 31st March, 2022 | As on 31st March, 2021 |
|----------------------|------------------------|------------------------|
| From Directors | 585.13 | 96.34 |
| From Related Parties | - | 13.74 |
| From Group Company | - | 0.40 |
| | - | 114.44 |
| | - | 318.69 |
| | 1,854.87 | 2,429.04 |
| | 441.99 | 789.77 |
| | 1,412.88 | 1,639.28 |

Less: Current maturities of long term debt

Note 5.1 - 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.39,000/-; Rs.39,000/- & Rs.78,000/- in respect of loan at Sr. No (i), (ii) & (iii) respectively. The rate of interest is 15% p.a.

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.45,623/- starting from 01-02-2019. The rate of interest is 16% p.a.

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.1,62,166/- starting from 01-02-2019. The rate of interest is 16% p.a.

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.35,533/- starting from 01-02-2019. The rate of interest is 15% p.a.

Note 5.5: The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs.52,512/- starting from 16-06-2018. The rate of interest is 8.99% p.a.

Note 5.6: The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs.62,557/- starting from 10-04-2018. The rate of interest is 8.29% p.a.

Note 5.7: The loan is payable in equated monthly installments of Rs.5,98,562/- starting from 07.01.2019 & guaranteed by the directors. The rate of interest is 5.15% p.a.

Note 5.8: The loan is payable in equated monthly installments of Rs.3,40,156/- starting from 07.11.2018 & guaranteed by the directors. The rate of interest is 6.22% p.a.

Note 5.9: The loan is payable in equated monthly installments of Rs.52,804/- starting from 21-01-2019 & guaranteed by the directors. The rate of interest is 5.51% p.a.

Note 5.10: The loan is payable in equated monthly installments of Rs.1,15,065/- starting from 21-01-2019 & guaranteed by the directors. The rate of interest is 5.51% p.a.

Note 5.11: The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs. 36,756/- starting from 21-01-2019. The rate of interest is 5.51% p.a.

Note 5.12: The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs. 36,756/- starting from 21-01-2019. The rate of interest is 5.51% p.a.

Note 5.13: The loan is secured against the vehicle and personal guarantee of the director. The loan is payable in equated installments of Rs. 1,14,623/- starting from 15-07-2018. The rate of interest is 8.40% p.a.

Note 5.15: The loan is payable in equated monthly installments of Rs.127,413/- starting from 10-08-2018 & guaranteed by the directors. The rate of interest is 18.50% p.a.

Note 5.16: The loan is payable in equated monthly installments of Rs. 89,132/- starting from 04-08-2018 & guaranteed by the directors. The rate of interest is 17% p.a.

Note 5.18: The loan is payable in equated monthly installments of Rs. 129,144/- starting from 04-08-2018 & guaranteed by the directors. The rate of interest is 19% p.a.

Note 5.20: The loan is payable in equated monthly installments of Rs. 499,000/- starting from 10-02-2019 & guaranteed by the directors. The rate of interest is 15% p.a.

Note 5.21: The loan is payable in equated monthly installments of Rs. 498,070/- starting from 17-02-2019 & guaranteed by the directors. The rate of interest is 14.97% p.a.

Note 5.22: The loan is payable in equated monthly installments of Rs. 194,222/- starting from 10-08-2018 & guaranteed by the directors. The rate of interest is 18% p.a.

Note 5.24: The loan is payable in equated monthly installments of Rs. 8,07,891/- starting from 21-11-2020 the loan is guaranteed by the directors. The rate of interest is 9.45% p.a.

Note 5.29: Sanctioned amount is Rs. 24,99,000/-. The loan is payable in equated monthly installments of Rs. 1,22,957/- starting from 05-03-2020 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 16.50% p.a.

Note 5.30: Sanctioned amount is Rs. 35,29,695/-. The loan is payable in equated monthly installments of Rs. 1,77,071/- starting from 02-10-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 18.50% p.a.

Note 5.31: Sanctioned amount is Rs. 40,40,000/-. The loan is payable in equated monthly installments of Rs. 2,02,671/- starting from 05-11-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 18.50% p.a.

Note 5.33: Sanctioned amount is Rs. 50,00,000/-. The loan is payable in equated monthly installments of Rs. 2,46,012/- starting from 05-11-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 16.50% p.a.

Note 5.34: Sanctioned amount is Rs. 51,00,000/-. The loan is payable in equated monthly installments of Rs. 249,712/- starting from 02-11-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 16.00% p.a.

Note 5.35: Sanctioned amount is Rs. 40,42,378/-. The loan is payable in equated monthly installments of Rs. 2,02,790/- starting from 03-10-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 18.50% p.a.

Note 5.36: Sanctioned amount is Rs. 50,00,000/-. The loan is payable in equated monthly installments of Rs. 2,50,830/- starting from 04-11-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 18.50% p.a.

Note 5.37: Sanctioned amount is Rs. 35,00,000/-. The loan is payable in equated monthly installments of Rs. 1,75,000/- starting from 28-02-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 18.15% p.a.



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MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
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Notes to Financial Statements for the year ended March 31, 2022

Note 5.38 :Sanctioned amount is Rs.40,00,000/- .The loan is payable in equated monthly installments of Rs. 2,65,051/- starting from 01-03-2020 for a period of 18 months, the loan is guaranteed by the directors.The rate of Interest is 16 % p.a.
Note 5.39 :Sanctioned amount is Rs.50,00,000/- .The loan is payable in equated monthly installments of Rs. 1,84,723/- starting from 10-05-2019 for a period of 36 months, the loan is guaranteed by the directors.The rate of Interest is 19.50% p.a.
Note 5.40 :Sanctioned amount is Rs.50,30,880/- .The loan is payable in equated monthly installments of Rs. 2,47,212/- starting from 05-10-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 17% p.a.
Note 5.41 :Sanctioned amount is Rs.40,00,000/- .The loan is payable in equated monthly installments of Rs. 1,96,810/- starting from 05-10-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 16.50% p.a.
Note 5.42 :Sanctioned amount is Rs.35,70,000/- .The loan is payable in equated monthly installments of Rs. 1,79,526/- starting from 05-11-2019 for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 18.75% p.a.
Note 5.43 : The rate of Interest is 15.50% per annum, secured by bank guarantee of Markolines Pavement Technologies Limited of Rs.70 lakhs & Markolines Infra Private Limited of Rs.30 Lakhs
Note 5.44 : The rate of Interest is 16.28% per annum, secured by bank guarantee of Markolines Pavement Technologies Limited of Rs.240 Lakhs
Note 5.45 : The loan is secured against the vehicle and personal guarantee of the director.The loan is payable in equated installments of Rs.58,571/- starting from 01.05.2021. The rate of interest is 7.90% p.a.
Note 5.46 : The loan is secured against the vehicle and personal guarantee of the director.The loan is payable in equated installments of Rs.55,730/- starting from 01.05.2021. The rate of interest is 7.90% p.a.
Note 5.47 : Sanctioned amount is Rs. 90,00,000/- .The loan is payable in equated monthly installments starting from 30-01-2021 for a period of 18 months, the loan is guaranteed by the directors. The rate of Interest is 7.25% p.a.
Note 5.48 :Sanctioned amount is Rs. 65,00,000/- .The loan is payable in equated monthly installments of Rs. 3,26,080/- starting from 05-04-2021 for a period of 24 months, the loan is guaranteed by the directors.
Note 5.49 :Sanctioned amount is Rs. 50,00,000/- .The loan is payable in equated monthly installments of Rs.178,886/- .starting from 05-03-2021 & guaranteed by the directors. The rate of interest is 17.25% p.a.
Note 5.50 :Sanctioned amount is Rs. 17,20,060/- .The loan is payable in equated monthly installments of Rs.71,200/- .starting from 05-03-2021 & guaranteed by the directors. The rate of interest is 17.50% p.a.
Note 5.51 :Sanctioned amount is Rs. 30,00,000/- .The loan is payable in equated monthly installments of Rs. 1,49,049/- starting from 02-04-2021 for a period of 24 months, the loan is guaranteed by the directors. The rate of Interest is 17.50% p.a.
Note 5.52 :Sanctioned amount is Rs. 75,00,000/- .The loan is payable in equated monthly installments of Rs. 267,334/- starting from 05-04-2021 for a period of 24 months, the loan is guaranteed by the directors. The rate of Interest is 16.50% p.a.
Note 5.53 :Sanctioned amount is Rs.50,00,000/- .The loan is payable in equated monthly installments of Rs. 1,75,786/- starting from 05-04-2021 for a period of 36 months, the loan is guaranteed by the directors. The rate of interest is 16% p.a.
Note 5.54 :Sanctioned amount is Rs.50,21,417/- .The loan is payable in equated monthly installments of Rs. 1,81,536/- starting from 05-04-2021 for a period of 36 months, the loan is guaranteed by the directors. The rate of interest is 18% p.a.
Note 5.55 :Sanctioned amount is Rs.24,42,309/- .The loan is payable in equated monthly installments of Rs. 77,949/- for a period of 48 months, the loan is guaranteed by the directors. The rate of interest is 9.25% p.a.
Note 5.56 :Sanctioned amount is Rs.30,00,000/- .The loan is payable in equated monthly installments of Rs. 73,012/- for a period of 48 months, the loan is secured by vehicle and guaranteed by the directors. The rate of interest is 7.85% p.a.
Note 5.57 :Sanctioned amount is Rs.24,54,000/- .The loan is payable in equated monthly installments of Rs. 53,988/- for a period of 48 months, the loan is guaranteed by the directors. The rate of interest is 10.01% p.a.
Note 5.58 :Sanctioned amount is Rs.50,00,000/- the loan is guaranteed by the directors. The rate of interest is 16.20 % p.a.
Note 5.59 :Sanctioned amount is Rs.50,00,000/- .The loan is payable in equated monthly installments of Rs. 1,75,785/- for a period of 36 months, the loan is guaranteed by the directors. The rate of interest is 16 % p.a.
Note 5.60 :Sanctioned amount is Rs.30,00,000/- .The loan is payable in equated monthly installments of Rs. 1,06,214/- for a period of 36 months, the loan is guaranteed by the directors. The rate of interest is 16.50 % p.a.
Note 5.61 :Sanctioned amount is Rs.50,50,268/- .The loan is payable in equated monthly installments of Rs. 3,23,441/- for a period of 18 months, the loan is guaranteed by the directors. The rate of interest is 18.50% p.a.
Note 5.62 :Sanctioned amount is Rs.40,00,000/- .The loan is payable in equated monthly installments of Rs.1,41,618/- for a period of 36 months, the loan is guaranteed by the directors. The rate of interest is 16.50% p.a.
Note 5.63 :Sanctioned amount is Rs.30,00,000/- .The loan is payable in equated monthly installments of Rs.1,09,969/- for a period of 36 months, the loan is guaranteed by the directors. The rate of interest is 19 % p.a.
Note 5.64 :Sanctioned amount is Rs.25,50,000/- .The loan is payable in equated monthly installments of Rs.1,91,109/- for a period of 15 months, the loan is guaranteed by the directors. The rate of interest is 18 % p.a.
Note 5.65 :Sanctioned amount is Rs.30,35,507/- .The loan is payable in equated monthly installments of Rs.1,51,545/- for a period of 24 months, the loan is guaranteed by the directors. The rate of interest is 18 % p.a.
Note 5.66 :Sanctioned amount is Rs.2,65,00,000/- .The loan is payable in equated monthly installments of Rs.8,24,315/- for a period of 59 months, the loan is guaranteed by the directors. The rate of interest is 7.50 % p.a.
Note 5.67 :Sanctioned amount is Rs.25,13,983/- .The loan is payable in equated monthly installments of Rs. 2,31,612/- for a period of 12 months, the loan is guaranteed by the directors. The rate of interest is 19 % p.a.



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MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)
CIN: U99999MH2002PLC156371
Notes to Financial Statements for the year ended March 31, 2022

(Amount Rs. In Lakhs)

Note 6 -

Long - Term Provisions

Gratuity Payable

| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
|------------------------|------------------------|

117.88 74.62

117.88 74.62

(Amount Rs. In Lakhs)

Note 7 -

Short Term Borrowings

Secured

State Bank of India 62019802027 (Note 7.1)
HDFC CC Facility - 3021 (Note 7.1)

- 825.43
829.00

Note 7.1 : (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 @ 8.00% P.a., previous year loan was with State Bank of India, Interest rate was 8.65% p.a. Facilities was taken over by HDFC Bank)

Unsecured

From Group Company

Markolines Infra Pvt. Ltd.

Current Maturities of Long Term Loans

- 298.31
441.99 789.77

1,270.99 1,913.50

(Amount Rs. In Lakhs)

Note 8 -

Trade Payables

Trade Payables

MSME

Others

| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
|------------------------|------------------------|

234.53 505.50

811.54 1,730.31

1,046.08 2,235.81

Ageing wise breakup of Trade Payables

As on 31.03.2022

MSME Trade Payables

Other than MSME Trade Payables

TOTAL

| Less than 1 Year | 1-2 years | 2-3 years | More than 3 Years | Total |
|------------------|-----------|-----------|-------------------|----------|
| 227.36 | 6.38 | - | 0.80 | 234.54 |
| 516.88 | 77.01 | 98.60 | 119.05 | 811.54 |
| 744.24 | 83.39 | 98.60 | 119.85 | 1,046.08 |

As on 31.03.2021

MSME Trade Payables

Other than MSME Trade Payables

TOTAL

| | | | | |
|----------|--------|-------|-------|----------|
| 504.70 | 0.80 | - | - | 505.50 |
| 1,457.46 | 190.34 | 10.50 | 72.00 | 1,730.31 |
| 1,962.16 | 191.14 | 10.50 | 72.00 | 2,235.81 |

Note 9 -

Other Current Liabilities

Security Deposit

Retention Money

Advance from Customer

Payable for Capital Goods

Rent Deposit

(Amount Rs. In Lakhs)

| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
|------------------------|------------------------|

50.32 667.23

31.41 70.83

441.05 -

48.21 3.13

0.49 0.49

571.49 741.68

Note 10 -

Short Term Provision

Salary Payable

Bonus Payable

Expenses Payable

Director Remuneration Payable

Profession Tax Payable

Gratuity Payable

Income Tax Payable

Provision for CSR

Statutory dues payable

| | |
|----------|----------|
| 309.17 | 332.67 |
| 194.04 | 191.48 |
| 26.28 | 93.08 |
| 19.45 | 3.98 |
| 5.38 | 4.81 |
| 21.01 | 13.99 |
| 1,212.11 | 718.16 |
| 20.57 | 27.27 |
| 225.32 | 326.44 |
| 2,033.35 | 1,711.88 |



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MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
Notes to Financial Statements for the year ended March 31, 2022

NOTE - 11
Property, Plant & Equipment and Intangible Assets

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|---|--|-----------|--------------------|--------------------|-----------------|----------------------------------|---|----------------------------------|---------------------|---------------------|
| | COST/BOOK VALUE AS AT 01-04-2021 | ADDITIONS | SALE/ DEDUCTION | (SURPLUS / LOSS | FOR THE YEAR | OPENING BALANCE 01-04-2021 | DEDUCT ION ADJUSTED AGAINST OPENING RESERVES | CLOSING BALANCE 31-03-2022 | AS AT 01-04-2021 | AS AT 31-03-2022 |
| | | | | | | | | | | |
| PLANT & MACHINERY | 261.96 | 61.62 | 2.75 | 0.32 | | 216.64 | 27.14 | 5.29 | 45.32 | 71.44 |
| EMULBITUME MICROSURFACING MACHINERY | 8.79 | - | - | - | | 5.19 | 0.70 | 0.36 | 3.60 | 2.54 |
| MICROSURFACING PAVEMENT | 1,045.03 | 14.13 | - | - | | 332.11 | 110.57 | 33.63 | 712.92 | 582.85 |
| OFFICE EQUIPMENT | 58.30 | 8.99 | 0.08 | (0.06) | | 44.49 | 8.50 | (0.09) | 13.81 | 14.37 |
| FURNITURE & FIXTURE | 16.46 | - | - | - | | 13.63 | 0.61 | 0.32 | 2.83 | 1.91 |
| MOTOR CAR | 478.05 | 70.38 | - | - | | 309.97 | 50.12 | 15.09 | 168.08 | 173.25 |
| COMPUTER & LAPTOP | 45.35 | 6.29 | - | - | | 30.87 | 10.23 | (0.33) | 14.48 | 10.86 |
| INTANGIBLE ASSETS | 4.17 | 1.10 | - | - | | 2.50 | 0.04 | 0.13 | 1.67 | 2.59 |
| BUILDING | 41.87 | 4.89 | - | - | | 13.70 | 1.42 | 0.93 | 28.17 | 30.71 |
| GRAND TOTAL | 1,959.98 | 167.39 | 2.83 | 0.25 | | 969.09 | 209.33 | 55.35 | 990.88 | 890.51 |



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)
CIN: U99999MH2002PLC156371

Notes to Financial Statements for the year ended March 31, 2022

(Amount Rs. In Lakhs)

Note 12 - Non Current Investments

(Unquoted, Valued at cost)

Shares of Warna Sahakari Bank
One Share of Markolines Infra Pvt. Ltd. (FV Rs10/Share)
One Share of Markolines Technologies Pvt. Ltd. (FV Rs100/Share)
Bassein Catholic Co. Opp. Bank

| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
| 0.75 | 0.75 |
| 0.00 | 0.00 |
| 0.00 | 0.00 |
| 0.01 | 0.01 |
| <u>0.76</u> | <u>0.76</u> |

Note 13 - Deferred Tax Asset

Deferred Tax Asset
Add : Current Year Provision

| | |
|--------------|--------------|
| 42.73 | 13.97 |
| <u>37.32</u> | <u>28.76</u> |
| <u>80.05</u> | <u>42.73</u> |

Note 14 - Long Term Loans & Deposits

Deposit for Quarry Land
Advance for land at Dehrang Tq: Panvel

| | |
|--------------|--------------|
| 8.00 | 8.00 |
| <u>10.00</u> | <u>10.00</u> |
| <u>18.00</u> | <u>18.00</u> |

Note 15 - Inventories

Raw Material
Work in Progress
(As taken valued & certified by Management & relied upon by us)

| | |
|-----------------|-----------------|
| 238.82 | 242.62 |
| <u>1,165.71</u> | <u>1,650.71</u> |
| <u>1,404.53</u> | <u>1,893.33</u> |

Note 16 - Trade Receivable

(Unsecured considered good by the Management)

Trade Receivables
Debts outstanding for period less than six months
Debts outstanding for period exceeding six months

| | |
|-----------------|-----------------|
| 4,524.59 | 2,872.68 |
| <u>1,316.72</u> | <u>1,573.38</u> |
| <u>5,841.31</u> | <u>4,446.06</u> |

Ageing wise breakup of Trade Receivables

| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 Years |
|------------------|--------------------|-------------------|-----------|-----------|-------------------|
| As on 31.03.2022 | 4,524.59 | 317.43 | 4.05 | 137.02 | 858.22 |
| As on 31.03.2021 | 2,872.68 | 24.86 | 690.53 | 97.24 | 760.74 |

(Amount Rs. In Lakhs)

Note 17 - Cash & Bank Balances

Cash In Hand
Balances With Banks (Current A/c)
Indusind Bank-CBD-250000000494
State Bank of India -2027
ICICI-9235
State Bank of India -38357840045

| As on 31st March, 2022 | As on 31st March, 2021 |
|------------------------|------------------------|
| 32.26 | 31.32 |
| - | 1.03 |
| 127.68 | - |
| 0.34 | - |
| 0.09 | 0.10 |
| <u>160.37</u> | <u>32.45</u> |

Note 18 - Short Term Loans & advances

(Unsecured considered good by the Management)

Advances to Creditors
Salary & Staff Advance

| | |
|---------------|---------------|
| 495.45 | 144.43 |
| <u>9.87</u> | <u>2.06</u> |
| <u>505.32</u> | <u>146.49</u> |

Note 19 - Other Current Assets

F.D. for Bank Guarantee - Margin Money
Security Deposit & Retention Money
EMD
Advances for Capital Goods
Other Misc. Deposits & Advances
Mobile Deposit
Rent Deposit
Imprest Money With Staff
Prepaid Expenses
MVAT Refund F.Y.2011-12
SREI Finance - SD
MVAT - F.Y. 2016-17
UP VAT F.Y.2016-17
GST receivable
Deposit for Appeal MP -FY 2015-16
Deposit for MVAT Appeal
Income Tax Refunds
TDS

| | |
|-----------------|-----------------|
| 498.94 | 261.20 |
| 1,953.96 | 1,621.70 |
| 234.13 | 28.42 |
| 31.81 | 23.82 |
| 68.47 | 2.06 |
| 0.07 | 0.07 |
| 37.20 | 34.25 |
| 231.03 | 131.92 |
| 29.80 | 12.58 |
| 4.30 | 4.30 |
| 128.79 | 129.97 |
| 25.51 | 25.51 |
| 2.79 | 2.79 |
| 264.44 | 126.55 |
| 0.51 | 0.51 |
| 0.81 | 0.56 |
| 75.89 | 75.89 |
| <u>1,066.44</u> | <u>746.11</u> |
| <u>4,654.88</u> | <u>3,228.20</u> |



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Note 20 -

Revenue from operations

| | Amount (Rs. In Lakhs) | |
|---|--|--|
| | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
| Revenue from Micro-Surfacing, Road Making, Road Maintenance | 14,846.30 | 12,735.26 |
| Less: Intra Company Sales | 48.21 | 62.18 |
| Total A | 14,798.09 | 12,673.08 |
| Revenue from Toll Operations | 3,866.24 | 3,097.54 |
| Total B | 3,866.24 | 3,097.54 |
| Total (A+B) | 18,664.33 | 15,770.61 |

Note 21 -

Other Income

| | | |
|----------------------|--------------|--------------|
| Discount Received | 0.06 | 0.02 |
| Interest on F.D. | 12.77 | 19.58 |
| Misc Income | 0.54 | - |
| Balances Written off | 12.16 | 6.30 |
| | 25.53 | 25.91 |

Note 22 -

Cost of Material Consumed

| | | |
|--------------------------------|-----------------|-----------------|
| Opening Stock | 242.62 | 458.68 |
| Add: Purchases during the year | 3,029.20 | 5,805.51 |
| Less: Intra Company Purchases | 48.21 | 62.18 |
| | 3,223.61 | 6,202.01 |
| Less: Closing Stock | 238.82 | 242.62 |
| Consumption | 2,984.79 | 5,959.39 |

Note: The consumption of materials is derived after adjusting the opening & the closing inventory of materials & therefore not reflected separately.

Note 23 -

Change in Inventories

| | | |
|------------------------------|---------------|-----------------|
| Opening WIP | 1,650.71 | 1,237.43 |
| Closing WIP | 1,165.71 | 1,650.71 |
| Change in Inventories | 485.00 | (413.28) |

Note 24 -

Employee Benefits Expenses

| | | |
|------------------------|-----------------|-----------------|
| Directors Remuneration | 103.62 | 80.00 |
| Salaries | 3,192.70 | 2,558.36 |
| Provident Fund | 296.94 | 232.44 |
| E.S.I. | 69.13 | 55.58 |
| Staff Welfare | 92.50 | 74.62 |
| Bonus | 201.01 | 155.82 |
| Gratuity | 53.85 | 37.05 |
| | 4,009.74 | 3,193.86 |



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Note 25 -

Finance Costs

| |
|---------------------------------------|
| Interest on other Loan |
| Bank & Financial Institution Interest |
| Bank Charges & Commission |

| Amount (Rs. In Lakhs) | |
|--|--|
| For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
| 73.62 | 81.90 |
| 303.20 | 321.06 |
| 172.69 | 35.14 |
| 549.51 | 438.10 |

Note 26 -

Depreciation & Amortisation Expenses

Depreciation

| | |
|---------------|---------------|
| 264.68 | 245.83 |
| 264.68 | 245.83 |

Note 27 -

Other Expenses

| | | |
|--|----------|----------|
| Audit Fees | 1.50 | 2.00 |
| Commission & Brokerage | 5.39 | 0.06 |
| Legal & Professional Charges | 257.22 | 81.99 |
| Donation | 0.11 | - |
| Listing Event | 18.96 | - |
| Electricity Expenses | 17.04 | 10.43 |
| Repairs & Maintenance | 5,640.82 | 1,495.56 |
| Hiring Charges | 939.26 | 1,228.48 |
| Labour Expenses | 512.22 | 1,335.87 |
| Petrol & Diesel Expenses | 456.51 | 424.65 |
| Mess Expenses (site) | 152.02 | 146.43 |
| Transportation Charges | 104.43 | 116.75 |
| Testing Charges | 156.66 | 14.71 |
| Toll & Parking exp | 5.13 | 4.85 |
| Insurance | 40.48 | 23.11 |
| Rates & Taxes | 0.28 | 4.98 |
| Postage, Printing & Stationery | 18.42 | 15.89 |
| Lodging & Boarding (Site) | 59.65 | 45.73 |
| Rent | 237.12 | 298.87 |
| Site Expenses | 56.98 | 219.07 |
| Safety Items | 74.74 | 115.16 |
| Tender Fees | 1.69 | 0.12 |
| Telephone & Internet Expenses | 13.26 | 11.00 |
| Travelling & Conveyance Expenses | 43.74 | 29.92 |
| Registration Charges | 0.06 | 0.18 |
| Selling & Distribution Expenses | 16.71 | 4.17 |
| Late Fees on Service Tax / GST/Income Tax/Others | 3.97 | 4.72 |
| Interest on TDS/TCS/GST/Others | 59.86 | 32.88 |
| Director Sitting fees | 3.00 | - |
| Income Tax/VAT Appeal fees | 0.13 | - |
| Amount written off | - | (0.01) |
| Software Expenses | 0.93 | 0.82 |
| Other Office Expenses | 5.38 | 3.79 |
| Thermal Paper Expenses | 3.48 | 19.58 |
| Web Hosting Charges | 0.20 | - |
| Loss of Sale of Car/P & M | 0.25 | 20.44 |

| | |
|-----------------|-----------------|
| 8,907.62 | 5,712.22 |
| 1.50 | 2.00 |
| 1.50 | 2.00 |

Details of Audit Fees:

Statutory Audit & Tax Audit Fees



Deef

Note 28 -

Earnings Per Share (EPS)

Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders

Weighted Average number of equity shares used as denominator for calculating EPS (After considering shares Split from Rs. 100/- to Rs. 10/- and Bonus issue)

Basic and Diluted Earnings Per Share

Face Value per equity share (Rs.)

Amount (Rs. In Lakhs)

| For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|--|
|--|--|

1,011 401.65

1,66,34,841 1,39,79,520

6.08 2.87

10.00 10.00



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MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)

CIN: U99999MH2002PLC156371

| Statement of Accounting Ratios | | | | |
|--|---------|------------------|------------------|----------|
| | | Note: 2.1.(n) | | |
| Particulars | | As at 31.03.2022 | As at 31.03.2021 | Variance |
| Current Assets | [A] | 12,566.42 | 9,746.54 | |
| Current Liabilities | [B] | 4,921.90 | 6,602.87 | |
| Current Ratio | [A / B] | 2.55 | 1.48 | 72.97% |
| Debt | [A] | 2,683.86 | 3,552.78 | |
| Equity | [B] | 7,103.08 | 2,482.14 | |
| Debt - Equity Ratio | [A / B] | 0.38 | 1.43 | -73.60% |
| Earnings available for debt service | [A] | 2,281.63 | 1,329.91 | |
| Debt Service | [B] | 991.50 | 1,227.87 | |
| Debt - Service Coverage Ratio | [A / B] | 2.30 | 1.08 | 112.46% |
| Net Profit after Tax | [A] | 1,010.81 | 401.65 | |
| Average Shareholder's Equity | [B] | 4,792.61 | 2,281.31 | |
| Return on Equity (%) | [A / B] | 21.09 | 17.61 | 19.79% |
| Cost of Goods Sold | [A] | 3,469.78 | 5,546.11 | |
| Average Inventory | [B] | 1,648.93 | 1,794.72 | |
| Inventory Turnover Ratio | [A / B] | 2.10 | 3.09 | -31.91% |
| Net Sales | [A] | 18,664.33 | 15,770.61 | |
| Average Trade Receivables | [B] | 5,143.69 | 4,126.46 | |
| Trade Receivables Turnover Ratio | [A / B] | 3.63 | 3.82 | -5.06% |
| Net Purchase | [A] | 2,980.98 | 5,743.33 | |
| Average Trade Payables | [B] | 1,640.94 | 1,934.62 | |
| Trade Payables Turnover Ratio | [A / B] | 1.82 | 2.97 | -38.81% |
| Net Sales | [A] | 18,664.33 | 15,770.61 | |
| Current Assets | | 12,566.42 | 9,746.54 | |
| Current Liabilities | | 4,921.90 | 6,602.87 | |
| Average Working Capital | [B] | 5,394.09 | 3,049.06 | |
| Working Capital Turnover Ratio | [A / B] | 3.46 | 5.17 | -33.10% |
| Net Profit | [A] | 1,010.81 | 401.65 | |
| Net Sales | [B] | 18,664.33 | 15,770.61 | |
| Net Profit Ratio (%) | [A / B] | 5.42 | 2.55 | 112.65% |
| Earning before interest and taxes | [A] | 2,016.95 | 1,084.08 | |
| Capital Employed | [B] | 8,515.96 | 4,121.42 | |
| Capital Employed = Total Equity + Long term Debt | | | | |
| Return on Capital Employed (%) | [A / B] | 23.68 | 26.30 | -9.96% |
| Net Return on Investment | [A] | 12.77 | 19.58 | |
| Value of Investment | [B] | 498.94 | 261.20 | |
| Return on Investment (%) | [A / B] | 2.56 | 7.50 | -65.85% |



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
(Formerly MARKOLINES TRAFFIC CONTROLS LIMITED)
CIN: U99999MH2002PLC156371

Notes on ratio:

1. Current ratio increased by 72.97% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to increase in Current assets and decrease in Current Liability majorly increase in Trade receivables, Other current assets and decrease in Trade Payables
2. Debt equity ratio decreased by 73.60% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to increase in Shareholders' fund for the year ended 31.03.2022
3. Debt service coverage ratio increased by 112.46% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to increase in EBIDT for the year ended 31.03.2022
4. Inventory turnover ratio decreased by 31.91% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to increase in Turnover for the F.Y. 2021-22.
5. Trade payable turnover ratio decreased by 38.81% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to decrease in Trade payables during the F.Y. 2021-22.
6. Working capital turnover ratio decreased by 33.10% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to increase in sales during the F.Y. 2021-22.
7. Net profit ratio increased by 112.65% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to increase in Profit after tax during the F.Y. 2021-22.
8. Return on Investment ratio decreased by 65.85% in F.Y. 2021-22 as compared to F.Y. 2020-21 due to lower interest income on fixed deposits during the F.Y. 2021-22.

NOTE 2.1.(o).

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- a) Crypto Currency or Virtual Currency
- b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- c) Registration of charges or satisfaction with Registrar of Companies
- d) Relating to borrowed funds
 - i) Wilful defaulter
 - ii) Utilisation of borrowed funds & share premium
 - iii) Borrowings obtained on the basis of security of current assets
 - iv) Discrepancy in utilisation of borrowings
 - v) Current maturity of long term borrowings

NOTE 2.1.(p). DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.



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NOTES FORMING PART OF FINANCIAL STATEMENTS

2.1 SIGNIFICANT ACCOUNTING POLICIES

(A) Corporate Information:

The Company was originally incorporated on November 8, 2002 vide Certificate of Incorporation bearing Registration Number 156371 issued by the Registrar of Companies, Mumbai with the name & style of MARK-O-LINE TRAFFIC CONTROLS PRIVATE LIMITED. The company changed its name to MARKOLINES TRAFFIC CONTROLS PRIVATE LIMITED with approval of Central Government and ROC dated March 12, 2018 and again company converted to public limited company and changed its name to MARKOLINES PAVEMENT TECHNOLOGIES LIMITED with approval of Central Government and ROC dated August 10, 2021.

The company has passed shareholders resolution to change its name to "Markolines Pavement Technologies Limited" vide EGM dated 17th August, 2021.

The Company is engaged in the business of providing highway operations & maintenance services. Since inception the Company has shown increasing trend in the revenues by endeavoring to reach consumers at large by providing quality products.

(B) Basis of Preparation:

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 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 financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied except where specifically stated in financial statement and notes to accounts of the non-conformity with the relevant Accounting Standard.

(C) Significant Accounting Policies:

(a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

(b) Property, Plant & equipment and Intangible assets:

Property, Plant & equipment and Intangible assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Depreciation is provided on Written Down value basis based on life assigned to each asset in accordance with Schedule II of the Act or as per life estimated by the Management.

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 changed in the estimate of recoverable amount.

(c) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained.

In the financial statement, revenue from operation does not include Indirect taxes like sales tax and/or Goods & service tax.

(d) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

(e) Inventories:

Inventory of W-I-P and Raw materials are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

There is no stock of finished goods lying with the company.



NOTES FORMING PART OF FINANCIAL STATEMENTS

(f) Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

During the year gratuity payable to employees of Rs. 53.85 lakhs are provided based upon actuarial valuation report.

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

(g) Taxation:

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act 1961 enacted or substantively enacted at the reporting date.

Staff Bonus payable as on 31st March, 2022 due to be paid before filing Income tax return, is pending to be paid as on the signing date of financial, the same will be paid before due date and accordingly has been considered for computation of Income tax for the current financial year.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable incomes and accounting income. Deferred Tax Assets or Deferred Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

(h) Borrowing Cost:

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Segment Reporting:

The Company is engaged in business of providing services of infrastructure operations like road building and road maintenance. Considering the nature of Business and Financial Reporting of the Company, the Company is operating in only one Segment. Hence segment reporting is not applicable.



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NOTES FORMING PART OF FINANCIAL STATEMENTS

(j) Provisions and Contingent Liabilities:

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Contingent liability:

Bank Guarantee

- Financial Bank Guarantee- Rs. 8.30 crore
- Performance Bank Guarantee- Rs. 4.46 crore

Income Tax Demand:

- A.Y. 2010-11 Rs. 3.98 lacs
- A.Y. 2018-19 Rs. 16.59 lacs
- A.Y. 2019-20 Rs. 6.59 lacs

VAT demand:

- A.Y. 2013-14 Rs. 14.93 lacs
- A.Y. 2017-18 Rs. 4.81 lacs

(k) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(l) Current Assets, Loans & Advances:

In the opinion of the Board and to the best of its knowledge and belief the value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and repayable on demand. Trade Receivables as on March 31, 2022 has been taken as certified by the management of the company and is subjected to balance confirmations. As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts has not been made.



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
CIN : U99999MH2002PLC156371

NOTES FORMING PART OF FINANCIAL STATEMENTS

(m) Related Party Transactions:

Notes to Financial Statements for the year ended March 31, 2022

Related Party Transactions:

(A) Relationship :

Key Management Personnel-

Mr Sanjay Patil

Mr Vijay Oswal (Director till 19th Aug '21)
(CFO from 20th Aug '21)

Mr Karan Bora

Key Management Personnel's Relatives:

Safala Oswal
Shailaja Gaikwad

Group Companies:

Markolines Infra Private Limited
Markolines Technologies Private Limited

(B) Transactions with related parties :

(Rs. In lacs)

| Particulars | Key Management Personnel | Key Management Personnel's relatives | Group Companies |
|----------------------------------|--------------------------|--------------------------------------|-----------------|
| Mr Sanjay Patil | | | |
| i) Opening balance payable | 96.34 | | |
| ii) Loan taken during the year | 2051.60 | | |
| iii) Loan repaid during the year | 1562.80 | | |
| iv) Balance payable | 585.13 | | |
| v) Directors remuneration | 57.01 | | |
| Mr Vijay Oswal | | | |
| i) Opening balance payable | 13.74 | | |
| ii) Loan taken during the year | 0.46 | | |
| iii) Loan repaid during the year | 14.20 | | |
| iv) Balance payable | NIL | | |
| v) Directors remuneration | 6.92 | | |
| vi) Salary payable (CFO) | 11.08 | | |
| Mr Karan Bora | | | |
| Directors remuneration | 39.69 | | |
| Safala Oswal | | | |
| i) Opening balance payable | | 114.44 | |
| ii) Loan taken during the year | | 1.29 | |
| iii) Loan repaid during the year | | 115.73 | |
| iv) Balance payable | | NIL | |
| v) Interest payable | | 1.59 | |
| Shailaja Gaikwad | | | |
| i) Opening balance payable | | 0.40 | |
| ii) Loan taken during the year | | 0.19 | |
| iii) Loan repaid during the year | | 0.58 | |
| iv) Balance payable | | NIL | |



MARKOLINES PAVEMENT TECHNOLOGIES LIMITED
CIN : U99999MH2002PLC156371

NOTES FORMING PART OF FINANCIAL STATEMENTS

| | | | |
|--|--|--|---------|
| Markolines Infra Private Limited | | | |
| i) Opening Balance payable | | | 617.00 |
| ii) Advance taken during the year | | | 1555.81 |
| iii) Advance repaid during the year | | | 2172.81 |
| iv) Hiring charges & Consultancy fees payable | | | 92.41 |
| v) Balance payable | | | 92.41 |
| vi) Interest payable | | | 38.76 |
| Markolines Technologies Private Limited | | | |
| i) Opening balance payable | | | 11.44 |
| ii) Amount received | | | 0.25 |
| iii) Amount paid | | | 138.29 |
| iv) Consultancy fees payable | | | 158.57 |
| v) Balance payable | | | 31.96 |

AS PER OUR REPORT OF EVEN DATE ATTACHED

For Gupta Agarwal & Associates
Chartered Accountants
Firm's Registration No: 329001E

Jay Shanker Gupta
Partner

Membership No: 059535

Date: 30/05/2022

Place: Kolkata



Markolines Pavement Technologies Limited

Sanjay Bhanudas Patil
Director
DIN: 00229052

Vijay Ratanchand Oswal
CFO

Karan Atul Bora
Director
DIN:08244316

Parag Jagdale
Company Secretary
ACS 52205



ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

ACCOUNTING RATIOS

Following are the Key Accounting Ratios for the financial year ended March 31, 2022 and March 31, 2021:

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Earnings Per Share (EPS) (Basic) (₹) | 6.08 | 2.87 |
| Earnings Per Share (EPS) (Diluted) (₹) | 6.08 | 2.87 |
| Return on Net Worth (%) | 14.23% | 16.18% |
| Net Asset Value per Share (₹) | 37.17 | 284.10 |
| EBITDA (₹ in Lakhs) | 2289.93 | 1324.75 |
| EBITDA (%) | 12.26% | 8.40% |

Formula:

- Earnings Per Share (₹):** Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
- Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Share (₹):** Net Assets as at the year-end/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in lacs):** Profit before tax plus finance costs plus depreciation and amortisation expense less interest income.
- EBITDA (%):** $[\text{EBITDA} / (\text{Revenue} - \text{Interest Income})] * 100$

CAPITALISATION STATEMENT

The capitalization statement of the Company as at March 31, 2022 and as adjusted for the Issue as per standalone financials is as follows:

| Particulars | Pre-Issue as at March 31, 2022 | Adjusted for the issue |
|--|--------------------------------|------------------------|
| Total Borrowings | | |
| Current Borrowings (A) | 1270.99 | 1270.99 |
| Non-current Borrowings (including current maturity) (B) | 1412.88 | 1412.88 |
| Total Borrowings (C) = (A) + (B) | 2683.87 | 2683.87 |
| Total Equity | | |
| Equity Share Capital (D) | 1910.75 | 2209.305 |
| Other Equity (E) | 5192.33 | 9879.643 |
| Total Equity (F) = (D) + (E) | 7103.08 | 12088.948 |
| Ratio: Non-current Borrowings (including current maturity/ Total Equity (G) = (C) / (F) | 0.38 | 0.22 |

Notes: The figures disclosed above are based on the audited books of accounts of the Company as at March 31, 2022.

MARKET PRICE INFORMATION

Our Equity Shares are listed on BSE. The Rights Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchange pursuant to this Issue. For details, see “*Terms of the Issue*” on page 81 of this Letter of Offer. Our Company has received in-principle approval for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to this Issue from BSE by letter dated December 23, 2022. Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited.

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

| Year | High (₹) | Date of High | Volume on date of High (No. of Equity Shares) | Low (₹) | Date of low | Volume on date of Low (No. of Equity Shares) |
|-------------------------------------|----------|-------------------|---|---------|-------------------|--|
| April 01, 2022 – December 31, 2022 | 207.00 | November 07, 2022 | 74,400 | 69.35 | April 08, 2022 | 27,200 |
| September 27, 2021 – March 31, 2022 | 85.00 | January 21, 2022 | 512000 | 50.00 | December 30, 2022 | 44,800 |

*Our Company got listed on BSE Limited on September 27, 2021

Source: www.bseindia.com

Stock Prices for the last six months

The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

| Month | High (₹) | Date of High | Volume on date of High (No. of Equity Shares) | Low (₹) | Date of Low | Volume on date of Low (No. of Equity Shares) |
|-----------------|----------|--------------------|---|---------|--------------------|--|
| December, 2022 | 188.70 | Dec 01, 2022 | 40800 | 140.10 | Dec 26, 2022 | 21600 |
| November, 2022 | 190.00 | November 30, 2022 | 172800 | 139.00 | November 22, 2022 | 37600 |
| October, 2022 | 199.45 | October 11, 2022 | 2,43,200 | 131.40 | October 03, 2022 | 11,200 |
| September, 2022 | 166.85 | September 12, 2022 | 76,800 | 125.50 | September 27, 2022 | 57,600 |
| August, 2022 | 158.75 | August 24, 2022 | 6,54,400 | 98.10 | August 03, 2022 | 35,200 |
| July, 2022 | 114.40 | July 21, 2022 | 60,800 | 95.25 | July 18, 2022 | 28,800 |

Source: www.bseindia.com

Week end closing prices of the Equity Shares for the last four weeks

| Week ended on | Closing prices (₹) | High (₹) | Date of High | Low (₹) | Date of low |
|-------------------|--------------------|----------|-------------------|---------|-------------------|
| December 16, 2022 | 162.70 | 166.85 | December 13, 2022 | 150.05 | December 15, 2022 |
| December 23, 2022 | 144.60 | 167.50 | December 19, 2022 | 142.05 | December 23, 2022 |

| | | | | | |
|-------------------|--------|-------|-------------------|--------|-------------------|
| December 30, 2022 | 154.05 | 158.6 | December 27, 2022 | 140.10 | December 26, 2022 |
| January 06, 2023 | 160.00 | 164.8 | January 05, 2023 | 151.10 | January 03, 2023 |

The closing market price of the Equity Shares of our Company prior to the date of this Letter of Offer i.e. January 10, 2023 was Rs. 158.25/- on BSE.

The Issue Price is Rs. 167/- per Rights Equity Share and has been arrived at by our Company prior to the determination of the Record Date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Financial Statements which is included in this Letter of Offer. The following discussion and analysis of our financial condition and results of operations is based on our Financial Statements for the years ended March 31, 2022 and 2021 including the related notes and reports, included in this Letter of Offer is prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements have been derived from our audited statutory financial statements. Accordingly, the degree to which our Consolidated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

*This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these Forward-Looking Statements as a result of certain factors such as those described under chapters titled **"Risk Factors"** and **"Forward Looking Statements"** beginning on pages 17 and, 13 respectively of this Letter of Offer.*

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

BUSINESS OVERVIEW

Highway Operations:

Highways are the vital roads that connect various regions. A perfectly running highway network is one which is well-managed and operated to deliver a safe and comfortable ride to the commuter. We offer a gamut of services to improve the performance of Highway Operations. Our solutions are designed to relieve vehicular congestion, maximize safety and boost the mobility of personal and commercial vehicles. We aspire to deliver a system that is safe, accessible and easy to navigate. Our excellent regional & cultural understanding and contingency management puts us ahead of the competition.

Highway Maintenance:

Highways are lifelines of a nation; it is crucial to keep these in good working condition. Markolines provides a suite of maintenance services to address diverse road conditions. Weather, traffic volume and geographical conditions often impact the roads and it is important to take these factors into consideration while arriving at the right treatment. Our team of experts is experienced to handle repairs, replacements and maintenance projects, and is guided by the tenets of health, safety, security and environment (HSSE). We are updated with knowledge on the latest trends and technologies, and implement the same on our site to deliver an improved solution.

Specialized Maintenance Services:

We have always believed in latest Technology to increase the efficiency and performance of the highways for the better experience of the ultimate user. We provide various services under specialized maintenances such as Microsurfacing, Cold In Place Recycling, Soil Stabilization and Reclaimed Asphalt Pavement (RAP)

OUR SIGNIFICANT ACCOUNTING POLICIES AND NOTES

(A) Corporate Information:

The Company was originally incorporated on November 8, 2002 vide Certificate of Incorporation bearing Registration Number 156371 issued by the Registrar of Companies, Mumbai with the name & style of Mark-O-Line Traffic Controls Private Limited. The company changed its name to Markolines Traffic Controls Private Limited with approval of Central Government and ROC dated March 12, 2018 and again company converted to public limited company and changed its name to Markolines Traffic Controls Limited with approval of Central Government and ROC dated August 10, 2021.

The Company is engaged in the business of providing highway operations & maintenance services. Since inception the Company has shown increasing trend in the revenues by endeavouring to reach consumers at large by providing quality products.

(B) Basis of Preparation:

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 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 financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied except where specifically stated in financial statement and notes to accounts of the non-conformity with the relevant Accounting Standard.

(C) Significant Accounting Policies:

(a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

(b) Property, Plant and equipment:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

Depreciation is provided on Written Down value basis based on life assigned to each asset in accordance with Schedule II of the Act or as per life estimated by the Management.

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 changed in the estimate of recoverable amount.

(c) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. In the financial statement, revenue from operation does not include Indirect taxes like sales tax and/or Goods & service tax.

(d) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

(e) Inventories:

Inventory of W-I-P and Raw materials are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

There is no stock of Finished goods lying with the company.

(f) Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

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

(g) Taxation:

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.

The company has not paid the statutory dues of Bonus as per section 43B of Income Tax Act before signing the financial statement, however as per management representation, these unpaid amounts will be well paid off before filing Income Tax return and accordingly allowed as deduction for Income Tax computation to derive Provision for Income Tax Amount of Current F.Y.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable incomes and accounting income. Deferred Tax Assets or Deferred Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

(h) Borrowing Cost:

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Segment Reporting:

The Company is engaged in business of providing services of infrastructure operations like road building and road maintenance. Considering the nature of Business and Financial Reporting of the Company, the Company is operating in only one Segment. Hence segment reporting is not applicable.

(j) Provisions and Contingent Liabilities:

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Contingent liability:

Bank Guarantee

- Financial Bank Guarantee- Rs. 8.30crore
- Performance Bank Guarantee- Rs. 4.46 crore

Income Tax Demand:

- | | |
|----------------|----------------|
| - A.Y. 2010-11 | Rs. 3.98 Lakh |
| - A.Y.2018-19 | Rs. 16.59 Lakh |
| - A.Y.2019-20 | Rs 6.59Lakh |

VAT demand:

- | | |
|----------------|----------------|
| - A.Y. 2013-14 | Rs. 14.93 Lakh |
| - A.Y. 2017-18 | Rs 4.81 Lakh |

(k) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(l) Current Assets, Loans & Advances:

In the opinion of the Board and to the best of its knowledge and belief the value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and repayable on demand. Trade Receivables as on March 31, 2022 has been taken as certified by the management of the company and is subjected to balance confirmations. As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts has not been made.

(M) Cash and cash equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments.

The balance appearing under unsecured loans, sundry creditors, sundry debtors, loans and advances and certain banks are subject to confirmation and reconciliation and consequent adjustment, if any, will be accounted for in the year of reconciliation and/or confirmation.

In the opinion of the Board, the Current Assets, Loans and Advances and Advances have valued on realization in the ordinary course of Business, at least equal to the amount at which they are stated in the balance sheet.

By mid of March 2021, novel corona virus (Covid-19) had spread across the world and since then the pandemic has severely affected public health and disrupted economic activities. In response to this pandemic, Governments across the world had to impose various restrictions including lockdowns and mandatory work from home requirements. This has affected the operations of the Company and has had impact on the sales and profitability amongst others. The Company is continuously monitoring the situation and taking necessary actions in response to the developments to minimise the impact and also to safeguard the assets and employees.

All known liabilities are provided for on the basis of available information / Estimates.

Previous year's figures have been regrouped where necessary to confirm to this year's classification.

(N) Earnings per share (EPS) (In Rs.)

| Particulars | | 31st March 2022 | 31st March 2021 |
|--------------------|---|----------------------------|----------------------------|
| I | Profit computation for both basic and diluted earnings per share of Rs. 10 each | | |
| | Net profit as per the consolidated statement of profit and loss available for equity shareholders (in Rupees) | 1011 | 401.65 |
| II | Weighted average number of equity shares for earnings per share computation | | |
| | For basic earnings per share | 16634841 | 13979520 |
| | Earnings per share in Rupees (Weighted average) Basic | 6.08 | 2.87 |

(O) Related Party Transactions:

Notes to Financial Statements for the year ended March 31, 2022

(A) Relationship:

Key Management Personnel:

Mr. Sanjay Patil
Mr. Vijay Oswal
Mr. Karan Atul Bora

Key Management Personnel's Relatives:

Safala Oswal
Shailaja Gaikwad

Group Companies:

Markolines Infra Private Limited
Markolines Technologies Private Limited

DISCUSSION ON RESULTS OF OPERATION

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the financial years ended March 31, 2021 and 2022.

Overview of revenue and expenditure

Revenue and Expenditure

Total Revenue: Our total revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations comprises of sale of products and sale of services.

Other Income: Our Other income consists of interest on fixed deposit, Discount Received, Sundry Balances Written Off.

Expenses: Our expenses comprise of Cost of Operations, Change in Inventory, Employee Benefit Expenses, Finance Cost, Depreciation and Amortisation Expenses and Other Expenses.

Cost of Operations: Our cost of operations comprises adjustment of raw materials and purchases.

Change in Inventory: Changes in inventory of W-I-P consist of change in our inventory of W-I-P as at the beginning and end of the year.

Employee Benefit Expenses: Our employee benefit expense consists of Directors' Remuneration, Salaries & Bonus, Contribution to Statutory Funds, Gratuity and Staff Welfare Expenses.

Finance Cost: Our finance costs comprise of Interest on loan from financial institution and Loan processing fee.

Depreciation and amortisation expenses: Tangible assets are depreciated over periods corresponding to their estimated useful lives. Depreciation includes depreciation charged on tangible assets. Intangible assets are amortized over periods corresponding to their estimated useful lives. It includes amortization of intangible assets.

Other expenses: Other expenses include Bank Charges, Books & Periodicals, Fees Paid, Outsourced Technical Service Expenses, Professional Fees, Rent, rent on Machinery, Cost of Software Licenses, Interest on Statutory Dues, Travelling Expenses, Insurance, Processing Fees Expense, Other Expenses, Sundry Balances Written off and Audit fees.

Provision for Tax: Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

RESULTS OF OPERATIONS

The following table sets forth select financial data from our financial statements as restated of profit and loss for the financial years ended March 31, 2022 and 2021 the components of which are also expressed as a percentage of total revenue for such periods:

| (₹ in Lakh) | | | | |
|--|--------------------------|-------------------------|--------------------------|----------------------|
| Particulars | Year ended 31-03-2022 | % of total income | Year Ended 31-03-2021 | % of total income |
| Revenue from Operations | 18,664.33 | 99.86% | 15,770.61 | 99.84% |
| Other income | 25.53 | 0.14% | 25.91 | 0.16% |
| Total Revenue (A) | 18,689.86 | 100.00 % | 15,796.52 | 100.00% |
| Expenses: | | | | |
| Cost Material Consumed | 2984.79 | 15.97% | 5,959.39 | 37.73% |
| Change in Inventory | 485 | 2.59% | -413.28 | -2.62% |
| Employee benefits expense | 4009.74 | 21.45% | 3,193.86 | 20.22% |
| Other expenses | 8907.62 | 47.66% | 5,712.22 | 36.16% |
| Total Expenses (B) | 16387.15 | 87.68% | 14,452.19 | 91.49% |
| Earnings Before Interest, Taxes, Depreciation & Amortization(C=A-B) | 2,302.71 | 12.32% | 1,344.33 | 8.51% |
| Finance costs (D) | 549.51 | 2.94% | 438.10 | 2.77% |

| | | | | |
|---|-----------------|--------------|---------------|--------------|
| Depreciation and amortization expenses (E) | 264.68 | 1.42% | 245.82 | 1.56% |
| Exceptional items - Provision for CSR Expenses | 21.07 | 0.11% | 14.42 | 0.09% |
| Profit before exceptional items, extraordinary items and tax (F=C-D-E) | 1,467.45 | 7.85% | 660.39 | 4.18% |
| Tax Expenses | | 0.00% | | |
| - Current Tax | 498.33 | 2.67% | 260.80 | 1.65% |
| - Short/(Excess) Provision of Earlier Year | 4.38 | 0.02% | 12.29 | 0.070% |
| - Deferred Tax | -37.32 | 0.20% | -28.76 | -0.18% |
| - MAT Credit | | 0.00% | | 0.00% |
| Tax Expense For The Year (G) | 456.63 | 2.44% | 244.32 | 1.55% |
| Restated profit after tax from Continuing Operations (H=F-G) | 1,010.82 | 5.41% | 401.65 | 2.54% |

COMPARISON OF FY 2021-22 WITH FY 2020-21

Income

Total Revenue: Our total revenue increased by ₹2893.34 Lakh or 18.32% to ₹18689.86 Lakh for the financial year 2021-22 from ₹15796.52 Lakh for the financial year 2020-21 due to the factors described below:

Revenue from operations

Our revenue from operations is ₹18,664.33 Lakh for the financial year 2021-22 as compared to ₹15,770.61 Lakh for the financial year 2020-21 representing an incline of 18.34% on account of increased in sales because of fast recovery from covid pandemic.

Other Income

Our other income is ₹25.53 Lakh for the financial year 2021-22 as compared to ₹25.91 Lakh for the financial year 2020-21 representing a decrease of 1.46% on account of negligible decrease in rental income, discount received, interest on fixed deposit, commission income and miscellaneous income.

Expenses

Our total expenses excluding finance cost, depreciation and tax expenses is ₹16387.15 Lakh for the financial year 2021-22 as compared to ₹14,452.19 Lakh for the financial year 2020-21 representing an increase of 13.37% due to the factors described below:

Cost of Material Consumed

Our cost of material consumed is ₹2984.79 Lakh for the financial year 2021-22 as compared to ₹5959.39 Lakh for the financial year 2020-21 representing a decrease of 49.91% due to better management control.

Employee benefits expenses

Our employee benefit expenses is ₹4009.74 Lakh for the financial year 2021-22 as compared to ₹3193.86 Lakh for the financial year 2020-21 representing an increase of 25.54% due to increase in salaries & staff welfare expenses.

Finance costs

Our finance cost is ₹549.51 Lakh for the financial year 2021-22 as compared to ₹438.10 Lakh for the financial year 2020-21 representing an increase of 25.43% on account of increase of loan in monthly equated instalments and appreciation in interest rates.

Depreciation and amortization expense

The depreciation increased by 7.67% to ₹264.68 Lakh for the financial year 2021-22 from ₹245.82 Lakh for the financial year 2020-21 due to wear and tear of assets.

Other expenses

Our other expenses increased by 55.93% to ₹8907.62 Lakh for the financial year 2021-22 from ₹5712.22 Lakh for the financial year 2020-21 which is 47.66% and 36.16% of the total revenue of respective years. This was mainly due to overall increase in scale of operations.

Profit before tax

Our profit before tax increased by 127.16% to ₹1467.45 Lakh for the financial year 2021-22 from ₹645.97 Lakh for the financial year 2020-21. The increased was mainly due to the factors described above.

Tax expenses

Our tax expenses for the financial year 2021-22 amounted to ₹456.63 Lakh as against tax expenses of ₹244.32 Lakh for the financial year 2020-21. The net increase of ₹212.31 Lakh is on account of increase in Current Tax Liability.

Profit After Tax

Our profit after tax increased by 151.67% to ₹1010.82 Lakh for the financial year 2021-22 from ₹401.65 Lakh for the financial year 2020-21, reflecting a net increase of ₹609.20 Lakh due to aforementioned reasons.

CASH FLOWS

The table below summaries our cash flows from our Restated Financial Statements for the financial years 2021 and 2020:

(₹ in Lakh)

| Particulars | For the year ended March 31, | |
|--|------------------------------|----------|
| | 2022 | 2021 |
| Net cash (used in)/ generated from operating Activities | (1955.25) | 113.28 |
| Net cash (used in)/ generated from investing Activities | (151.79) | (155.65) |
| Net cash (used in)/ generated from financing Activities | 2234.97 | 42.87 |
| Net increase/ (decrease) in cash and cash Equivalents | 127.93 | 0.49 |
| Cash and Cash Equivalents at the beginning of the period | 32.45 | 31.96 |
| Cash and Cash Equivalents at the end of the Period | 160.37 | 32.45 |

Operating Activities

Financial year 2021-22

Our net cash generated from operating activities was ₹(1955.25) Lakh for the period ended March 31, 2022. Our operating profit before working capital changes was ₹2290.18 Lakh for the financial year 2021-22 which was primarily adjusted against increase in Trade Receivables by ₹1395.25 Lakh, decrease in Inventories by ₹488.80 increase in Short-Term Loans & Advances by ₹358.82 Lakh, increase in Other Current Assets by ₹1426.68 Lakh, decrease in trade payable by ₹1189.73 Lakh, decrease in other current liabilities by ₹170.19 Lakh, decrease in Short-Term Provisions by ₹165.79 Lakh.

Investing Activities

Financial year 2021-22

Our net cash used in investing activities was ₹151.79 Lakh for the financial year 2021-22. These was on account of Purchase of fixed assets of ₹167.39 Lakh and interest income of ₹112.77 Lakh and sale of fixed asset of ₹2.83.

Financing Activities

Financial year 2021-22

Net cash flow used in financing activities for the financial year March 31, 2022 was ₹2234.97 Lakh which was primarily on account of repayment of long term and short-term borrowings by ₹226.40 and 642.52 Lakh respectively, increase in long term provisions of ₹43.28 Lakh and interest expenses of ₹549.51 Lakh and issue of IPO proceeds of ₹3610.13 lakh.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

1. Quantitative Disclosure about Market Risk

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used in our products. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

Credit risk

We are exposed to credit risk from our operating and financial activities. We manage credit risk in relation to our customers by ensuring that our marketing department follows our established policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which expose us to the risk of not being able to meet our obligations. The senior management team of our Company oversees our processes and policies are formulated to minimise such risk.

2. Qualitative Disclosure about Market Risk

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled *“Risk Factors”* and chapter titled *“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”* beginning on page 17 and page 63 respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled *“Risk Factors”* on page 17 of this Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled *“Risk Factors”* and chapter titled *“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”* beginning on pages 17 and 63 respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply, we will be able to stay competitive. For further details, kindly refer the chapter titled *“Our Business”* beginning on page 45.

Total Turnover of Each Major Business Segment

The Company operates in single segment in context of accounting standards 17 on Segment Reporting issued by ICAI.

New Product or Business Segment

Except as disclosed in “*Our Business*” on page 45 we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our business is seasonal in nature, for further reference; please refer section title “*Risk Factors*” on page 17 of this Letter of Offer.

Significant dependence on a Single or Few Suppliers or Customers

We are not under threat of dependence from any single supplier or customer.

Significant Developments since last balance sheet date

To our knowledge no circumstances have arisen since 31st March, 2022, the date of the last financial information disclosed in this Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

The Issuer Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with Issuer Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving the Issuer Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving the Issuer Company, where the amount involved is 5% of the Profit after Tax or Rs.10 Lakhs or more in each case whichever is higher, immediately preceding financial year ("Materiality Threshold") or above.

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of the Issuer Company; (ii) material violations of statutory regulations by the Issuer Company; (iii) economic offences where proceedings have been initiated against the Issuer Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by the Issuer Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time the Issuer Company are impleaded as defendants in litigation proceedings before any judicial forum.

Litigation involving the Issuer Company

Litigation filed against the Issuer Company

Criminal proceedings

NIL

Outstanding actions by regulatory and statutory authorities

NIL

Civil proceedings

NIL

Litigation filed by the Issuer Company

Criminal proceedings

NIL

Civil proceedings

1. Markolines Traffic Controls Private Limited VS Sion – Panvel Tollways Private Limited

The Issuer company is the operational creditor who has sent a demand notice under Section 8(1) of the Insolvency and Bankruptcy Code, 2016 for an amount of Rs 39,34,445/- (Rupees Thirty-Nine Lakh Thirty-Four Thousand Four Hundred Forty-Five Thirty Only). The Issuer Company was appointed as a contractor for carrying out the toll collection operations at Sion Panvel Highway and had raised invoices were for the payment towards the work performed by them which were neither fully realized nor in time. A legal notice was issued for recovery of the amount due and interest to which the corporate debtor issued a formal reply notice agreeing to reconcile the accounts and settle the dispute. Thereafter, in January 2018, corporate debtor sent reconciled statements admitting the amount of Rs.24,67,316/- (Rupees Twenty-Four Lakh Sixty-Seven Thousand Three Hundred Sixteen Only) as being due and payable. However, the said amount was still not paid. The said matter is pending before Hon'ble National Company Law Tribunal, Mumbai Bench.

2. Markolines Traffic Controls Pvt. Ltd V. Damoh – Jabalpur Toll Roads Limited

The Issuer Company has filed an application in National Company Law Tribunal by invoking Section 8 and 9 of the Insolvency and Bankruptcy Code, 2016 against the respondent company, Damoh – Jabalpur Toll Roads Limited for non-payment of our dues for the work of road maintenance services. The Issuer company had sent a legal notice on November 21, 2017, demanding an amount of Rs. 1,33,73,325/- (Rupees One Crore Thirty-Three Lakh Seventy-Three Thousand Three Hundred Twenty-Five Only) inclusive of interest. The respondents then replied to this notice denying the amount due and any interest which was payable. On January 18, 2018, via email the parties reconciled, and the respondents admitted that only an amount of Rs.1,06,02,401/- (Rupees One Crore Six Lakh Two Thousand Four Hundred One Only) was due from their side however they still did not pay the same. The Hon'ble National Company Law Tribunal, Mumbai Bench held that there is a default committed by the Damoh – Jabalpur Toll Roads Limited in repayment of debt to the Issuer Company. The said matter is pending before the Hon'ble Tribunal.

3. Markolines Traffic Controls Private Limited. vs Western MP Infrastructure & Toll Roads Private Limited

The Issuer Company has filed a Claim on 10th May 2019 under Section 23 of the Arbitration and Conciliation Act, 1996 for payment of Rs.13,64,71,782/- (Rupees Thirteen Crore Sixty Four Lakh Seventy-One Thousand Seven Hundred and Eighty Two Only) against the Respondent i.e. Western MP Infrastructure & Toll Roads Private Limited. A work order dated 4th December, 2015 was issued by the Respondent to the Issuer and a revised Work Order was also issued on 21st June, 2016 bearing no. 501216170012 and thereafter a termination notice was issued against the Issuer. Later the Issuer filed an Application under Section 9 of the Arbitration and Conciliation Act, 1996, before the Hon'ble District Court, Ratlam, Madhya Pradesh against the Respondents and for appointment of the Arbitrator. On 22nd February, 2019, the Hon'ble Bombay High Court appointed a Sole Arbitrator and the said matter is disposed off. Arbitration has been initiated u/s. 23 of the Arbitration and Conciliation Act, 1996 and we have filed our Claim in the same and further the Respondent has also filed their Statement of Defence. Thus, the Arbitration is pending before the Sole Arbitrator.

4. Bank of India vs TD Toll Road Private Limited

The Bank of India is the Operational Creditor and filed a Company Petition (IB) No. 2803 / MB / 2019 before the NCLT, Mumbai Bench under Section 7 of the I&B Code, 2016 against M/s TD Toll Road Private Limited. With compliance to the Liquidation Order dated 25th November, 2019, the Issuer Company also claimed their outstanding dues by filing a Claim to Interim Resolution Professional (IRP) with Rs.7,59,10,308/- (Rupees Seven Crores Fifty-Nine Lac Ten Thousand Three Hundred-Eight Only). After perusal of the Claim, the IRP allowed the amount of Rs.5,24,95,228/- (Rupees Five Crores Twenty-Four Lac Ninety-Five Thousand Two Hundred Twenty-Eight Only) as an admissible outstanding demand and not permitted to claim Rs.2,34,15,080/- (Rupees Two Crores Thirty-Four Lac Fifteen Thousand Eighty Only) for the claim which stood payable till date. The matter is now pending under the Liquidation process.

5. Markolines Traffic Controls Private Limited vs Krishna Microsurfacing Private Limited

In the 2014, the Issuer Company appointed M/s Krishna Microsurfacing Pvt. Ltd. (the Krishna) for one microsurfacing work along with manpower supply work for Rs.9,80,000/- vide the Work Order dated 29th May, 2014. The scope of the entire work comprises arrangement of Labour including the Food and Accommodation Expenses, equipment, tools for the execution of the work along with JCB and Tractor Trolley Hire Charges, Air Compressor and Diesel etc. However, the Krishna requested to the Issuer Company to bear the aforesaid expenses on their behalf and adjust the cost incurred towards the expenses at the time of full and final settlement of accounts. The Issuer Company believed on such representation and for smooth functioning of work with good faith, provided the advance of Rs.1,21,630/-, additionally. After completion of certain portion of the work, sudden technical defect had occurred and the Krishna stopped working. The company conveyed their inability to continue the work and hence the issuer Company needed to hire another entity to complete the work. Therefore the Issuer Company borne huge expenses to complete the said work and now claimed the recovery of the amount provided from the Krishna. The amount claimed is comprises of Contract Amount along with the applicable interest plus additional amount given and by deducting the amount of work done by the Krishna. The matter is pending before the Hon'ble Civil Court, Thane.

6. M/s. Markoline Traffic Controls Private Limited. vs. Rahim Ramjan Khatil & Others.

The Issuer has filed a Writ Petition before Hon'ble Bombay High Court (Aurangabad Bench) for quashing the Judgment passed by Ld. Labour Court, Dhule dated 28th October 2020, wherein the Issuer Company was Respondent No. 2. The Ld. Labour Court had directed the M/s Ircon Soma Tollway Private Limited i.e. Respondent No. 1 being the Principal Employer as per Section 21 of Contract Labour (Regulation and Abolition Act), 1970 to deposit Rs.49,89,617/- in order to pay the Plaintiffs and further stated that after making such a payment, he will have liberty to recover the said amount from the Issuer being a Co-Respondent (Respondent No.2) or adjust the same in the performance guarantee amount. Later, the Issuer filed a Writ Petition under Article 226 and 227 of the Constitution of India before the Hon'ble Bombay High Court, Aurangabad Bench bearing Writ Petition No. 14891 of 2021. The matter is pending before the Hon'ble Bombay High Court, Aurangabad Bench at pre-admission stage.

7. Markolines Pavement Technologies Limited vs MEP Highway Solutions Private Limited

The Issuer Company is engaged in the business of Operation and Maintenance of Highways Construction, Micro-surfacing, Highways Projects, World Class Equipment and Incident Management. We were appointed by M/s. MEP Highway Solutions Pvt. Ltd as a Sub-Contractor for carrying out the 'Micro Surfacing Overlay' work of a section of NH-7 from Hyderabad to Bangalore, in the state of Andhra Pradesh, vide a Work Order bearing no. MEPHSPL/2017-18/1262, dated 02/12/2017, valuing Rs.15,34,40,000/-. Subsequent amounts were paid by the other party to us according to the work order. We commenced the work and according to the work completed on the said project raised invoices further which were supposed to be cleared within 7 (Seven) days of submission of the invoices. However, until 01/03/2018, only tendered a part payment of Rs.25,00,000/- only, towards the invoices raised was made. The total amount due and payable by the Respondent as on 02/03/2018, was Rs. 43,87,932/-, after considering all the payments including the mobilization advance. Even after sending constant reminders, the payment due was not cleared. We had also sent a demand notice dated 04/06/2020, demanding payment of an unpaid due amount. They failed to reply to the said notice nor made the payment of due amount till date. Aggrieved of which, petition number 35/2022 was filed under section 18(1) of Micro, Small & Medium Enterprises Development Act, 2006 with Industry Facilitation Council, Konkan Region to seek appropriate relief. The matter is currently under conciliation.

C. Tax proceedings

| Particulars | No. of cases | Amount involved (Rs. In Lakh) |
|--------------|--------------|--------------------------------|
| Direct Tax | 7 | 34.15 |
| Indirect Tax | Nil | Nil |
| Total | 7 | 34.15 |

**Since it includes the TDS defaults for the "prior years"*

II. Litigation involving our Subsidiaries

A. Litigation filed against our Subsidiaries

1. Criminal proceedings

NIL

2. Outstanding actions by regulatory and statutory authorities

NIL

3. Civil proceedings

NIL

B. Litigation filed by our Subsidiaries

1. Criminal proceedings

NIL

2. Civil proceedings

NIL

3. Tax proceedings

NIL

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations were expired between the period of submission of the Prospectus dated 8th September, 2021 till now in the ordinary course of business, and our Company renewed the same from time to time. The following approvals have been renewed.

| Sr. No. | Nature of License / Approval | Registration / License No. | Issuing Authority | Validity |
|---|---|----------------------------|---|--------------------|
| BUSINESS RELATED APPROVALS | | | | |
| 1 | The Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 | 2110200315922954' | Office of the Chief Facilitator, Mumbai | December 04, 2024' |
| LICENCE UNDER CONTRACT LABOUR (REGULATION AND ABOLITION) CENTRAL RULES, 1971 | | | | |
| 1 | License Under Contract Labour (Regulation and Abolition) Central Rules, 1971 for Jharkhand | CLRA/RLCRANCHI/2022/L-4 | License Officer | Under renewal |
| 2 | Licence under Contract Labour (Regulation and Abolition) Central Rules, 1971 for Lucknow | CLRA/RLCLUCKNOW/2021 /L-37 | License Officer, Regional Labour Commissioner, Lucknow | February 14, 2023 |
| 3 | Licence under Contract Labour (Regulation and Abolition) Central Rules, 1971 for Noida | CLRA/RLCNOIDA/2020/L 85 | License Officer, Regional Labour Commissioner, Noida | July 01, 2023 |
| 4 | *Licence under Contract Labour (Regulation and Abolition) Central Rules, 1971 for Jaipur | CLRA/RLCJAIPUR/2019/L 187 | License Officer, Regional Labour Commissioner (Central), Jaipur | Under Renewal |
| LICENCE UNDER CONTRACT LABOUR (REGULATION AND ABOLITION) CENTRAL RULES, 1971 | | | | |
| 1 | www.markolines.com | IANA ID - 146 | | Under Renewal |

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "*Objects of the Issue*" beginning on page 30 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. The Issue of this Right Equity Shares to the eligible shareholders in terms of this Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on April 21, 2022 under Section 62 (1)a of the Companies Act 2013.
2. The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated December 06, 2022.
3. The Letter of Offer has been approved by our Board pursuant to its resolution dated January 11, 2023.
4. The Company has received In-principle approval from BSE vide their letter dated December 23, 2022 for listing of Right Equity Shares to be allotted in the Issue.
5. The Company will also make applications to the BSE to obtain their trading approval for the Rights Entitlements as required under the January 22, 2020 – Rights Issue Circular.
6. The Company has been allotted the ISIN - INE0FW020016 for the Rights Entitlements to be credited to the respective demat account of the Equity Shareholders of the Company. For details, see “*Terms of the Issue*” beginning on page 81 of this Letter of Offer.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI.
4. None of our Directors are associated with the securities market in any manner.
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders.
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange.
7. There are no proceedings initiated by SEBI, BSE or ROC, etc., against our Company, Directors, Group Companies.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, the Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to this Issue.

COMPLIANCE WITH SEBI ICDR REGULATIONS

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for “*In-Principle Approvals*” for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for this Issue.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

- i. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
- ii. The reports, statements and information referred to above are available on the website of stock exchange; and
- iii. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders’ Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakh, however the final letter of offer will be filed with SEBI for information and dissemination purpose.

DISCLAIMER CLAUSE OF BSE LIMITED

The Designated Stock Exchange for the purposes of this Issue is BSE Limited. As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer will be produced by our Company in the Letter of Offer.

DISCLAIMER FROM OUR COMPANY

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing reliance on any other source of information, including website of our Company would be doing so at his or her own risk.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

For more detail, please refer “*Notice to Investor*” on page 10 of this Letter of Offer.

FILING

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed Letter of Offer with the BSE for obtaining in-principle approval.

LISTING

The Designated Stock Exchange for the purposes of the Right Issue will be BSE Limited. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

SELLING RESTRICTIONS

The Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. The Letter of Offer is not to be reproduced or distributed to any other person. The distribution of the Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If the Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in the Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

GRIEVANCE REDRESSAL MECHANISM

The Company has an established mechanism for investor services and grievance handling, with RTA and the Compliance Officer of the Company for this purpose, being important functional nodes.

Some of the key steps undertaken by the Company for handling Investor Grievances are enumerated as follows:

Bigshare Services Private Limited (RTA) is entrusted with handling all share related matters.

Investors can lodge a complaint by giving details of their name, folio no., DP ID / Client ID, nature and full particulars of their complaint directly to the company at info@markolines.com

All the investor complaints/grievance received through SEBI by online “SEBI Complaints Redress System” (SCORES) are checked regularly and replied/resolved expeditiously.

As required under Regulation 13 of the Listing Regulations, the Company files with the Stock Exchanges and places the statement of investor complaints at the Board meeting on a quarterly basis.

STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of this Letter of Offer, there were no outstanding Investor complaints.

As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

INVESTOR GRIEVANCES ARISING OUT OF THIS ISSUE

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled ‘*Terms of the Issue*’ on page 81, of this Letter of Offer.

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice / share certificates / Demat credit / refund orders etc.

Registrar to the Issue

BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2,6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East)

Mumbai – 400 093 Maharashtra, India

Tel No.: +91 -22- 62638200122;

E-mail: rightsissue@bigshareonline.com;

Investor Grievance E-mail: investor@bigshareonline.com;

Website: www.bigshareonline.com ;

Contact Person: Mr. Vijay Surana;

SEBI Registration No.: INR000001385;

CIN: U99999MH1994PTC07653

Company Secretary and Compliance Officer

Mr. Parag Sudhir Jagdale

Markolines Pavement Technologies Limited

(Formerly Known as “*Markolines Traffic Controls Limited*”)

Registered Office: 502, A Wing, Shree Nand Dhamsector 11, CBD Belapur

Navi Mumbai - 400614, Maharashtra India.

Tel: +91 22 6266 1111;

E-mail: company.secretary@markolines.com

Website: www.markolines.com

SECTION IX: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, Letter of Offer the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are Physical shareholders shall be required to provide their demat account details to Issuer / Registrar to the Issue for credit of REs not later than two working days prior to the issue closing date, such that credit of REs in their demat account takes place at least one day before the issue closing date, Wherein in case of failure to open demat account as per the timelines specified under SEBI Circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated Jan 22, 2020, RE shall lapse. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page 92

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, SEBI circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their addresses to our Company.

Investors can also access the Letter of Offer, , the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.markolines.com
- b) the Registrar to the Issue at : www.bigshareonline.com
- c) the Stock Exchanges at www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.markolines.com)

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, our Company and the Registrar to the Issue will not be liable for nondispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2) Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process.

(a) Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date i.e. January 27, 2023, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “MPTL-Unclaimed Rights Entitlement Suspense Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings. Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

(b) Application by Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a) The Eligible Equity Shareholders are residents;
- b) The Eligible Equity Shareholders are not making payment from non-resident account;
- c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d) The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
- b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company:

www.bigshareonline.com

- c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.bigshareonline.com

Renounces

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on April 21, 2021 pursuant to Section 62(1)(a) of the Companies Act.

The Board in their meeting held on January 11, 2023 has determined the Issue Price at ₹ 167 per Equity Share and the Rights Entitlement as 5 Rights Equity Share for every 32 fully paid-up Equity Shares held on the Record Date i.e. January 17, 2023

Our Company has received in-principle approvals from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated December 23, 2022.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e. January 17, 2023 decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement (“REs”) (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., January 17, 2023, are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.markolines.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. January 17, 2023, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to communicate with the Registrar to the Issue in the manner provided on their website (www.bigshareonline.com). They may also communicate with the Registrar with the help of the helpline email address rightsissue@bigshareonline.com

Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. January 17, 2023

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any

jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹167 per Rights Equity Share (including a premium of ₹157 per Rights Equity Share), payable in full on Application, in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on January 11, 2023 has determined the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 5(Five) Rights Equity Share for every 32 (Thirty Two) Equity Shares held on the Record Date i.e. January 17,2023

The Board, at its meeting held on December 06, 2022 has determined the Rights Entitlement Ratio.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

Full amount of ₹167 per Equity Share (including premium of ₹157per Equity Share) shall be payable on Application.

Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 5 Right Shares for every 32 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. For example, if an Eligible Equity Shareholder holds 32 Equity Shares, such Equity Shareholder will be entitled to 5 Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/ her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. Further, the Eligible Shareholders holding less than 32 Equity Shares shall have 'zero' entitlement for the Right Shares. Such Eligible Shareholders are entitled to apply for additional Right Shares and will be given preference in the Allotment of one Right Shares, if such Eligible Shareholders apply for additional Right Shares, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum

of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded under the ISIN: INE0FW001016) on BSE (Scrip Code: 543364). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter dated December 23, 2022. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see “*Capital Structure – Intention and extent of participation in the Issue by our Promoters and Promoter Group*” on page 28 of this Letter of Offer.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is 800 Equity Shares.

Minimum Subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only. The market lot for trading of is 800 Shares and in multiples of 800 Shares. However, any revision in the same post rights entitlement will be intimated by the stock exchange from time to time.

The Right Shares are traded in dematerialized form only. The trading of the Equity Shares post Right Issue will happen in lots only. However, the Market Makers of the Company may accept odd lots if any in the market at the prevailing Market Price as required under the SEBI (ICDR) Regulations, 2018. In terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot at the prevailing Market Price, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE. Provided that the market maker shall not sell in odd lot on the SME exchange.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Marathi language daily newspaper with wide circulation at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. January 17, 2023

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date i.e. January 27, 2023. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company will undertake all 9/969adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.markolines.com
- b) the Registrar to the Issue at www.bigshareonline.com
- c) the Stock Exchanges at www.bseindia.com;

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at(i.e., www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number 105 could lead to rejection of the Application. For details see “**Grounds for Technical Rejection**” on page 96 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar and Stock Exchange or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 90 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.bigshareonline.com and link of the same would also be available on the website of our Company at (www.makolines.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date: February 09, 2023

Applications through ASBA process will be uploaded until 5.00 p.m.. (Indian Standard Time) or such extended time as permitted by the BSE, and

Applications submitted to anyone other than the Designated Branches of the SCSB

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section ***“Application on Plain Paper under ASBA process”*** on page 90 of this Letter of Offer.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed under the section titled ***“Terms of the Issue”*** on page 81. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section ***“Basis of Allotment”*** on page 98.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN (INE0FW001016) subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., January 27, 2023 to February 06, 2023 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights

Entitlements will have to do so through their registered stock brokers by quoting the ISIN (INE0FW001016) and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (INE0FW001016), the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "***Markolines Pavement Technologies Limited – Rights Issue***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "***Modes of Payment***" on page 92.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer,
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;

- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ 167 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com. Our Company and the Registrar shall not be responsible if the

Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e., February. 09, 2023. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date i.e. January 27, 2023.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 98.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Non-Resident Investors

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at anuroop.rights@kfintech.com.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investor has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. January 17, 2023 and desirous of

subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company, in the manner provided on the website of the Registrar to the Issue at www.bigshareonline.com at least two Working Days prior to the Issue Closing Date i.e., February 09, 2023. They may also communicate with the Registrar with the help of their email address rightsissue@bigshareonline.com

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, i.e. February 09, 2023, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue- “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 93 and 100 respectively.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date i.e. January 17, 2023 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date i.e. February 09, 2023. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date i.e. February 09, 2023 ;
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - the website of the Registrar at (www.bigshareonline.com);
 - our Company at (www.markolines.com) and
 - the Stock Exchanges at (www.bseindia.com)

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.markolines.com);

The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE i.e. JANUARY 17, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 99.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED

ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE i.e. JANUARY 17, 2023 .

General instructions for Investors

- (a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. February 09, 2023 , desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue- *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* and *“Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner”* on pages 93 and 99, respectively.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (e) Application should be made only through the ASBA facility
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and
- (j) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the optional facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or

thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (p) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (q) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (r) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (s) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to

attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure- Intention and extent of participation by our Promoters and Promoter Group*" on page 28).

Underwriting

The Issue is not underwritten.

Issue schedule

| | |
|---|-------------------|
| Issue Opening Date | January 27, 2023 |
| Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlements | February 06, 2023 |
| Issue Closing Date | February 09, 2023 |
| Finalising the basis of allotment with the Designated Stock Exchange (on or about) | February 14 2023 |
| Date of Allotment (on or about) | February 16, 2023 |
| Date of credit (on or about) | February 20, 2023 |
| Date of listing (on or about) | February 24, 2023 |

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renounces who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date i.e. February 09, 2023. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit

under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date i.e. February 09, 2023.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until six months.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e. January 17, 2023, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. February 09, 2023, the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- (b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;
- (e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;
- (f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and
- (g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
- (h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity

Shareholders who hold Equity Shares in physical form as on Record Date i.e. January 17, 2023 and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date, i.e. February 09, 2023. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. **National Automated Clearing House ("NACH")** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
2. **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
4. **RTGS** – If the refund amount exceeds ₹ 200,000 Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounces will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in Section Terms of the Issue- “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form” on pages 99, respectively.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“**SEBI VCF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months

extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company’s Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA

Applications while finalizing the Basis of Allotment.

- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90.00% of the Issue our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date i.e. February 09, 2023 or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this fLetter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “**Risk Factors**” on page 17 of this Letter of Offer.

All enquiries in connection with the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Markolines Pavement Technologies Limited – Rights Issue**” on the envelope to the Registrar at the following address:

BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2,6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East)
Mumbai – 400 093 Maharashtra, India **Tel No.:** +91 -22- 62638200122;

E-mail: rightsissue@bigshareonline.com;

Investor Grievance E-mail: investor@bigshareonline.com;

Website: www.bigshareonline.com ;

Contact Person: Mr. Vijay Surana;

SEBI Registration No.: INR000001385 ;

CIN: U99999MH1994PTC07653

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, email ID provided by the Registrar for guidance on the Application process and resolution of difficulties is rightsissue@bigshareonline.com

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Circular 2020”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the registered office of the Company between 10.00 a.m. and 5.00 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection

1. Registrar Agreement dated December 03, 2022 between our Company and Registrar to the Issue;
2. Bankers to the Issue Agreement dated January 06, 2023 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

B. Material documents for inspection

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended;
2. Certificate of Incorporation dated November 08, 2002 issued by Registrar of Companies, Mumbai
3. Fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Mumbai on April 19, 2021
4. Fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Mumbai on October 13, 2021.
5. Resolution of the Board of Directors passed in its meeting dated April 21, 2022 approving this Issue;
6. Resolution of the Board of Directors passed in its meeting dated December 06, 2022 adopting the Draft Letter of Offer;
7. Resolution of the Board of Directors passed in its meeting dated January 11, 2023 adopting the Letter of Offer;
8. Consents of our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company and Banker to the Issue to include their names in this Letter of Offer / Letter of Offer and to act in their respective capacities;
9. Annual Reports of our Company for FY 2021-22, 2020-21, 2019-20;
10. A Statement of special tax benefits dated December 06, 2022 received from M/S Gupta Agarwal & Associates Chartered Accountants Statutory Auditors regarding special tax benefits available to our Company and its shareholders;
11. Limited Review Report for the Six months ended September 30, 2022
12. In-principle listing approval dated December 23, 2022 from BSE.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

| NAME AND DESIGNATION | SIGNATURE |
|---|-----------|
| MR. SANJAY BHANUDAS PATIL <i>Managing Director</i> <i>DIN: 00229052</i> | Sd/- |
| MS. ANJALI SHIVAJI PATIL <i>Independent Director</i> <i>DIN: 02136528</i> | Sd/- |
| MR. KARAN ATUL BORA <i>Executive Director</i> <i>DIN: 08244316</i> | Sd/- |
| MS. KIRTINANDINI SANJAY PATIL <i>Non-Executive Director</i> <i>DIN: 09288282</i> | Sd/- |
| MR. AKASH MANOHAR PHATAK <i>Independent Director</i> <i>DIN: 09288697</i> | Sd/- |

SIGNED BY THE CHIEF FINANCIAL OFFICER AND THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

Sd/-

Vijay Ratanchand Oswal
Chief Financial Officer
PAN:AABPO0881G

Sd/-

Parag Sudhir Jagdale
Company Secretary and Compliance Officer
PAN:AJXPJ8742N

Place: Navi Mumbai
Date: January 11, 2023