



# 50<sup>th</sup> Annual Report 2022-23

**Modulex Construction Technologies Limited t/a Modulex**

**CIN: L25999PN1973PLC182679**

Registered Office: A-82, MIDC Industrial Estate,

Indapur – 413 132, Maharashtra

**BSE Security Code: 504273**

**BSE Security ID: MODULEX**

Website - [www.modulex.in](http://www.modulex.in)

Email - [compliance@modulex.in](mailto:compliance@modulex.in)

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Suchit Punnose (DIN: 02184524)**

Whole Time Director

**Mr. Ajay Palekar (DIN: 02708940)**

Managing Director

**Mr. Raj Kumar Sharma (DIN: 00998552)**

Independent Director

**Mr. Aditya Vikram Kanoria (DIN: 07002410)**

Independent Director

**Mrs. Rakhee Agarwal (DIN: 08081921)**

Independent Director

### AUDITOR

M/s.RMJ & Associates\*

Chartered Accountants

\*Resigned w.e.f 10<sup>th</sup> June, 2023

### REGISTERED OFFICE

A 82, MIDC Industrial Estate,  
Indapur Pune Maharashtra 413132

**Tel:** 02111 299061

**Email:** [compliance@modulex.in](mailto:compliance@modulex.in)

**Website:** [www.modulex.in](http://www.modulex.in)

**CIN:** L25999PN1973PLC182679

### BOARD COMMITTEES

#### Audit Committee

Mrs. Rakhee Agarwal

Mr. Ajay Palekar

Mr. Aditya Vikram Kanoria

#### Stakeholder Relationship Committee

Mr. Aditya Vikram Kanoria

Mr. Ajay Palekar

Mr. Suchit Punnose

#### Nomination and Remuneration Committee

Mr. Raj Kumar Sharma

Mr. Aditya Vikram Kanoria

Mrs. Rakhee Agarwal

#### Company Secretary

Ms. Bhoomi Mewada

#### Chief Financial Officer

Mr. Mahendra Kumar Bhurat

### REGISTRAR AND TRANSFER AGENT

#### Purva Sharegistry (India) Private Limited

Unit no. 9 Shiv Shakti Ind. Estt.

J .R. Boricha Marg, Lower Parel (E)

Mumbai 400 011

**Tel:** 91-22-2301 8261 / 6761

**Email:** [support@purvashare.com](mailto:support@purvashare.com)

**Website :** [www.purvashare.com](http://www.purvashare.com)

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The construction sector in India, which employs more than 35 million people, is the second largest employer, next only to agriculture. Therefore, any improvements in the construction sector affect a number of associated industries such as cement, steel, technology, skill-enhancement etc. In India, over 50% of the demand for construction activity comes from the infrastructure sector; the balance comes from industrial activities, residential and commercial development etc. As per the government reports, the sector is valued at over USD 126 Billion. It also accounts for more than 60% in total infrastructure investment.

In the past few years, activity in the construction sector appears to be relatively slow due to funding constraints, slow policy reforms, weak currency and the prolonged real estate market slowdown has resulted in a lot of unsold commercial & housing inventory across India. Simultaneously, severe shortage of skilled workforce as well as raw materials especially sand was acting as growth deterrents.

Going forward, India's construction industry is expected to pick up pace due to investments in residential, infrastructure and energy projects, corporate capex improvement, urbanization, a rise in disposable income and population growth. Also, Government's serious efforts to enhance infrastructure investments, increase affordable housing and improve transport and logistics support systems will support growth for construction sector.

### **OPPORTUNITIES AND THREAT**

The government plans to focus on the following five major areas for infrastructure developments – Railways, Roads, Sagarmala project (for ports and coastal development), Housing for All and Inland water ways. A pentagon of industrial corridors is being engineered to facilitate manufacturing and to project India as a global manufacturing destination. Government of India's strategic move of increasing budget allocation in defence sector is giving much required momentum to 'Make in India' initiative. We believe that all these sectors have enough potential to grow at a considerably faster pace.

The link between the economic performance of cities and the national economy gets stronger as the rate of urbanization increases. Housing and Urban Area Development are key priorities of the government. The effect of urbanization rates on housing demand is most profound in the Tier 1 cities, where a large influx of migrants is causing housing demand to surge. The socio-cultural shift towards nuclear families is also providing an additional impetus to housing demand in India.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company is setting up what Directors believe is the World's Largest and India's First Steel Modular Building Factory – Modulex. The project aims to harness the potential of an emerging, dynamic market like India, and support its growing need with a practical, profitable and proven technology solution for its construction. Modulex will bring highly advanced and sophisticated technologies from the developed half of the world and apply it to growth markets. We believe that Modulex also has the unique ability to place the investor at a vantage point, and successfully tap the pulse of the Indian market. This is an exciting time and a great opportunity for all investors looking to make an impact in the world's second fastest growing economy.

## **OUTLOOK**

Modulex is India's first and the world's largest steel modular manufacturing facility with an annual capacity of 2, 00,000 sqm. The salient features of the same are mentioned below:

1. The four production lines will have annual capacity of 2, 00,000 sqm operating on 8-hour shift 5 days a week for eleven months.
2. Illustrative annual output: twenty 100 rooms hotels plus a thousand residential or office buildings of 1,000 sq. ft each or accommodation for 2,000 hospital beds.
3. Set in 40-acre site in Indapur, Pune District, 250 Kms from Mumbai.
4. Land bought from Maharashtra Industrial Development Corporation, a state run developer of industrial estates with guaranteed water and electricity.

## **RISKS AND CONCERNS**

The industry in India faces challenges alongside a general situation of socio-economic stress, chronic resource shortages, institutional weaknesses etc. The industry is fragmented with a handful of major companies involved in the construction activities across all segments; medium-sized companies specializing in niche activities; and small and medium contractors who work on the sub-contract basis and carry out the work in the field.

Another problem, still being faced by some of the construction financing institutions is of stalled or delayed projects. Projects worth several billion rupees are still stalled, due to delays in project approvals, financing issues and raw material non-availability etc. Further delays in restarting stalled projects have strained some of the infrastructure companies' ability to meet their debt obligations, leading to a surge in banks' gross Non-Performing Assets (NPA).

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and is functioning effectively. Company has policies, procedures, control framework and the management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliances and appropriate recording of financial information. Internal financial controls that encompassed the policies processes and monitoring systems for assessing and mitigating operational, financial & compliance risks and controls over related party's transactions substantially, exists. The senior management reviews and certifies the effectiveness of the internal control mechanism over financial reporting adherence to the code of conduct and Company's policies for which they are responsible and also compliance to establish procedures relating to financial or commercial transactions.

## **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Your Company's Present performance vis-à-vis the financial performance for the previous year as given below in tabular format.

(Rs. in lakhs)

Particulars	FY 2022-23	FY 2021-22
Total revenue including other income	20.12	27.37
Total Expenditure	176.97	105.29
Profit / (Loss) before tax	(156.85)	(77.92)
Tax Expenses	-	1.48
Profit / (Loss) after tax	(156.86)	(79.40)
EPS Weighted Average		
-Basic	(0.31)	(0.15)
-Diluted	(0.31)	(0.15)

### RISK MANAGEMENT IDENTIFICATION AND MITIGATION

Construction industry is highly risk prone, with complex and dynamic project environments creating an atmosphere of high uncertainty and risk. The industry is vulnerable to various technical, socio-political and business risks. As a diversified construction entity, your Company continues to focus on a system-based approach to business risk management. Accordingly, management of risk has always been an integral part of your Company's strategies and includes various functions such as planning, execution, measurement systems & reporting processes. Your Company acknowledges risk as the critical function that influences the objectives of all project and processes. Following are some of the construction related risks and exposures:

1. **Financial risk** is the totality of all risks that relate to financial developments external to the project that are not in the control of the contractor or the project developer. This results from consequences that may have adverse economic effects.
2. **Political risk** is the risk that a contracting company encounters in project execution through undesirable regime acts such as change in law, payment failure by government, increase in taxes and change in government etc.
3. **Legal risks** arise through non-compliance with legal or regulatory requirements or excessive exposure to litigations & non-observance of laws such as employment law, health and safety, environmental legislation, stipulations for minimum wages etc.
4. **Sub-contractor's Default Risks & Management** is far different and severe than the work that is self-performed. In most projects, monitoring of sub-contractor's performance and payment is the responsibility of your Company, being the main contractor. The active management of subcontractor default risk begins with sub-contractor pre-qualification, based on financial strength, safety & quality performance etc. and continues with active monitoring of sub-contractor performance and payments.
5. **Techno-managerial risks** are the risks arising out of inadequate management of technicalities involved such as management of engineering & technology, logistics options, uncertain productivity of resources, insufficient skilled staff etc.
6. **Environment risks** relating to occurrence of environmental incidents during the pendency of the project & mitigation strategies. This risk has increased substantially due to the presence of strict legal liability in relation to such environmental incidents.

7. **Force majeure risks** are regarding the events that are outside the control of any party and cannot be reasonably prevented/avoided by them. These include natural force majeure events, direct or indirect political force majeure events.

## HUMAN RESOURCES

Our employees are the most valuable assets and we endeavour to provide our employees a professional, congenial, safe working environment coupled with opportunities for personal growth and development. Your Company has put in comprehensive system in place for identifying and addressing the competency requirement and fulfilling the same through various training programs at all the levels in the organization.

Through various Organizational Development (OD) interventions, we are enhancing the competency of our employees to work in challenging environment & empower them at work place with cultivation of culture of dedication, ethics & values. Your Company has been successful in cultivating culture of dedication, work ethics & values in the organization. Employees are provided with training on behavioral aspects, such as personality development, leadership development through self-awareness etc. to help to achieve higher level of performance.

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Types of ratios	2022-23	2021-22	Significant Changes
Debtors Turnover ratio	NA	NA	-
Inventory Turnover Ratio	NA	NA	-
Interest Coverage Ratio	NA	NA	-
Current Ratio	0.01	0.02	
Debt Equity Ratio (In Times)	0.01	0.01	The change in the ratios is because of loan taken and increases in the net loss during the year.
Operating Profit Margin (%)	NA	NA	-
Net Profit Margin (%)	NA	NA	-

Since the Company does not have any revenue from operations and inventories, the relevant ratios pertaining to it is not worked out.

Caution: The views expressed in the Management Discussions and Analysis is based on available information, assessments and judgment of the Board. They are subject to alterations. The Company's actual performance may differ due to national or international ramifications, government regulations, policies, Tax Laws, and other unforeseen factors over which the Company may not have any control.

## DIRECTORS' REPORT

To,  
The Members of  
**Modulex Construction Technologies Limited** (“Company”)

The Directors have pleasure in presenting 50<sup>th</sup> Annual Report of the Company, along with the Audited Financial Statements (Standalone & Consolidated) for the Financial Year ended 31<sup>st</sup> March, 2023.

### 1. FINANCIAL RESULTS:

Performance of the Company, for the financial year ended 31<sup>st</sup> March, 2023 is as summarized below:

**(Rs. In Lakhs)**

Particulars	Standalone		Consolidated	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Income from Operations	NIL	NIL	NIL	NIL
Add: Other Income	20.12	27.37	29.59	30.16
Total Income	20.12	27.37	29.59	30.16
Less: Total Expenditure	176.97	105.29	1020.06	835.51
Profit/ (loss) before Tax	(156.85)	(77.92)	(903.91)	(805.35)
Less: Tax expenses/ (Credit)	-	1.48	(0.30)	3.93
Profit/ (loss) after Tax	(156.86)	(79.40)	(904.22)	(809.28)

Note: Previous period figures have been re-arranged, re-grouped, re-calculated and re-classified, wherever necessary.

### 2. STATE OF COMPANY’S AFFAIRS:

#### Standalone

During the year under review, The Company’s total income for the financial year ended 31<sup>st</sup> March, 2023 was Rs.20.12 lakhs as against Rs.27.37 lakhs in the previous year, loss before tax was Rs. 156.85 lakhs against loss of Rs. 77.92 lakhs during previous year and the loss after tax was Rs. 156.86 lakhs as compared to Rs. 79.40 lakhs in the previous year.

#### Consolidated

The Company’s gross (total) income for the financial year ended 31<sup>st</sup> March, 2023 was Rs.29.59 lakhs as against Rs. 30.16 lakhs during the previous year, loss before tax stood at Rs. 903.91 lakhs against a loss of Rs. 805.35 lakhs in the previous year. The loss after tax stood at Rs.904.22 lakhs against a loss of Rs. 809.28 lakhs reported in the previous year.



**3. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis, as required in terms of the Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), forms part of this Board’s Report.

**4. DIVIDEND:**

In view of losses incurred during the period under review, the Company does not recommend any dividend on the equity shares for the financial year ended 31<sup>st</sup> March, 2023.

**5. TRANSFER TO RESERVES:**

In view of losses incurred by the Company during the Financial Year, The Company has not transferred any amount to the Reserves for the financial year ended 31<sup>st</sup> March, 2023.

**6. PUBLIC DEPOSITS:**

During the year under review, the Company has neither invited nor accepted any deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 amended from time to time.

**7. LISTING OF SHARES:**

The equity shares of the Company are listed on The BSE Limited (BSE) and the listing fees for the year 2023-24 has been paid.

**8. CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the provisions of sub-section (3) of Section 129 of the Act and SEBI Listing Regulations, the Consolidated Financial Statements of the Company, including the financial details of its Subsidiary Company, forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013.

**9. SHARE CAPITAL:**

The Authorized Share Capital of the Company was increased to Rs. 93,00,00,000/- from Rs.73,00,00,000/- which comprises of 9,29,50,000 Equity Shares of Rs. 10/- each (vide shareholders’ approval dated 20<sup>th</sup> April, 2022) and 50,000 Cumulative Redeemable Preference Shares of Rs.10/- each as compared to Rs.7,29,50,000 Equity Shares of Rs. 10/- each and 50,000 Cumulative Redeemable Preference Shares of Rs.10/- each. The Paid-up Share Capital of the Company as on 31<sup>st</sup> March, 2023 stood at Rs. 51, 30, 30,400/- which comprises of 5, 13, 03,040 Equity Shares of Rs. 10/- each.

On the date of this report, the paid up share capital stood at Rs. 69,20,17,860/- which comprise of 6,92,01,786 Equity shares, your Company allotted 1,78,98,746 Equity Shares of face value of Rs. 10/- each, on 13<sup>th</sup> May, 2023 against Equity Shares of Give Vinduet Windows and Doors Private Limited on preferential basis by way of swap of Equity Shares. Since the said shares were issued for consideration other than Cash, the price at which the said shares were to be allotted was determined

on the basis of the valuation report of a registered valuer. The provisions of section 247 of the Companies Act, 2013 and Rules made thereunder were duly complied with.

#### **10. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES**

The Company does not have any Associate and Joint Venture Companies as on 31<sup>st</sup> March, 2023.

Details of the Subsidiaries are specified below:

<b>Sr. No.</b>	<b>Name of the Subsidiaries</b>
1.	Modulex Modular Buildings Private Limited
2.	Redribbon Advisory Services Private Limited (ceased w.e.f. 15 <sup>th</sup> May, 2022)
3.	Give Vinduet Windows and Doors Private Limited*

\*Became the Subsidiary Company w.e.f. 13<sup>th</sup> May, 2023.

A statement containing the salient features of the financial statements of Subsidiary Company pursuant to the provision of Section 129 (3) of the Companies Act 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, are given in Form No. AOC-1 as annexure to the financial statement.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of its Subsidiary, will be updated on the website of the Company at [www.modulex.in](http://www.modulex.in).

#### **11. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR:**

Details of the loans extended, guarantee(s) given or investment(s) made by your Company under Section 186 of the Companies Act, 2013, during the financial year 2022-23, are provided in the Notes to the Financial Statements.

#### **12. CORPORATE GOVERNANCE:**

The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Report as Corporate Governance Report.

#### **13. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

#### **14. SIGNIFICANT AND MATERIAL ORDERS:**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations during the year under review.

**15. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:**

There are no material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year and the date of this Report.

**16. CHANGE IN NATURE OF BUSINESS:**

During the year under review, there was no change in the nature of business of the Company. However, the Object clause of Memorandum of the Association was altered, special resolution passed through Postal ballot dated 20<sup>th</sup> April, 2023. The Main object and ancillary object in clause III of MOA of the Company be and are hereby amended as follows:

1. *The words “To carry on the business of manufacture of fabricated metal products, except machinery and equipment” in clause III A (1) added.*
2. *The words “To carry on production, buildings, supplying, fabricating and manufacturing of modular steel buildings, designing, fabricating, manufacturing, supplying & installation to a diverse range of end markets encompassing hotel, education, health, residential, commercials etc. for domestic and export markets” in clause III A(2) added.*
3. *The Words “To carry on the business of consultants, contractors and engineers and to develop, build, rebuild, pull down, demolish, erect, enlarge, contract, assemble, hire, improve, alter, repair, replace, divide, consolidate, appropriate, decorate, furnish and otherwise dispose or deal with immovable property in the course of such business and to render consultation for construction of residential and office buildings, houses, flats including multistoried” in clause III A (1) be deleted.*
4. *The words “flats, bungalows, offices apartments, rooms, hospitals, schools, colleges etc.” in clause III A (2) be deleted.*
5. *The words “construct, develop” in clause III B (5) be deleted.*
6. *The words “build, construct, construction, development” in clause III B (16) be deleted.*
7. *The words “and/or construction and erection of land, buildings” in clause III B (20) be deleted.*

**17. PARTICULARS OF EMPLOYEES:**

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**18. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**Re-Appointment and Retirement by Rotation:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (“Act”), Mr. Ajay Palekar, (DIN: 02708940) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

**Appointment and Remuneration of Directors:**

The appointment and remuneration of Directors is governed by the Remuneration Policy of the Company which also contains the criteria for determining qualifications, positive attributes and independence of Directors.

On 30<sup>th</sup> September, 2022, Members approved re-appointment of Mr. Aditya Vikram Kanoria - Independent Director, Mr. Ajay Palekar - Managing Director, Mr. Suchit Punnose - Whole Time Director for the term of 5 years and members approved the change in designation of Mr. Raj Kumar Sharma from Non-Executive Non -Independent Director to Non-Executive Independent Director for the term of 5 years.

**Resignation of Director:**

Mr. Sandeep Khurana, Independent Director, resigned from the Board w.e.f 07<sup>th</sup> March, 2023, the resignation letter is available on the website of the Company at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Regulation%2030%20with%20Resignation%20letter.pdf>

**19. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**20. FAMILIARIZATION PROGRAMME:**

The details of programme for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/ID-Familiarization-Program-MCTL.pdf>

**21. REMUNERATION OF THE DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The remuneration details of the Key Managerial Personnel of the Company are set out in the Annual Return of the Company, which will be available on the website of the Company at the [www.modulex.in](http://www.modulex.in) and no remuneration have been paid to Directors in FY 2022- 2023.

**Key Managerial Personnel (KMP)**

Sr. No.	Name of the KMP	Designation
1.	Mr. Suchit Punnose	Whole Time Director
2.	Mr. Ajay Palekar	Managing Director
3.	Mr. Mahendra Kumar Bhurat	Chief Financial Officer
4.	Ms. Bhoomi Mewada	Company Secretary and Compliance Officer

During the year, no changes took place in the Key Managerial Personnel (“KMP”) of the Company.

**22. BOARD EVALUATION:**

The Company has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation. Pursuant to the provisions of the Act and Regulation 17(10) of SEBI Listing Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the individual Directors as well as the evaluation of working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of processes and information provided to the Board etc. A separate meeting of the Independent Directors was also held during the year for evaluation of the performance of Non-Independent Directors, performance of the Board as a whole and that of the Chairman. The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in Meetings, understanding of their roles as Directors etc.

**23. POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES:**

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration i.e., Nomination and Remuneration Policy. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, policy has been placed on the Company's website <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Investor%20relation%20files/Remuneration-Policy-MCTL.pdf>.

**24. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**25. BOARD AND COMMITTEE MEETINGS:**

During the financial year ended 31<sup>st</sup> March, 2023, Six (6) Board Meetings were held, details of which are given in the Corporate Governance Report.

The Board of Directors of the Company, meet at regular intervals to discuss and decide on the Company's operation, business policies or projects to be undertaken and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation / by conducting board meeting on shorter Notice, as permitted by law, which are noted and confirmed at the subsequent Board Meeting.

The provisions of the Companies Act, 2013, Secretarial Standard "SS-1" and the Listing Regulations were adhered thereto, while considering the time gap between two meetings.

**Committee(s) of the Board**

The Committees of the Board play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities, which concern the Company and need

a closer review. The Committees of the Board are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by the Members of the Board, as part of good governance practice. The Board is informed about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of Committees are placed before the Board for their review. The Committees of the Board can request special invitees to join the meeting, as appropriate.

The Board of Directors of your Company has constituted following committees namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Securities Committee
- Management Committee

The details of the Committees established by the Board of Directors are set out in the Corporate Governance Report.

**26. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company currently has less than 10 employees and hence the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are not applicable to the Company. In any event, no complaints were received as to the sexual harassment from any employee during the year under review.

**27. DIRECTOR RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2022-23 and of the loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively; and

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 28. AUDITORS:

### a. Statutory Auditors:

M/s. RMJ & Associates, LLP, Chartered Accountants, Firm Registration No: W100281 were appointed as the Statutory Auditors of the Company, for a period of five (5) years, at the 46<sup>th</sup> Annual General Meeting of the Company held on 17<sup>th</sup> December, 2019. Accordingly, M/s. RMJ & Associates, LLP, Chartered Accountants, shall act as the Statutory Auditors of the Company for a term of 5 years up to the conclusion of the 50<sup>th</sup> Annual General Meeting of the Company. However, M/s. RMJ & Associates resigned from the position of Statutory Auditors w.e.f 10<sup>th</sup> June, 2023.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2023.

The Board of Directors at their meeting held on 09<sup>th</sup> August, 2023 appointed M/s.Dhadda & Associates, Chartered Accountants as the Statutory Auditors to hold the office till the conclusion of 50<sup>th</sup> Annual General meeting and will be appointed for the term of 5 years subject to the approval of members at the ensuing Annual General Meeting of the Company.

### b. Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s. APMH & Associates, Chartered Accountants, as the Internal Auditors of the Company to conduct the Internal Audit of the records and documents of the Company for the financial year 2022-23.

### c. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company appointed Mr. Hitesh J. Gupta, Practicing Company Secretary, as the Secretarial Auditors of the Company on to conduct the Secretarial Audit of the records and documents of the Company for the financial year 2022-23.

Management response on the observations as specified in the Secretarial Audit report:

1. There was a delay in submission of certificate as per Regulation 24A under SEBI LODR, 2015, penalty of Rs. 1, 92,000/- was levied by BSE.
  - There was delay in submission of certificate under Regulation 24A due to late submission of financial results for the 31<sup>st</sup> March, 2022.

2. There was a delay in submission of Shareholding pattern under Regulation 31 of SEBI LODR, 2015 for quarter ended June, 2022. Penalty of Rs.18, 000/- was levied by BSE.
  - Delay in submission of the results happened due to unavoidable circumstances, Management has taken necessary actions to submit the compliances in a timely manner.
3. There was a delay in submission of Financial Results under Regulation 33 of SEBI LODR, 2015 for quarter ended March 2022, June 2022, September 2022 and December 2022. Subsequently, penalty of Rs. 4,75,000/-, Rs. 8,55,000/-, Rs. 6,20,000/- and Rs. 2,10,000/- was levied by BSE for respective quarters.
  - Delay in submission of the results happened due to unavoidable circumstances, Management has taken necessary actions to submit the compliances in a timely manner.
4. Nomination and Remuneration Committee was not duly constituted as per the requirements of Regulation 19 of SEBI LODR, 2015. Subsequently, penalty of Rs.1,68,000/- for quarter ended September, 2022 and Rs. 88,000/- for quarter ended December 2022 was levied by BSE and NRC Committee was reconstituted on 30<sup>th</sup> November, 2022.
  - Delay in submission of the results happened due to unavoidable circumstances, Management has taken necessary actions to submit the compliances in a timely manner.
5. The following actions were taken by SEBI / Stock Exchange (s) during the year:
  - a. The Company has received 8 complaints on SEBI Scores platform during the year from Mr. Sandeep Khurana, Independent Director. The SEBI has sought the clarification from the Company related to these complaints and necessary replies was been made in a timely manner.
  - b. Mr. Sandeep Khurana, Ex-Independent Director has submitted Whistle Blower complaints to BSE and exchange has sought clarification from the Company and necessary submission was made in this matter.
  - c. Mr. Sandeep Khurana, Ex-Independent Director has submitted 65 pages resignation letter and BSE has sought point wise reply from the Company and necessary submission were made to BSE in the matter.

Management hereby acknowledges the above actions taken by SEBI/Stock Exchanges during the year. However, there are no further requirements / communications received by the Company from the authorities as on the date of this report.

The Secretarial Audit Report is annexed hereto and titled as '**Annexure I**'.



**29. RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Act and the amendment to the Listing Regulations, your Company has a Policy on the Related Party Transactions, which is also available on the Company's website at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Policy-on-Related-Party-Transactions- MCTL.pdf>

The disclosure of the Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013, in Form AOC-2, is appended as an annexure to this report titled as '**Annexure II**'.

**30. WEB-LINK OF ANNUAL RETURN:**

The Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-7 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at [www.modulex.in](http://www.modulex.in).

**31. FRAUD REPORTING:**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of Act, any instances of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Board's Report.

**32. ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The requirements under Section 134(3) (m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure in respect of conservation of energy, technology absorption, are not applicable to the Company. Having said that, the buildings that the Company is in the process of designing and which will be manufactured by its Subsidiary Modulex Modular Buildings Private Limited will be energy efficient and carbon neutral.

During the period under review, the Company had no Foreign Exchange earnings and outgo.

**33. RISK MANAGEMENT:**

Risk Management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns for the stakeholders. The Company's approach in addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee of the Company. Some of the risks that the Company is exposed to and the steps taken to mitigate them are detailed in the Management Discussion and Analysis Report.

**34. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Pursuant to Section 177(9) of the Act, a vigil mechanism is established for the Directors and for the employees of the Company to report to the management, any instances of unethical behaviour,

actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

With reference to the above, our Company has received a total three whistle-blower complaints during the year 2022-23. The Complaints were received from Mr. Sandeep Khurana, Ex- Independent Director and Ex-Chairman of the Audit Committee of the Company. The Complaint has been filed for conduct of the Board Meeting held for approval of Rights Issue of the Equity Shares and on relevant matters. Based on the complaint of the complainant, the said matter was raised by the Statutory Auditors to the Audit Committee and also submitted its report to the Central Government subsequent to year end in Form No. ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014.

To ensure absolute fairness in the matter, the Company had appointed an Independent third party to investigate the said matter. Based on the investigation report submitted by the third party which was also adopted by the Audit Committee at its meeting held on 2<sup>nd</sup> September 2022, allegations in whistle-blower complaints were found to be baseless and as per the said investigation report the Company was recommended to take appropriate action.

For the other 2 complaints no actions was taken by the Board during the year under review, the Audit committee has decided to reprimand the complainant in no.2/2022 and take legal opinion on the Complaint No.3/2022 and the necessary reporting was made to the Board of Directors. The Whistle Blower complaints 02/2022 and 03/2022 were merely echoing the already closed complaint 01/2022 by the independent third party.

In spite of the same and by way of abundant caution the Board sought professional advice. The Whistle Blower Complaints were seen to be frivolous and baseless. Consequent thereto the Whistle-blower complaints were closed in accordance with the law.

Mr. Sandeep Khurana has submitted the Complaint No.1/2022 to BSE on 01<sup>st</sup> September, 2022. BSE sought various clarifications from the Company and the management and the Company has satisfactorily submitted the detailed clarifications to BSE in the prescribed time limits.

It is also pertinent to note that certain complaints were also received from Employees of the Company against Mr. Sandeep Khurana, (then Independent Director of the Company). Pursuant to the said complaints, the Management was constrained to constitute a Disciplinary Committee ("DC") of External/Independent Professionals to ascertain the veracity of the complaints and to have a fair and proper hearing/redressal of the matter.

Thereafter, the said DC carried out a detailed investigation process. This included inter alia recording of the statements, calling for testimonies, collating of material evidence, calling for the records et al. After a lengthy process in which Mr. Khurana was also called, the DC after due application of mind, came to the conclusion that the behaviour of Mr. Khurana clearly constituted workplace misconduct. The said Committee had carried out its assigned task keeping in view not only the principles of fairness but also the principles of natural justice.

After a very detailed process, the DC found that the actions of the Mr. Sandeep Khurana had specifically violated the various codes/ regulations of the Code of Conduct for Directors and Senior Managerial Personnel (“CoC”) of Modulex. Resultantly, the DC had made necessary recommendations to the Board of Directors of the Company to take action against Mr Khurana.

However, Board deliberated and decided not to take any disciplinary action against Mr Khurana. This was in view of the special circumstances and the fact that Mr. Khurana’s term as Director was to end imminently. Therefore, the Board felt it imperative that Mr. Khurana should retire with dignity.

Unfortunately, in a series of vindictive actions Mr Khurana chose to weaponize his departure by resigning two days before the end of his term as a Director, and writing a resignation letter that was fraught with insinuations, false allegations and defamations. Yet again, the Company was compelled to respond to the resignation letter of Mr. Khurana (Regulation 30 read with Part A of Schedule III of the SEBI LODR, 2015) as directed by BSE.

The Whistle Blower Policy of the Company to this effect, is also uploaded on the website of the Company i.e. <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Whistle-Blowe>.

**35. CREDIT RATINGS:**

The Company has not obtained credit ratings during the financial year 2022-23.

**36. MAINTENANCE OF COST RECORDS:**

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, are not applicable and as such your Company is not required to appoint a Cost Auditor or to maintain Cost records.

**37. CORPORATE SOCIAL RESPONSIBILITY:**

Provisions of Section 135 of the Act, relating to the Corporate Social Responsibility are not applicable to the Company for the year under review.

**38. CODE OF CONDUCT FOR DIRECTORS AND EMPLOYEES:**

The Company believes in creating and fostering an atmosphere of the highest corporate excellence. It envisions the best ethical standards not only for its employees but also for its Directors. With the said purpose in mind the Company has adopted a Code of Conduct for its Directors and Employees including a Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act. The purpose is to be not only fully compliant with the law but also to lay down best industry practices .The said Codes can be accessed on the Company’s website at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Code-of-Conduct-Directors-and-KMP-MCTL.pdf>.

In terms of the SEBI Listing Regulations, all Directors and Senior Management Personnel have affirmed compliance with their respective codes. The Managing Director has also confirmed and certified the same, which certification is provided at the end of the Report on Corporate Governance.

**39. PROHIBITION OF INSIDER TRADING:**

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a ‘Code of Conduct for Regulating, Monitoring and Reporting of Trading by insiders’ and ‘Code of Fair Disclosure’ of Unpublished Price Sensitive Information to ensure prohibition of Insider Trading in the Organization. The said codes are available on the Company’s website at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Investor%20relation%20files/Code-of-Practices-and-disclosure-of-UPSI-MCTL.pdf>

**40. CEO/CFO CERTIFICATE:**

Chief executive officer and Chief financial officer compliance certificate as stipulated under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is presented in a separate section forming part of this Annual Report.’

**41. APPLICATIONS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

There were no applications made by the Company or upon the Company under the Insolvency and Bankruptcy Code, 2016 during the period under review. There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 by/against the Company as on 31<sup>st</sup> March, 2023.

**42. ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the shareholders, bankers, regulatory bodies and other stakeholders during the year under review.

For and on behalf of the Board of Directors of  
**Modulex Construction Technologies Limited**

Sd/-  
Suchit Punnose  
Whole Time Director  
DIN: 02184524

09<sup>th</sup> August, 2023  
London

Sd/-  
Ajay Palekar  
Managing Director  
DIN: 02708940

09<sup>th</sup> August, 2023  
Pune

**Annexure I**  
**FORM NO. MR-3**  
**Secretarial Audit Report**

**For the Financial year ended March 31<sup>st</sup>, 2023**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of  
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**  
**The Members,**  
**Modulex Construction Technologies Limited**  
**A-82, MIDC Industrial Estate,**  
**Indapur, Pune - 413132**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Modulex Construction Technologies Limited CIN – L25999PN1973PLC182679** (hereinafter called “The Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the financial year under review)**;
- e. The Securities and Exchange Board of India (Issue and listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the financial year under review)**;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation 1993 regarding the Act and dealing with client **(Not Applicable to the Company during the financial year under review)**;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the financial year under review)**;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the financial year under review)**; and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Having regard to the compliance system prevailing in the Company, I further report that on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the same.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above, except the following matters as specified below:

1. There was a delay in submission of certificate as per Regulation 24A under SEBI LODR, 2015, penalty of Rs. 1, 92,000/- was levied by BSE.
2. There was a delay in submission of Shareholding pattern under Regulation 31 of SEBI LODR, 2015 for quarter ended June, 2022. Penalty of Rs.18, 000/- was levied by BSE.
3. There was a delay in submission of Financial Results under Regulation 33 of SEBI LODR, 2015 for quarter ended March, 2022, June, 2022, September, 2022 and December, 2022. Subsequently, penalty of Rs. 4, 75,000/-, Rs. 8, 55,000/-, Rs. 6, 20,000/- and Rs. 2, 10,000/- was levied by BSE for respective quarters.
4. Nomination and Remuneration Committee was not duly constituted as per the requirements of Regulation 19 of SEBI LODR, 2015. Subsequently, penalty of Rs.1, 68,000/- for quarter ended September, 2022 and Rs.88, 000/- for quarter ended December 2022 was levied by BSE and NRC Committee was reconstituted w.e.f. 30<sup>th</sup> November, 2022.

5. The below actions were taken by SEBI / Stock Exchange (s) during the year:
- a. The Company has received 8 complaints on SEBI Scores platform during the year from Mr. Sandeep Khurana, Independent Director. The SEBI has sought the clarification from the Company related to these complaints and necessary replies was been made in a timely manner.
  - b. Mr. Sandeep Khurana, Ex-Independent Director has submitted Whistle Blower complaints to BSE and exchange has sought clarification from the Company and necessary submission was made in this matter.
  - c. Mr. Sandeep Khurana, Ex-Independent Director has submitted 65 pages resignation letter and BSE has sought point wise reply from the Company and necessary submission were made to BSE in the matter.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper Balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable rules, laws, regulations and guidelines.

**I further report** that during the audit period, the following transactions have taken place:

1. Change in designation of Mr. Raj Kumar Sharma (DIN: 00998552) from Non-Executive Director to Independent Director of the Company w.e.f. 02<sup>nd</sup> September, 2022.
2. Re-appointment of Mr. Aditya Vikram Kanoria (DIN: 07002410) as an Independent Director of the Company for a second term of five consecutive years commencing from 9<sup>th</sup> March, 2023 till 8<sup>th</sup> March, 2028.
3. Re-appointment of Mr. Ajay Palekar (DIN: 02708940) as the Managing Director of the Company for a period of five years w.e.f. 9<sup>th</sup> March, 2023.
4. Re-appointment of Mr. Suchit Punnose (DIN: 02184524) as the Whole-time Director and Chairman of the Company for a period of five years w.e.f. 9<sup>th</sup> March, 2023.

5. Members of the Company through postal ballot approved the issue of 1,78,98,746 Equity Shares of Rs. 10/- each for consideration other than cash against 2,42,17,000 (Two Crores Forty-Two Lakhs Seventeen Thousand Only) equity shares of Rs. 10/- each of Give Vinduet Windows and Doors Private Limited (U28111KL2011PTC028899), on Preferential Basis by swap of Shares.
6. Resignation of Mr. Sandeep Khurana (DIN: 02118658) as an Independent Director of the Company w.e.f. 7<sup>th</sup> March, 2023.

Hitesh J. Gupta  
Practicing Company Secretary  
M No. A33684  
CP No.12722  
UDIN: A033684E000771993

Date: August 09, 2023

Place: Mumbai

**Note:** This report is to be read with my letter of even date which is annexed as ‘ANNEXURE - A’ and forms an integral part of this report.



## ANNEXURE - A

To,  
The Members,  
**Modulex Construction Technologies Limited**  
A-82, MIDC Industrial Estate,  
Indapur, Pune - 413132

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Hitesh J. Gupta  
Practicing Company Secretary  
M No. A33684  
CP No.12722  
UDIN: A033684E000771993

Date: August 09, 2023  
Place: Mumbai

**Annexure II**  
**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Part “A”: Statement containing salient features of the financial statement of Subsidiary

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Modulex Modular Buildings Private Limited
2.	The date since when subsidiary was acquired	26/10/2018
3.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period*	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
5.	Share Capital	6766.59
6.	Reserves & surplus	(5993.99)
7.	Total assets	5060.66
8.	Total Liabilities	4289.05
9.	Investments	0.99
10.	Turnover	NIL
11.	Profit/ (Loss) before taxation	(833.62)
12.	Provision for taxation	0.30
13.	Profit / (Loss) after taxation	(833.92)
14.	Proposed Dividend	NIL
15.	Percentage of shareholding (On Paid-up Share Capital)	99.67%

Notes:

\* Reporting period of the subsidiary is the same as that of the Company.

Part B of the Annexure is not applicable as there are no Associate Companies/Joint ventures of the Company as on 31<sup>st</sup> March, 2023.

For and on behalf of the Board of Directors of  
**Modulex Construction Technologies Limited**

Sd/- (Ajay Palekar)	Sd/- (Suchit Punnose)	Sd/- (Mahendra Kumar Bhurat)	Sd/- (Bhoomi Mewada)
Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN : 02708940	DIN : 02184524	PAN: AJIPB3300M	M. NO. : A34561

09<sup>th</sup> August, 2023

## REPORT ON CORPORATE GOVERNANCE

[Pursuant to the provisions of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### 1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company’s philosophy on corporate governance is to achieve business excellence and maximize stakeholder value through ethical business conduct and to protect the interest of all stakeholders, employees, customers, vendors, service providers, local communities and government. During the year under review, the Board continued its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

### 2. BOARD OF DIRECTORS:

#### a. Composition of Board and category of Directors:

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The names and categories of the Directors on the Board, as on 31<sup>st</sup> March, 2023 are as follows:

Sr. No.	Name of Director	Category	Shareholding of Directors as on 31 <sup>st</sup> March, 2023	The names of the listed entities where the person is a Director and the category of directorship	No. of Directorship held in other Companies	Membership held in Committees of other Companies#	Chairmanship held in Committees of other Companies#
1.	Mr. Ajay Palekar	Managing Director	2,23,048	-	1	1	-
2.	Mr. Suchit Punnose	Whole Time Director (Promoter)	18,92,489	Eco Hotels And Resorts Limited - Non - Executive Director	9	1	-
3.	Mr. Aditya Vikram Kanoria*	Non –Executive Independent Director	Nil	Credent Global Finance Limited - Managing Director	5	2	-
4.	Mr. Raj Kumar Sharma	Non –Executive Independent Director	1,55,296	-	2	-	-
5.	Mrs. Rakhee Agarwal	Non –Executive Independent Director	Nil	-	1	-	1

\*As on date of this report Mr. Aditya Vikram Kanoria is holding 13, 30,377 Equity shares.

# Membership/Chairmanship of Audit Committee and Stakeholders Relationship committee has been only considered.

\*\*Mr. Sandeep Khurana resigned from the position of Independent Director W.e.f 07<sup>th</sup> March, 2023 the detailed resignation letter is available on the website of the Company at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Intimation%2008032023%20Resignation%20of%20Mr.Sandeep%20Khurana.pdf>

The Chairman is an Executive Director and more than half of the Board consists of Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Companies Act, 2013.

There are no Directors who have attained the age of 75 years or more and for which approval of shareholders was required through special resolution in terms of Regulation 17 (1A) of the SEBI Listing Regulations.

**b. Number of Meetings of the Board of Directors held:**

During the year under review Six (6) Board meetings were held, namely on 09<sup>th</sup> July 2022, 02<sup>nd</sup> September 2022, 09<sup>th</sup> November 2022, 3<sup>rd</sup> February 2023, 18<sup>th</sup> March 2023 and 28<sup>th</sup> March 2023. The Company has complied with the stipulation of Section 173(1) of Companies Act, 2013 ('the Act') and the Listing Regulations for conducting minimum 4 (four) meetings of Board of Directors during the year. The gap between any two meetings did not exceed 120 days. Generally, all these Board Meetings were held in video conferencing / other audio-visual mode as allowed under applicable law.

The attendance of Directors in Board Meeting for the financial year 2022 – 23 and AGM are tabulated below:

Sr. No.	Name of Directors	No. of Meetings of Board	Meetings attended during the year	Attendance at the last AGM
1.	Mr. Ajay Palekar	6	6	Yes
2.	Mr. Suchit Punnose	6	6	No
3.	Mr. Aditya Vikram Kanoria	6	6	Yes
4.	Mr. Raj Kumar Sharma	6	5	Yes
5.	Mrs. Rakhee Agarwal	6	5	Yes
6.	Mr. Sandeep Khurana*	6	4	Yes

Mr. Sandeep Khurana resigned from the position of Independent Director W.e.f 07<sup>th</sup> March, 2023.

**c. Disclosure of relationships between Directors inter-se:**

There are no *inter-se* relationships between the Board members. In the opinion of the Board, the Independent Directors fulfill the conditions as specified in Listing Regulations and are independent of the management.

**d. Separate meeting of the Independent Directors:**

During the Year under review, a separate Meeting of the Independent Directors of the Company was held on 24<sup>th</sup> March, 2023, where the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- Review of performance of Non-Independent Directors and the Board as a whole.

- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- To view the unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.
- To discuss about familiarization programme conducted by the Company for the Independent Directors.

**e. Familiarization Programme:**

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The details regarding Independent Directors’ Familiarization Programmes are given under the Tab ‘Investor Relation’ on the website of the Company and can be accessed at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/ID-Familiarization-Program-MCTL.pdf>

**f. Directors Appointment/Re-Appointment:**

Mr. Ajay Palekar is liable to retire by rotation at the 50<sup>th</sup> AGM and being eligible, offers himself for re-appointment. Details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India (ICSI) are attached with notice of AGM.

**g. Resignation of Director:**

Mr. Sandeep Khurana, an Independent Director, resigned from the Board of Directors w.e.f 07<sup>th</sup> March, 2023, the resignation letter is available on the website of the company at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Intimation%2008032023%20Resignation%20of%20Mr.Sandeep%20Khurana.pdf>

**h. A chart / matrix setting out the skills/expertise/competencies as identified by the Board of Directors of the Company as required in the context of Company’s business(es) and sector(s) for it to function effectively and those actually available with the Board:**

Skills/expertise/competence	Mr. Ajay Palekar	Mr. Suchit Punnose	Mr. Aditya Vikram Kanoria	Mr. Raj Kumar Sharma	Mrs. Rakhee Agarwal
<b>Industry knowledge/experience</b>					
Experience	√	√	√	√	√
Industry knowledge	√	√	√	√	√
Understanding of relevant laws, rules, regulation policy	√	√	√	√	√
International Experience	√	√	√	√	√
Contract management	√	√	√	√	√

Skills/expertise/competence	Mr. Ajay Palekar	Mr. Suchit Punnose	Mr. Aditya Vikram Kanoria	Mr. Raj Kumar Sharma	Mrs. Rakhee Agarwal
<b>Technical skills/experience</b>					
Accounting and finance	√	√	√	√	√
Business Development	√	√	√	√	√
Information Technology	√	√	√	√	√
Talent Management	√	√	√	√	√
Leadership	√	√	√	√	√
Compliance and risk	√	√	√	√	√
Legal	×	×	×	×	×
Business Strategy	√	√	√	√	√
<b>Behavioral Competencies</b>					
Integrity and ethical standards	√	√	√	√	√
Mentoring abilities	√	√	√	√	√
Interpersonal relations	√	√	√	√	√

### 3. COMMITTEES OF THE BOARD:

The Board Committees plays a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review.

The Board has following Committees as on date of this report:

#### 3.1 AUDIT COMMITTEE:

The Audit Committee of the Company functions in accordance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The composition of the Audit Committee is in compliance of Regulation 18(1) of the Listing Regulations. The Audit Committee comprises of three Directors, out of which two are Independent Directors and one is Executive Director. The Members of the Audit Committee possess financial / accounting expertise / exposure. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

##### a. Terms of Reference:

The broad terms of reference includes the following as is mandated in Part C of Schedule II of the Listing Regulations and Section 177 of the Act:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

- Review and monitor the auditor’s independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors’ report thereon.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management the annual financial statements and auditors’ report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- Reviewing, with the management the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Examination of the financial statement and the auditors’ report thereon.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/or advances from/investment by holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.

**b. Composition of Audit Committee:**

The Composition of Audit Committee as on 31<sup>st</sup> March, 2023, is given below:

Name of the Director	Category	Positions
Mrs.Rakhee Agarwal*	Non-Executive & Independent Director	Chairman
Mr. Aditya Vikram Kanoria	Non-Executive & Independent Director	Member
Mr. Ajay Palekar	Managing Director	Member
Mr.Sandeep Khurana**	Non-Executive & Independent Director	Ex-Chairman

\*The Audit Committee of the Company was reconstituted on 09<sup>th</sup> July, 2022, Mrs.Rakhee Agarwal appointed as the Chairman of the Audit Committee w.e.f 09<sup>th</sup> July, 2022.

\*\*Mr.Sandeep Khurana resigned w.e.f 07<sup>th</sup> March, 2023.

**c. Meetings and attendance during the year:**

During the year under review, 8 (Eight) Audit Committee meetings were held on 18<sup>th</sup> July 2022, 02<sup>nd</sup> September 2022, 10<sup>th</sup> September 2022, 08<sup>th</sup> November 2022, 13<sup>th</sup> December 2022, 03<sup>rd</sup> February 2023, 18<sup>th</sup> March 2023 and 28<sup>th</sup> March 2023.

The necessary Quorum was present at the meetings. The attendance of each member of the Company is given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mrs.Rakhee Agarwal	8	8
Mr. Aditya Vikram Kanoria	8	8
Mr.Ajay Palekar	8	8

**3.2 NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee (NRC) of the Company functions in accordance Section 178 with the Act and Regulation 19 of Listing Requirements. The Nomination and Remuneration committee comprises of three Non-Executive Independent Directors.



**a. Terms of Reference:**

The broad terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

**b. Composition of Nomination and Remuneration Committee:**

The Composition of Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2023, is given below:

<b>Name of the Director</b>	<b>Category</b>	<b>Positions</b>
Mr. Raj Kumar Sharma*	Non-Executive & Independent Director	Chairman
Mr. Aditya Vikram Kanoria	Non-Executive & Independent Director	Member
Mrs. Rakhee Agarwal	Non-Executive & Independent Director	Member
Mr.Sandeep Khurana**	Non-Executive & Independent Director	Ex-Chairman
Mr. Ajay Palekar***	Managing Director	Ex-Member

\*The Nomination and Remuneration Committee of the Company was reconstituted on 09<sup>th</sup> July, 2022, Mr. Raj Kumar Sharma appointed as the Chairman of the Nomination and Remuneration Committee w.e.f 09<sup>th</sup> July, 2022.

\*\*Mr. Sandeep Khurana resigned w.e.f 07<sup>th</sup> March, 2023.

\*\*\*Nomination and Remunerations committee was reconstituted on 30<sup>th</sup> November, 2022.

**c. Meetings and attendance during the year:**

During the year under review, 2 (Two) Nomination and Remuneration Committee meetings were held on 18<sup>th</sup> May, 2022 and 25<sup>th</sup> August, 2022. The necessary Quorum was present at the meetings.

The attendance of each member of the Company is given below:

<b>Name of the Director</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mrs. Rakhee Agarwal	2	2
Mr. Raj Kumar Sharma	2	1
Mr. Aditya Vikram Kanoria	2	1
Mr. Ajay Palekar	2	1
Mr. Sandeep Khurana	2	1

**3.2.1 REMUNERATION POLICY:**

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification(s), positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is available on the Company’s website at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Investor%20relation%20files/Remuneration-Policy-MCTL.pdf>

**3.2.2 REMUNERATION TO DIRECTORS:**

On account of Company having inadequate profits and since the Company is at a nascent stage, it requires funds for its operational activities and expansion. Having regard to the foregoing and to conserve the resources of the Company, the Executive Directors waived their remuneration for the year 2022-23. Sitting fees of Rs.1,50,000/- has been paid to Independent Directors during the year under review for the year ended 2022-23.

There is no pecuniary relationship or transaction between the Company and any of the Non-Executive Directors. The Company does not have any stock option scheme.

None of the Directors are eligible for any severance fees.

**3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholder Relationship Committee (SRC) of the Company functions in accordance Section 178 with the Act and Regulation 20 of Listing Requirements. Stakeholder Relationship Committee comprises of Two Executive Directors and One Non-Executive Independent Director.

**a. Terms of Reference:**

The broad terms of reference of the Stakeholder’s Relationship Committee’ are as follows:

1. The Stakeholders Relationship Committee functions with the objective of looking into the redressal of Shareholder’s/Investor’s grievances.
2. Review of statutory compliance relating to all security holders.

3. Consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of securities, non-receipt of annual report/declared dividends/notices/balance sheet.
4. Review of measures taken for effective exercise of voting rights by shareholders.
5. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
6. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

**b. Composition of Stakeholders Relationship committee:**

The composition of Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2023, is given below:

<b>Name of the Director</b>	<b>Category</b>	<b>Positions</b>
Mr. Aditya Vikram Kanoria	Non-Executive - Independent Director	Chairman
Mr. Ajay Palekar	Managing Director	Member
Mr. Suchit Punnose	Whole Time Director	Member

The Stakeholder’s Relationship Committee’s composition and the terms of reference meet with the requirements of the Listing Regulations and provisions of the Act.

**c. Meetings and attendance during the year:**

During the year under review, 1 (One) Stakeholder Relationship Committee meeting was held on 17<sup>th</sup> January, 2023. The necessary Quorum was present at the meetings.

The attendance of each member of the Company is given below:

<b>Name of the Director</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mr. Aditya Vikram Kanoria	1	1
Mr. Ajay Palekar	1	1
Mr. Suchit Punnose	1	1

**d. Compliance Officer:**

Ms. Bhoomi Mewada is the Company Secretary & Compliance Officer of the Company and the designated e-mail address for investor complaints is [compliance@modulex.in](mailto:compliance@modulex.in).

**e. Shareholder’s complaint status:**

During the year under review, Company has received total 8 scores complaints from Mr. Sandeep Khurana Ex-Independent Director on the SEBI Scores platforms and on BSE Investor platform in the capacity of Shareholder/Director of the Company. The table below gives the number of complaints received and reply submitted during the financial year ended 31<sup>st</sup> March, 2023:

Sr. No	No. of complaints received during the year	No. of complaints not resolved to the Satisfaction of the shareholders during the year	No. of complaints resolved to the satisfaction of the Shareholders during the year	No. of complaints pending as on 31 <sup>st</sup> March, 2023
1	8	0	8	0

### 3.4 MANAGEMENT COMMITTEE

The Board has delegated some of its powers to the Management Committee, enabling it to act directly, or to provide recommendations to be approved by the Board. The day-to-day management of the Company is vested with the Management Committee, which is subject to the overall superintendence and control of the Board. During the year under review the Management Committee comprises as follows:

Name of the Director	Category	Positions
Mr. Ajay Palekar	Managing Director	Chairman
Mr. Raj Kumar Sharma*	Non-Executive - Independent Director	Member
Mr. Suchit Punnose	Whole Time Director	Member
Mr. Sandeep Khurana*	Non-Executive - Independent Director	Ex-Member

\*The Management Committee of the Company was reconstituted on 09<sup>th</sup> July, 2022, Mr. Raj Kumar Sharma appointed as the member of the Management Committee w.e.f 09<sup>th</sup> July, 2022.

The power, role and terms of reference of the Management Committee covers the areas based on the terms as defined by the Board of Directors from time to time. During the year under review, no meeting of Management Committee was held.

During the year under review, no meeting of Management committee was held.

### 3.5 SECURITIES COMMITTEE

The Board has delegated its power to issue and allot securities to the Securities Committee, enabling it to avoid the delay in process of transfer of securities.

The Securities Committee of the Company reconstituted as on 09<sup>th</sup> July, 2022. As on the date of this report the composition of the Securities Committee is as follows:

Name of the Director	Category	Positions
Mr. Aditya Vikram Kanoria	Non-Executive - Independent Director	Chairman
Mr. Ajay Palekar	Managing Director	Member
Mr. Raj Kumar Sharma	Non-Executive - Independent Director	Member

The power, role and terms of reference of the Securities Committee covers the areas based on the terms as defined by the Board of Directors.

During the year under review, no meeting of Securities Committee was held.

**4. SUBSIDIARY COMPANY:**

The Subsidiary of the Company functions independently, with an adequately empowered Board of Directors and sufficient resources. The financial statements of the Subsidiary Company are presented to the Audit Committee and Board meeting at every quarterly Meeting. The Company has also complied with the other provisions of Regulation 24 of the SEBI Listing Regulations with regard to Corporate Governance requirements for Subsidiary Company. The Policy for determining Material Subsidiaries as approved by the Board may be referred to, at the website of the Company at its website <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Policy%20on%20Material%20Subsidiaries%20and%20Governance.pdf>

**5. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES:**

As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Compliance Officer is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, preclearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company’s securities under the overall supervision of the Board. The Company has in place Board approved Code of Conduct for Prevention of Insider Trading as well as a Code of Practices and Procedures for Fair Disclosure in accordance with aforesaid Regulations. All the Directors on the Board, Senior Management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code. The said Code may be referred to, at the website of the Company at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Code-of-Practices-and-disclosure-of-UPSI-MCTL.pdf>

**6. GENERAL BODY MEETINGS:**

**i. Location and time of the last three Annual General Meetings:**

AGM	Financial year	Date	Location	Time	Particulars of Special Resolutions passed
47 <sup>th</sup> AGM	2019-20	30 <sup>th</sup> September, 2020	Meeting was conducted through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”).	4.30 p.m.	No special resolution was passed.
48 <sup>th</sup> AGM	2020-21	30 <sup>th</sup> September, 2021	Meeting was conducted through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”).	4.30 p.m.	No special resolution was passed.

49 <sup>th</sup> AGM	2021-22	30 <sup>th</sup> September, 2022	Meeting was conducted through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	12.35 p.m.	4 (Four) Special resolutions were passed with requisite majority: <ul style="list-style-type: none"> <li>i. Appointment of Mr. Raj Kumar Sharma (DIN: 00998552), as an Independent Director of the Company.</li> <li>ii. Re-appointment of Mr. Aditya Vikram Kanoria (DIN: 07002410), as an Independent Director of the Company.</li> <li>iii. Re-appointment of Mr. Suchit Punnose (DIN: 02184524) as Whole Time Director of the Company.</li> <li>iv. Re-appointment of Mr. Ajay Palekar (DIN: 02708940) as the Managing Director of the Company.</li> </ul>
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**ii. Location and time of the Extra Ordinary General Meetings (EOGM):**

Financial year	Date	Location	Time	Particulars of Special Resolutions passed
2022-23	20 <sup>th</sup> April, 2022 (Adjourned)	Meeting was conducted through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	1.30 pm	To consider and approve the Increase of Authorized Share Capital of the Company and Alteration of the Capital Clause in the Memorandum of Association of the Company.

**iii. Postal Ballot:**

During the year under review, the Company sought the approval of the Members by means of 1 (one) Postal Ballot conducted through Remote E-voting for the following business, which was duly passed with requisite majority, details appearing herein below:

Date of resolution passed	Resolution passed	Particulars of Resolutions	Voting Pattern		Scrutinizer Details
			% of votes cast in favour of resolution	% of votes cast against the resolution	
13 <sup>th</sup> December, 2022	Special Resolution	i. To consider and approve issue of 1,78,98,746 equity shares on preferential basis by swap of shares	98.90	1.10	Mr. Dharmesh Zaveri (Membership No. FCS 5418), Practicing Company Secretaries
		ii. To make Investments, Give Loans, Guarantees and Security in excess of limits specified under Section 186 of the Companies Act, 2013.	98.98	1.02	

**Procedure followed for Postal Ballot:**

Pursuant to Sections 108, 110 and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the Rules), as amended from time to time, the General Circular No. 14/ 2020 dated April 08, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19” issued by the MCA, Government of India (the “MCA Circulars”) and pursuant to other applicable laws and regulations, the Company provided only the remote e-Voting facility to its Members, to enable them to cast their votes electronically.

The Company engaged the services of Central Depository Services Limited (CDSL) for facilitating remote e-Voting to enable the Members to cast their votes electronically.

Mr. Dharmesh Zaveri (FCS 5418), Practicing Company Secretary, acted as the Scrutinizer, for conducting the aforesaid Postal Ballot process, in a fair and transparent manner.

In terms of the MCA Circulars, the Company sent the Postal Ballot Notices in electronic form only to its registered shareholders whose email IDs were registered/available with the Depository

Participants (DPs)/Registrars and Share Transfer Agents (RTA) as on a cut-off date. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-Voting. The scrutinizer, after the completion of scrutiny, submitted his report.

The consolidated results of the voting by postal ballot and e-Voting were then announced and the results were also displayed on the website besides being communicated to BSE Limited and CDSL.

## **7. MEANS OF COMMUNICATION:**

### **a. Quarterly, Half Yearly and Annual results:**

The quarterly/half yearly/unaudited/audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors.

Quarterly, half-yearly and annual financial results of the Company are published in widely circulated National newspapers, as per the details given below:

1. Financial Express; all editions in English
2. Lakshadeep, Pune in Marathi

The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases and transcripts of the meetings with institutional investors / analysts (if any) on its website i.e. <https://modulex.in>. This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are updated regularly.

### **b. Annual Reports and Annual General Meetings:**

The Annual Reports are emailed to Members and others entitled to receive them. The Annual Reports are also available on the Company's website at <https://www.modulex.in/investor-relation>

In line with the MCA Circulars dated 05<sup>th</sup> May , 2020 and 13<sup>th</sup> January , 2021 and SEBI Circulars dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January , 2021, the Notice of the AGM along with the Annual Report was sent only through electronic mode to those Members whose email addresses were registered.

### **c. Website:**

Comprehensive information about the Company, its business and operations, Press Releases and investor information can be viewed at the Company's website at [www.modulex.in](http://www.modulex.in). Full Annual Reports are also available on the website in a user- friendly and downloadable format.

### **d. Press releases:**

Press reports are given on important occasions. They are sent to Stock Exchanges and also placed on the Company's website at [www.modulex.in](http://www.modulex.in).



**e. SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. During the year following complaints was received:

No. of complaints received during the year	No. of complaints not resolved to the Satisfaction of the shareholders during the year	No. of complaints resolved to the satisfaction of the Shareholders during the year	No. of complaints pending as on 31 <sup>st</sup> March, 2023
8	0	8	0

**f. BSE Corporate Compliance & Listing Centre (the Listing Centre):**

BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**g. eXtensible Business Reporting Language (XBRL):**

XBRL is a standardized and structured way of communicating business and financial data in an electronic form. XBRL provides a language containing various definitions (tags) which uniquely represent the contents of each piece of financial statements or other kinds of compliance. BSE provide XBRL based compliance reporting featuring identical and homogeneous compliance data structures between Stock Exchanges and Ministry of Corporate Affairs. The XBRL filings are done on the BSE online portal.

**8. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis section is carried in detail and forms part of the Report.

**9. PREVENTION OF INSIDER TRADING:**

The Company has instituted a mechanism to avoid Insider Trading. In accordance with the SEBI (Prevention of Insider Trading) Regulations, 2015 as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Code of Fair Disclosure and Conduct to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The said Code of Fair Disclosure and Conduct is available on the Company's website i.e. <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Code-of-Practices-and-disclosure-of-UPSI-MCTL.pdf>

**10. GENERAL SHAREHOLDER INFORMATION:**

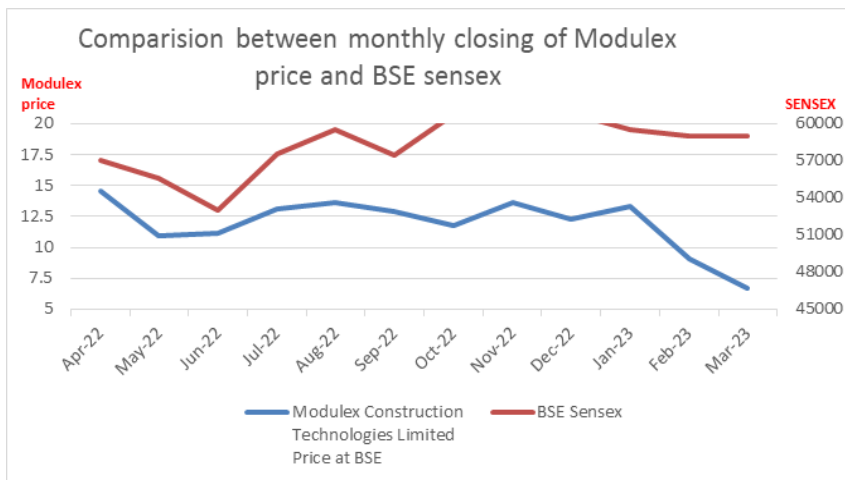
1.	Annual General Meeting	Date: 26 <sup>th</sup> September, 2023 Time: 12.30 PM IST Venue: Video Conferencing or Other Audio-Visual Means
2.	Financial Year	31 <sup>st</sup> March, 2023
3.	Dates of Book Closure	19 <sup>th</sup> September, 2023 to 26 <sup>th</sup> September, 2023
4.	Dividend	In view of loss incurred for the year, no Dividend has been declared.
5.	Listing on Stock Exchanges	The Equity Shares of your Company are listed on: BSE Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.
6.	Payment of Listing Fees	Fee for the year under review 2022-23 has been paid.
7.	Stock Code and ISIN	504273 INE064R01012
8.	Registrar to issue & Share Transfer Agents	<b>Purva Sharegistry (India) Private Limited</b> Address: Unit no. 9, Shiv Shakti Industrial Estate., J .R. Boricha Marg, Lower Parel (E), Mumbai 400 011 Tel: 91-22-2301 2518 / 6761 Fax: +91-22-2301 2517 Website: <a href="http://www.purvashare.com">www.purvashare.com</a> ; email: <a href="mailto:support@purvashare.com">support@purvashare.com</a>
9.	Share Transfer System	The Board of Directors has delegated the authority to transfer the shares to M/s Purva Sharegistry (India) Private Limited, Registrar and Share Transfer Agents of the Company. The Share Transfer Agents attend to share transfer formalities, if any.
10.	Plant Location	The Company is not a manufacturing unit and thus not having any Plant.
11.	Address for Correspondence	Ms. Bhoomi Mewada, Company Secretary A- 82,MIDC Industrial Estate Indapur, Pune 413132 E-mail.: <a href="mailto:compliance@modulex.in">compliance@modulex.in</a> , Website: <a href="https://modulex.in">https://modulex.in</a> ;
12.	Dematerialization of Shares and liquidity	As on 31 <sup>st</sup> March, 2023: 5, 11, 05,957 Equity Shares of the Company constituting 99.62% of the equity share capital are held in Dematerialized form. The Equity Shares of the Company are traded only in dematerialized form on the BSE.
13.	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company’s Registrar and Share Transfer Agent, M/s. Purva Sharegistry (India) Private Limited.

14.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s. Purva Shareregistry (India) Private Limited at <a href="mailto:support@purvashare.com">support@purvashare.com</a> or to Ms. Bhoomi Mewada, Company Secretary at <a href="mailto:compliance@modulex.in">compliance@modulex.in</a> .
15.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on 31 <sup>st</sup> March, 2023.

**a. Market Price Data & comparison to BSE Sensex:**

The price of the Company’s Share - High, Low during each month in the last financial year 2022-23 on the Stock Exchanges is given below in a tabular form:

Month	Modulex Construction Technologies Limited Price at BSE			BSE Sensex		
	High	Low	Close	High	Low	Close
April 2022	17.80	14.40	14.55	60,845.10	56,009.07	57,060.87
May 2022	15.50	9.96	10.97	57,184.21	52,632.48	55,566.41
June 2022	13.37	10.55	11.10	56,432.65	50,921.22	53,018.94
July 2022	14.00	10.30	13.09	57,619.27	52,094.25	57,570.25
August 2022	14.25	10.61	13.60	60,411.20	57,367.47	59,537.07
September 2022	16.57	11.50	12.89	60,676.12	56,147.23	57,426.92
October 2022	13.85	11.05	11.80	60,786.70	56,683.40	60,746.59
November 2022	16.20	11.50	13.65	63,303.01	60,425.47	63,099.65
December 2022	14.12	12.07	12.29	63,583.07	59,754.10	60,840.74
January 2023	15.10	12.10	13.30	61,343.96	58,699.20	59,549.90
February 2023	13.50	9.11	9.11	61,682.25	58,795.97	58,962.12
March 2023	10.14	6.44	6.73	60,498.48	57,084.91	58,991.52



**b. Share Transfer System:**

Applications for transfer of shares in physical form to demat are processed by the Company's Registrar & Transfer Agent viz. M/s. Purva Shareregistry India Private Limited. The Company has constituted a Securities Committee to look after the transfer / transmission of shares, issue of duplicate shares and allied matters. The transfers of shares in physical form as and when received are normally processed within 15 days from the date of receipt of documents complete in all respects. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective Depositories i.e. NSDL and CDSL within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

Pursuant to the amendment to the SEBI Listing Regulations on 24<sup>th</sup> January, 2022, the Company shall (i) effect issuance of certificates in dematerialized form only, for any requests received for subdivision, split, consolidation, renewal, exchanges, endorsements or issuance of duplicate certificates; and (ii) execute requests for transmission and transposition of securities, held in physical or dematerialized form, in dematerialized form only.

The Company has obtained half-yearly certificate from a Practicing Company Secretary to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, subdivision, consolidation and renewal etc. as required under Regulation 40(9) of the Listing Regulations and the same was submitted to the Stock Exchange.

**c. Distribution of Shareholding as on 31<sup>st</sup> March, 2023:**

No. of Shares of Rs. 10/- each	Shareholders		Equity Shares	
	Number	% of total shareholders	Number	% of total shares
Up to 5,000	4302	71.0370	4653790	0.9071
5,001 – 10,000	463	7.6453	4019710	0.7835
10,001 - 20,000	367	6.0601	6047870	1.1789
20,001 - 30,000	146	2.4108	3794110	0.7395
30,001 - 40,000	90	1.4861	3268520	0.6371
40,001 - 50,000	121	1.9980	5903040	1.1506
50,001 - 1,00,000	208	3.4346	16679370	3.2511
1,00,001 & Above	359	5.9280	468663990	91.3521
<b>TOTAL</b>	<b>6056</b>	<b>100.00</b>	<b>513030400</b>	<b>100.00</b>

**d. Shareholding Pattern as on 31<sup>st</sup> March, 2023:**

The shareholding of the Company as on 31<sup>st</sup> March, 2023 with respect to categories of investors are as follows:

Sr. No.	Category	No. of shareholders	No. of Equity Shares	Percentage %
1.	Promoter & Promoter Group	3	1,31,88,944	25.71
2.	Public	6053	3,81,14,096	74.29
	<b>Total</b>	<b>6056</b>	<b>51,30,30,400</b>	<b>100.00</b>

## 11. DISCLOSURES:

### a. Related Party Transactions:

Details of the relevant related party transactions entered into by the Company are set out in the Notes to Accounts and also annexed as an Annexure in this report. Suitable disclosures as required by the Accounting Standard (AS 18) have been made in the Annual Report. All transactions with related parties entered into by the Company were on an arm's length basis and were approved by the Audit Committee.

Pursuant to Regulation 23 of the Listing Regulations, the Board of Directors has adopted the 'Related Party Transaction Policy'. The said policy is available on the Company's website at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Policy%20on%20Related%20Party%20Transactions.pdf>.

### b. Compliances by the Company:

During the year under review, Company has not complied with the following regulation under SEBI LODR 2015:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Action Taken by BSE	Details of Violation	Fine Amount
1.	Regulation 24A of SEBI LODR, 2015	Reg- 24A	BSE levied SOP Fines	Late submission of report by 96 days	Rs.1,92,000/-
2.	Regulation 31 of SEBI LODR, 2015	Reg-31	BSE levied SOP Fines	Late submission of report by 9 days	Rs.18,000/-
3.	Regulation 33 of SEBI LODR	Reg-33	BSE levied SOP Fines	Late submission of report by 95 days	Rs.4,75,000/-
4.	Regulation 33 of SEBI LODR	Reg-33	BSE levied SOP Fines	Late submission of report by 171 days	Rs.8,55,000/-
5.	Regulation 33 of SEBI LODR	Reg-33	BSE levied SOP Fines	Late submission of report by 124 days	Rs.6,20,000/-
6.	Regulation 33 of SEBI LODR	Reg-33	BSE levied SOP Fines	Late submission of report by 42 days	Rs.2,10,000/-
7.	Regulation 19	Reg-19	BSE levied SOP Fines	Composition of Committee	Rs.1,68,000/-
8.	Regulation 19	Reg-19	BSE levied SOP Fines	Composition of Committee	Rs.88,000/-

### c. Proceeds from public issues, right issues, preferential issues etc.:

The Company has not raised any funds through issue of Equity Shares on preferential basis. There is no pending utilization of any of its earlier issue proceeds as on 31<sup>st</sup> March, 2023.

**d. CEO/CFO certification:**

The Managing Director and Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended 31<sup>st</sup> March, 2023.

**e. Compliance with mandatory and non-mandatory requirements:**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the details of these compliances have been given in the relevant sections of this report.

**f. Reconciliation of Share Capital Audit:**

A Company Secretary in Practice carries out audit of Reconciliation of Share Capital on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**g. Certificate from Practicing Company Secretary:**

The Company has obtained a Certificate from Mr. Hitesh J. Gupta, Practicing Company Secretary, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been annexed with this Report.

**h. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: **Not Applicable****

**i. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part: Rs. 31, 99,000/- (Thirty One Lakhs Ninety Nine Thousand Only)**

**j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. Number of complaints filed during the financial year 2022-23: Nil
- b. Number of complaints disposed of during the financial year 2022-23: Nil
- c. Number of complaints pending as on end of the financial year 2022-23: Nil

**k. Disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount’:**

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount (paid) / Received as advance if any
Mr. Suchit Punnose	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: 9<sup>th</sup> January, 2019</li> <li>• General business purpose loan</li> <li>• Interest Rate @7.37% p.a. or interest free</li> <li>• Repayment at once, including interest following expiry of the term</li> </ul>	-	Rs. (1,92,000)
Modulex Modular Buildings Private Limited	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: 1<sup>st</sup> April, 2018</li> <li>• General business purpose loan</li> <li>• Interest Rate 9% p.a. from 1.4.2021 or interest free</li> <li>• Repayment at once, including interest following expiry of the term.</li> </ul>	-	Rs. 1,04,21,000 Rs. (1,80,000)
Give Vinduet Windows and Doors Private Limited	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: 17<sup>th</sup> February, 2019</li> <li>• General business purpose loan</li> <li>• Interest Rate @7.37% p.a. or interest free</li> <li>• Repayment at once, including interest following expiry of the term.</li> </ul>	-	Rs. (10,93,194)

- l.** Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries as on 31<sup>st</sup> March, 2023:

<b>Name of the material subsidiary Company</b>	<b>Date of Incorporation</b>	<b>Place of Incorporation</b>	<b>Name of statutory auditor</b>	<b>Date of appointment of Statutory Auditor</b>
Modulex Modular Buildings Private Limited	23 <sup>rd</sup> September, 2008	Mumbai- Maharashtra	M/s.RMJ & Associates, Chartered Accountants*	29 <sup>th</sup> October, 2020

\* M/s. RMJ & Associates, Statutory Auditors resigned w.e.f.10<sup>th</sup> June, 2023 from the Modulex Construction Technologies Limited as well as from the office of Material subsidiary.

M/s. Dhadda & Associates, Chartered Accountants appointed as the Statutory Auditors of the Company and its material subsidiary vide Board approval dated 09<sup>th</sup> August 2023 which is subject to the member's approval at the ensuing Annual General Meeting.

- m. Details of Credit Ratings obtained by the Company:** Not Applicable
- n. Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable
- o.** Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel have been denied access to the audit committee;

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company.



**12. COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS:**

**Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations are as under:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Regulations</b>	<b>Brief Description of the Regulations</b>	<b>Compliance Status (Yes / No / N.A.)</b>
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non-Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Minimization and Risk Management Plan	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the AGM	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and review of information by the Committee	Yes
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the AGM	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	N.A.
		21(4)	Role of the Committee	N.A.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Regulations</b>	<b>Brief Description of the Regulations</b>	<b>Compliance Status (Yes / No / N.A.)</b>
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transactions	23(1),(5),(6), (7) & (8)	Policy for Related Party Transaction	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all related party transactions and review of transactions by the Committee	Yes
		23(4)	Approval for material related party transactions	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	Yes
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to subsidiary including material subsidiary of listed entity	Yes
		24A	Secretarial Audit of the Company Secretarial Audit of the material unlisted subsidiaries	Yes Yes
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(6)	Filling the vacancy of Independent Director created by resignation or removal	N.A
		25(7)	Familiarization of Independent Directors	Yes
		25(10)	D and O insurance for Independent Directors	Yes

<b>Sr. No.</b>	<b>Particulars</b>	<b>Regulations</b>	<b>Brief Description of the Regulations</b>	<b>Compliance Status (Yes / No / N.A.)</b>
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct by members of Board of Directors and senior management personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by senior management about potential conflict of interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of discretionary requirements	Yes
		27(2)	Filing of quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various Committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower Policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive directors	Yes
		46(2)(g)	Policy on dealing with related party transactions	Yes
		46(2)(h)	Policy for determining 'Material' Subsidiaries	Yes
		46(2)(i)	Details of familiarization programme imparted to Independent Directors	Yes

### 13. CODE OF CONDUCT:

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is in compliance with the requirements of Listing Regulations. The Code of Conduct is available on the Company's website at <https://5458374.fs1.hubspotusercontent-na1.net/hubfs/5458374/Investor%20relation%20files/Code-of-Conduct-Directors-and-KMP-MCTL.pdf> The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code.

The Annual Report of the Company contains a declaration to this effect duly signed by the Managing Director of the Company.

For and on behalf of the Board of Directors of  
**Modulex Construction Technologies Limited**

Sd/-  
Suchit Punnose  
Whole Time Director  
DIN: 02184524

Sd/-  
Ajay Palekar  
Managing Director  
DIN: 02708940

09<sup>th</sup> August, 2023  
London

09<sup>th</sup> August, 2023  
Pune

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### DECLARATION IN RESPECT OF CODE OF CONDUCT

In accordance with the Listing Regulations, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them for the financial year ended 31<sup>st</sup> March, 2023.

Pune  
09<sup>th</sup> August, 2023

Sd/-  
Ajay Palekar  
Managing Director  
02708940

## **Certificate of Non-Disqualification of Directors**

[Pursuant to Schedule V Para C clause 10 of the SEBI (LODR), 2015]

I have examined declarations received from the Directors of Modulex Construction Technologies Limited (“Company”) (CIN: L25999PN1973PLC182679) and other relevant registers, records, forms, returns filed by the Company.

In my opinion and to the best of my information and according to the verifications as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other statutory authority for the financial year ending as on 31<sup>st</sup> March, 2023.

Sd/-  
Hitesh J. Gupta  
Practicing Company Secretary  
M No. A33684  
CP No.12722  
UDIN: A033684E000771982

Date: 09<sup>th</sup> August, 2023

Place: Mumbai

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Modulex Construction Technologies Limited

I have examined the compliance of the conditions of Corporate Governance by Modulex Construction Technologies Limited ('the Company') for the year ended 31<sup>st</sup> March 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31<sup>st</sup> March 2023.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-  
Hitesh J. Gupta  
Practicing Company Secretary  
ACS No.: A33684  
C P No.: 12722  
UDIN: A033684E000772004

Place: Mumbai  
Date: 09<sup>th</sup> August, 2023

## MD – CFO CERTIFICATE

To,  
The Board of Directors  
Modulex Construction Technologies Limited

**Subject: Certificate on financial statements for the financial year ended 31<sup>st</sup> March, 2023 pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir(s),

We, Ajay Palekar, Managing Director and Mahendra Kumar Bhurat, CFO, have reviewed the financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief, we hereby certify that:

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- c. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct;
- d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies;
- e. We have indicated to the Auditors and Audit Committee that:
  - i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no significant changes in accounting policies during the year; and
  - iii. There are no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

Yours Faithfully,

For **Modulex Construction Technologies Limited**

Sd/-  
Ajay Palekar  
Managing Director

Sd/-  
Mahendra Kumar Bhurat  
Chief Financial Officer

09<sup>th</sup> August, 2023

## INDEPENDENT AUDITOR’S REPORT

### To the Members of Modulex Construction Technologies Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **Modulex Construction Technologies Limited (“the Company”)**, which comprise the Standalone Balance Sheet as at March 31, 2023, Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of change in Equity and Standalone Statement of Cash Flow for the year then ended and Notes to Standalone Financial Statements and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended to the extent applicable thereto and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023; and its loss (including other comprehensive income), its Standalone cash flows and the Standalone statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (“SA”s) issued by the Institute of Chartered Accountants of India (“ICAI”) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Results 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 (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 44 in the Standalone Financial Statements, which states that the Company has incurred a net loss before Other Comprehensive Income in the current year and in the previous year. The Company’s current assets as on the date of the balance sheet are not sufficient to meet its current liabilities. The Company is implementing the project at Pune through its subsidiary company (Modulex Modular Buildings Private Limited) and the progress of the project is slow considering the various factors (including the temporary suspension of the project). There is material uncertainty related to the aforementioned conditions read with point (6) of the Emphasis of Matters paragraph of the Independent Auditor’s report that may cast significant doubt on the Company continuing as a going concern. Further, we are informed that the promoters/shareholders are committed to give financial support as and when required by the Company, the management expects an improvement in the performance of the Company in the long run and the management is also committed to complete the project at Pune through a Subsidiary company. Considering this, in the opinion of management, the Standalone Financial Statements are prepared on a going concern basis.

Our opinion is not modified in respect of this matter.



## Emphasis of Matters

- (1) As stated in note 38 of Standalone Financial Statements, in the previous year, the Company received a whistleblower complaint from one of the person (hereinafter referred to as “the complainant”). The Complainant was an independent director of the Company till 6<sup>th</sup> March 2023. The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, the said matter was raised by the statutory auditor to the audit committee and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014 in the current year. The Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which is also approved by the audit committee in a meeting held on 2<sup>nd</sup> September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, during the year, the Company has received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and has suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors of the Company for further actions. The board of directors of the Company is exploring the best feasible option to close the matter.

- 2) As stated in note 6.1 of the Standalone Financial Statements, in the previous year, the Company had made an Investment in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) which was approved by the board of directors of the Holding Company, however, the shareholder’s approval for the same was not obtained as per the requirement of Section 186 of the Companies Act 2013. During the current year, the Company has obtained prospective approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs.
- 3) Reference is invited to Note 39 of Standalone Financial Statements which states that in the opinion of the management, the Company is not required to obtain registration as a Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities and nor proposing to carrying on financial activities as a principal business in future and revenue of the Company is affected mainly due to delay in implementing the project by the subsidiary company. However, the Company is taking necessary steps to generate revenue from non-financial assets. This opinion is also confirmed by the consultant of the Company and we have relied on the same.
- 4) As stated in Note 41 of the Standalone Financial Statements, the Company has not maintained video recordings of certain board meetings and other committee meetings which are held virtually till 31<sup>st</sup> March 2022 as per the requirement of Section 108 of the Companies Act 2013. We are informed by the management that it is due to technical glitches. However, signed physical board minutes and other committee minutes of meetings have been maintained by the Company and we have relied on the same for our audit.
- 5) As stated in Note 43 of the Standalone financial statements, one of the independent director of the Company has resigned w.e.f. 7th March 2023 and he has levelled certain allegations against the Company / certain employees & directors of the Company. Based on the said letter, the Company has received an email from the Bombay Stock Exchange to submit its reply. The Company has rebutted the allegation levelled by the said independent director. The Company has replied to the email received from the Bombay Stock Exchange and uploaded it on the website of the stock exchange.

- 6) As stated in Note 34 of the standalone financial statements, the Company has carried out the fair value of investments in the subsidiary company (Modulex Modular Buildings Private Limited [MMBPL]) from the two valuers as on 31st March 2023 which is sufficient to cover the cost of investments. Considering the same and considering the management outlook for improvement in the performance of the Subsidiary Company (MMBPL) in the long run, in the opinion of management, no impairment is required for investment value in the Subsidiary Company (MMBPL), since the management is committed to complete the construction of the project. We have relied on the said valuation reports and information & explanation given by the management.

Our opinion is not modified in respect of the above matters. The above matters except points 5 & 6 above were reported in the independent auditors’ report for the previous year ended 31<sup>st</sup> March 2022 and our opinion was also not modified in respect of the these matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the Standalone Financial statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<p><b>Investments in Compulsory Convertible Debentures (CCD’s) amounting to Rs 60.00 lakhs (excluding fair value adjustments under Ind AS)</b></p> <p>During the year, the Company has made investments in 15% Compulsory Convertible Debentures. Management assesses whether there are indications of impairment and determines the recoverable amounts of the investments including the recording of the said amount.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach consisted of the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Inquiry from management</li> <li>• Obtaining a valuation report and relying on the appropriateness of the valuation report provided by the management for the fair value of CCD’s.</li> <li>• Obtain and verified evidence of investments. Also, refer to point 2 of paragraph “Emphasis of Matters” in the independent auditor’s report.</li> </ul>
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**Information Other than the Standalone Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the Director’s Report, but does not include the Standalone Financial Statements and our auditor’s report thereon. The Director’s report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director’s Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 ‘The Auditor’s Responsibilities Relating to Other Information’.

## **Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended applicable there to. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Independent Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

Further, as part of an audit in accordance with standards on auditing, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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.
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 the audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Standalone Balance Sheet, Standalone Statement of Profit and Loss (including Other Comprehensive income), Standalone Cash Flow statement and the Standalone Statement of Change in Equity dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended applicable there to.
- e) The matter covered under para ‘material uncertainty related to going concern’ may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- h) 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 to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

- i) 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 pending litigations that affect its financial position in its Standalone Financial Statements except for the matter described in note 38 of standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. The management has represented that to the best of its knowledge and belief, as disclosed in note 36(v) of Standalone Financial Statements, in the current year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The management has represented that to the best of its knowledge and belief, as disclosed in Notes 35 & 36(vi) to the Standalone Financial Statements, in the current year, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly

- or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. The Company has not declared or paid any dividend during the year and hence, our reporting with respect to compliance with section 123 of the Act does not arise.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly reporting under 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the current financial year ended March 31, 2023.

**For RMJ & Associates LLP**

**Chartered Accountants**

Firm Registration No: W100281

**Rakesh Upadhyaya**

Partner

Membership No.: 046271

**UDIN No.: 23046271BGXMBH9668**

Place: Mumbai.

Date: 30<sup>th</sup> May 2023

## Annexure A to the Independent Auditors’ Report

The Annexure referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of even date to the members of **Modulex Construction Technologies Limited** (‘the Company’) for the year ended on **March 31, 2023**. We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment.
- (a) (B) The Company does not have intangibles assets and hence provisions of clause 3(i)(a)(B) is not applicable to the Company.
- (b) The Property, plant and equipment have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of the business.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold immovable properties. Accordingly, the provision of clause 3(i)(c) of the order is not applicable to the Company.
- (d) During the year, the Company has not revalued any of its Property, Plant and Equipment. Accordingly, the provision of clause 3(i)(d) of the order is not applicable to the Company.
- (e) According to the information and explanation provided to us, the Company is not holding any Benami property under the Benami Transactions (Prohibition Act), 1988 (45 of 1988) and relevant rules made thereunder. Accordingly, the provision of clause 3(i)(e) of the order is not applicable to the Company.
- (ii) (a) According to the information and explanation given to us, the Company does not have any inventories during the year or as at 31st March 2023 and accordingly, the provision of clause 3(ii)(a) is not applicable to the Company.
- (b) As informed to us, the Company has not been sanctioned working capital limits in excess of Rs five crores in the aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and accordingly, provision of clause 3(ii) (b) of the order is not applicable to the Company.
- (iii) (a) In our opinion and according to the information and explanations given to us, during the year the Company has not made any investment, given any loan, advances in nature of loans, given guarantees and securities to firms, Limited liability partnerships or any other parties. Accordingly, the provision of clauses 3(iii)(a)A, 3 (iii)(a)B and 3(iii)(b) to (f) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan, guarantees, advances, in nature of loan and security during the year. Hence, compliance with sections 185 and 186 of the Act is not required except for the matter stated in note 6.1 of standalone financial statements, in respect of investments in Compulsory Convertible Debentures of Give Vinduet



Windows and Doors Private Limited where shareholders' approval u/s 186 of the Act was not taken in the previous year and in the current year, the Company has obtained prospective approval from shareholders for making investments.

- (v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits. Therefore, the question of reporting compliance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) As informed to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, amounts deducted/accrued in the books of account, the Company is regular in respect of undisputed statutory dues including Provident fund, Employees state insurance, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, cess and any other statutory dues with the appropriate authorities except there are delays in payment of tax deducted at sources and Goods and service tax. There were no undisputed statutory dues outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable except in respect of i) Tax Deducted at Source (Income tax) (including interest thereon) of Rs.17.47 lakhs pertaining from January 2019 to September 2022 and ii) Goods and service tax of Rs 0.65 lakhs (including interest thereon) pertaining from June 2021 to September 2022.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues as referred in para (a) above which have not been deposited on account of any dispute.
- (viii) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provision of clause 3 (viii) of the order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, (a) in respect of term loan obtained by the Company, there is no default in repayment of principal and payment of interest thereon considering that loan (including interest there on) is not due in the current year and (b) in respect of demand loan obtained by the Company, there is no default in repayment of principal and payment of interest thereon considering that the Company has not received any demand for repayment loan and payment of interest there on in the current year.
- (b) As informed to us, the Company has not declared willful defaulter by any bank or financial institution or other lender. Accordingly, the provisions of clause 3(ix)(b) of the order is not applicable to the Company.



- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not obtained the term loans during the year. Accordingly, the provisions of clause 3(ix)(c) of the order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the Company has used funds raised on short term basis (Current Liabilities) aggregating to Rs. 616.17 lakhs for long-term purposes (non-current assets and accumulated losses).
- (e) On overall examination of the Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. There are no associate or joint venture of the Company.
- (f) On overall examination of the Standalone financial statements of the Company, it has not raised any loans during the year on the pledge of securities held in its subsidiary. Accordingly, the provisions of clause 3(ix)(f) of the order is not applicable to the Company
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the order is not applicable.
- (xi) (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements of the Company and according to the information and explanation which are given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management read with Note 38 of standalone financial statements which states that In the previous year, the Company had received a whistleblower complaint from the complainant. The Complainant was an independent director of the Company till 6th March 2023. The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, said the matter was raised by the statutory auditor to the audit committee and the statutory auditor also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014. The Company has appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which is also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint are found baseless. Further, during the year, the Company has received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and has suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors for further actions. The board of directors is exploring the best feasible option to close the matter.

- (b) During the current year, we have filed the report under section 143(12) of the Act in the Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditor) Rules with the Central Government in respect of matter as stated in note 38 of Standalone Financial Statements.
  - (c) As per the information and explanation given to us, we have taken into consideration the two whistleblower complaints received by the company during the year while determining the nature, timing and extent of audit procedures which is stated in Note 38 of standalone financial statements.
- (xii) The Company is not a Nidhi Company. Hence, the provision of clause 3(xii)(a) to (c) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and according to the explanation given to us, the Company has an adequate internal audit commensurate with the size and its nature of the business.
- (b) We have considered, the internal audit reports for the year under audit and issued to the Company during the year.
- (xv) According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions covered under section 192 of the Companies Act, 2013 with directors or persons connected with him and hence, clause 3(xv) of the order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us and in the opinion of the management and as advised by the consultant of the Company (Refer Note 39 of standalone financial statements), the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (also refer Point 3 of the paragraph of Emphasis of Matter of our independent auditor's report).
- (b) According to the information and explanations given to us, there is no core investment company within the group (as defined by the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, the provisions of clause 3(xvi)(d) of the order is not applicable to the Company.
- (xvii) In our opinion and based on the overall examination of Standalone Financial Statements, the Company has incurred cash losses of Rs. 151.65 lakhs in the current year and Rs. 99.93 lakhs in the immediately preceding previous financial year.
- (xviii) There is no resignation of the statutory auditor during the year and hence, reporting under clause 3(xviii) of the order is not applicable.

- (xix) According to information and explanation given to us and on the basis of the financial ratio, ageing and expected dates of realisation of financial assets and payment of financial liabilities and other information accompanying the Financial Statements, management plans and based on our examination of the evidence supporting the assumption and read with our reporting made in the paragraph of “Material Uncertainty related to Going Concern” in Independent Auditor’s Report, there exists material uncertainty as on the date of the independent auditor’s report. However, as stated in the paragraph of “Material Uncertainty related to Going Concern” in the Independent Auditor’s Report, promoter / shareholders will infuse the funds in the Company as and when required and considering the same, the Company would be capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the independent auditor’s report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) As informed to us, the Company is not required to comply with Section 135 of the Act as it is not fulfilling the criteria mentioned under the said section and hence, reporting under clause 3(xx)(a) & (b) is not applicable to the Company.

**For RMJ & Associates LLP**

**Chartered Accountants**

Firm Registration No: W100281

**Rakesh Upadhyaya**

**Partner**

Membership No. 046271

**UDIN No.: 23046271BGXMBH9668**

Place: Mumbai

Date: 30<sup>th</sup> May 2023

## **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 **Modulex Construction Technologies Limited** (‘the Company’) as of **31 March 2023** 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone 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.

### **Emphasis of Matters**

- 1) As stated in point 1 of the Emphasis of Matters paragraph of the Independent auditors report, in the previous year, the Company received a whistleblower complaint from one of the person (hereinafter referred to as "the complainant"). The Complainant was an independent director of the Company till 6<sup>th</sup> March 2023. The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, the said matter was raised by the statutory auditor to the audit committee and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014 in the current year. The Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which is also approved by the audit committee in a meeting held on 2<sup>nd</sup> September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, during the year, the Company has received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and has suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors of the Company for further actions. The board of directors of the Company is exploring the best feasible option to close the matter.

- 2) As stated in point 2 of the Emphasis of Matters paragraph of the Independent auditors report, in the previous year, the Company had made an Investment in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) which was approved by the board of directors of the Holding Company, however, the shareholder's approval for the same was not obtained as per the requirement of Section 186 of the Companies Act 2013. During the current year, the Company has obtained approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs.

- 3) As stated in point 4 of the Emphasis of Matters paragraph of the Independent auditor's report, the Company has not maintained video recordings of certain board meetings and audit committee meetings which are held virtually till 31<sup>st</sup> March 2022 as per the requirement of Section 108 of the Companies Act 2013. We are informed by the management that it is due to technical glitches. However, signed physical board minutes and audit committee minutes of meetings have been maintained by the Company and we have relied on the same for our audit.

Our opinion is not modified in respect of above matters. Our opinion is not modified in respect of the above matters. The above matters were reported in the report for the previous year ended 31<sup>st</sup> March 2022 and our opinion was also not modified in respect of the above matters.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, 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 ICAI.

### **Other Matter**

The Company has appointed an independent chartered accountant for testing of control / process with respect to internal financial control over financial reporting which has expressed unmodified opinion.

Our opinion is not modified in respect of the above matter. The above matter was also reported in our independent auditor's report of the previous financial year ended 31<sup>st</sup> March 2022 and our opinion was not modified in respect of the said matter in the previous financial year also.

### **For RMJ & Associates LLP**

Chartered Accountants

Firm Registration No: W100281

**Rakesh Upadhyaya**

**Partner**

Membership No: 046271

**UDIN: 23046271BGXMBH9668**

Place: Mumbai

Date: 30<sup>th</sup> May 2023

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)  
**STANDALONE BALANCE SHEET AS ON 31ST MARCH 2023**

(Amount (Rs) in Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	5	0.01	0.03
<u>Financial assets:</u>			
Investments	6	33,618.87	33,634.89
Deferred tax assets (net)	32	-	-
Other non-current assets	7	36.39	26.04
		<b>33,655.27</b>	<b>33,660.96</b>
<b>Current assets</b>			
<u>Financial assets:</u>			
Cash and cash equivalents	8	0.20	0.73
Bank balances other than cash & cash equivalents	9	-	5.00
Other financial assets	10	2.03	4.12
Other current assets	11	1.01	0.48
		<b>3.24</b>	<b>10.32</b>
<b>TOTAL</b>		<b>33,658.51</b>	<b>33,671.28</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	5,130.30	5,130.30
Other Equity	13	27,886.60	28,062.46
		<b>33,016.91</b>	<b>33,192.76</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<u>Financial liabilities</u>			
Borrowings	14	22.20	60.55
Other non current financial liabilities	15	-	2.32
		<b>22.20</b>	<b>62.87</b>
<b>Current Liabilities</b>			
<u>Financial liabilities</u>			
Borrowings	16	427.72	299.81
Trade payables	17		
Payable to micro enterprises and small enterprises		6.93	5.50
Payable to others		31.82	21.16
Other current financial liabilities	18	110.99	69.47
Other current liabilities	19	41.95	19.71
		<b>619.40</b>	<b>415.65</b>
<b>TOTAL</b>		<b>33,658.51</b>	<b>33,671.28</b>
Significant Accounting Policies and the accompanying notes form an integral part of the Standalone financial statements	1 to 46		

As per our report of even date attached

**For RMJ & Associates LLP**  
**Chartered Accountants**  
**Firm Registration No. W100281**

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
**(CIN: L25999PN1973PLC182679)**

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount (Rs) in Lakhs)

Particulars	Notes	Year ended 31st March 2023	Year ended 31st March 2022
<b>INCOME</b>			
Revenue from operations	20	-	-
Other income	21	20.12	27.37
<b>Total income</b>		<b>20.12</b>	<b>27.37</b>
<b>EXPENSES</b>			
Employee benefits expense	22	17.34	12.10
Finance costs	23	50.59	40.40
Depreciation	24	0.02	0.05
Other expenses	25	109.03	52.74
<b>Total expenses</b>		<b>176.97</b>	<b>105.29</b>
<b>(Loss) before tax</b>		<b>(156.85)</b>	<b>(77.92)</b>
<b>Less : Tax expenses</b>			
- Current tax		-	-
- Deferred tax	32	-	-
- Short / (Excess) of tax provision pertaining to earlier years*		0.00	1.48
<b>Total tax expense</b>		<b>0.00</b>	<b>1.48</b>
<b>(loss) after tax for the year</b>		<b>(156.86)</b>	<b>(79.40)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>(156.86)</b>	<b>(79.40)</b>
<b>Earnings per equity share (Nominal value of share Rs.10 (Previous year: Rs 10 each))</b>	26		
Basic		(0.31)	(0.15)
Diluted		(0.31)	(0.15)
Significant Accounting Policies and the accompanying notes form an integral part of the Standalone financial statements	1 to 46		

\* Figures are less than Rs thousands

As per our report of even date attached

**For RMJ & Associates LLP**  
Chartered Accountants  
Firm Registration No. W100281

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**Suchit Punnose**  
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**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
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**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)



**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)  
**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2023**  
(Amount (Rs) in Lakhs)

Particulars	Year ended		Year ended	
	31st March 2023		31st March 2022	
<b>A. Cash Flow From Operating Activities</b>				
(loss) before Tax		(156.85)		(77.92)
<b>Adjustment for:</b>				
Interest income on deposit, investment and Income tax refund	(9.29)		(6.79)	
Depreciation	0.02		0.05	
(Gain) /Loss on financial instruments at fair value through profit and loss	16.02		(15.18)	
Liabilities no longer required written back	(10.83)		(5.40)	
Finance Cost	50.59		40.40	
		<b>46.50</b>		<b>13.08</b>
<b>Operating Profit before Working Capital Charges</b>		<b>(110.35)</b>		<b>(64.84)</b>
<b>Adjustment for:</b>				
(Increase) / Decrease in current and non current assets	(13.21)		0.01	
Increase / (Decrease) in current and non current liabilities	37.59		2.57	
		<b>24.39</b>		<b>2.57</b>
Cash generated from Operations		<b>(85.96)</b>		<b>(62.27)</b>
Income taxes paid ( net of refund)		<b>(2.32)</b>		<b>(0.00)</b>
<b>Net Cash Flow (used in) operating activity</b>		<b>(83.64)</b>		<b>(62.26)</b>
<b>B. Cash Flow From Investing Activities</b>				
Interest Received on Fixed Deposit	0.29		0.45	
Interest Received on Compulsory Convertible Debenture	11.09		2.30	
Maturity Proceeds from Fixed Deposits	5.00		-	
Investment in 15% Compulsory Convertible Debenture	-		(60.00)	
		<b>16.38</b>		<b>(57.25)</b>
<b>Net Cash (used in) / generated from investing activities</b>		<b>16.38</b>		<b>(57.25)</b>
<b>C. Cash Flow From Financing Activities</b>				
Proceeds from unsecured loan from subsidiary	104.21		119.67	
Repayment of unsecured loan from subsidiary	(1.80)		-	
Interest Paid	(3.83)		(0.03)	
Transaction cost for increase in authorised share capital	(19.00)		-	
Repayment of unsecured loan from related Party	(12.85)		-	
		<b>66.73</b>		<b>119.64</b>
<b>Net cash flow generated from financing activities</b>		<b>66.73</b>		<b>119.64</b>
<b>Net Increase/ (Decrease) in cash and other equivalents (A+B+C)</b>		<b>(0.53)</b>		<b>0.13</b>
<b>Cash and cash equivalents</b>				
<b>Opening Balance</b>		<b>0.73</b>		<b>0.60</b>
<b>Closing Balance</b>		<b>0.20</b>		<b>0.73</b>
<b>Net Increase/ (Decrease) in cash and other equivalents</b>		<b>(0.53)</b>		<b>0.13</b>

**Notes:**

- Cash flow statement has been prepared under the indirect method as set out in IND AS 7: "Statement of Cash Flows" notified under section 133 of the Act.
- Figures in the brackets indicates Cash Outflow.
- Previous years figures have been regrouped / reclassified wherever applicable.
- Refer note 37 for Changes in financing liabilities

As per our report of even date attached

**For RMJ & Associates LLP**  
Chartered Accountants  
Firm Registration No. W100281

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023**

**(a) Equity Share Capital** (Amount (Rs) in Lakhs)

Particulars	Number of Shares	Amount (in Rs)
<b>As at 1st April, 2021</b>	<b>5,13,03,040</b>	<b>5130.30</b>
Add : Issue of equity share capital	-	-
<b>As at 31st March, 2022</b>	<b>5,13,03,040</b>	<b>5130.30</b>

<b>As at 1st April, 2022</b>	<b>5,13,03,040</b>	<b>5130.30</b>
<b>Add : Issue of equity share capital</b>	-	-
<b>As at 31st March, 2023</b>	<b>5,13,03,040</b>	<b>5130.30</b>

**(b) Other Equity**

Particulars	Reserves & Surplus				Other Reserves	Total
	Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Transaction Cost on the Equity Instruments	
<b>As at 1st April 2021</b>	97.45	(85.42)	28501.81	(252.93)	(119.05)	28141.86
Add: Total (loss) for the year	-	-	-	(79.40)	-	(79.40)
Add: Other comprehensive income for the year	-	-	-	-	-	-
<b>As at 31st March 2022</b>	97.45	(85.42)	28501.81	(332.34)	(119.05)	28062.46

<b>As at 1st April 2022</b>	97.45	(85.42)	28501.81	(332.34)	(119.05)	28062.46
Add: Total (loss) for the year	-	-	-	(156.86)	-	(156.86)
Add: Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	97.45	(85.42)	28501.81	(489.19)	(119.05)	27905.60
<b>Add: Securities Premium</b>	-	-	-	-	-	-
<b>Add: Transaction Cost on the Equity Instruments</b>	-	-	-	-	(19.00)	(19.00)
<b>As at 31st March 2023</b>	97.45	(85.42)	28501.81	(489.19)	(138.05)	27886.60

As per our report of even date attached

**For RMJ & Associates LLP**  
Chartered Accountants  
Firm Registration No. W100281

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

## Notes to Standalone Financial Statements for the Year ended 31st March, 2023

### 1. Corporate information

Modulex Construction Technologies Limited (“the Company”) is a Company registered under the Companies Act, 1956. The Company was incorporated on 24<sup>th</sup> May, 1973 with the CIN of the Company is L25999PN1973PLC182679. It was originally incorporated with the name, “Tumus Electric Corporation Limited”. It’s name has changed to, “Modulex Construction Technologies Limited” with effect from 14<sup>th</sup> December, 2018. The Company is primarily engaged in the production, building, supplying, fabricating and manufacturing of modular steel buildings and currently Company is implementing its project at Pune through its Subsidiary.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2023 on 30<sup>th</sup> May 2023.

### 2. Basis of preparation and presentation of Standalone Financial Statements

#### 2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Further, these standalone financial statements have been presented as per the requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as amended from time to time.

#### 2.2 Basis of Measurement

These standalone financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

#### 2.3 Use of significant accounting estimates, judgements & assumptions and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company evaluates its assumptions and estimates on parameters available when the Standalone financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### a) Fair Value measurements of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgements and assumptions. Changes in judgements and assumptions could affect the reported fair value of financial instruments.

**b) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**c) Recognition of deferred tax asset**

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Company has not recognised the deferred tax on unused tax losses / unused tax credits. Any increase in the probability of future taxable profit will result in the recognition of unrecognised deferred tax assets.

**d) Impairment of investment in subsidiary**

The Company reviews its carrying value of investments in the subsidiary which is carried at cost (net of impairment, if any) annually, or more frequently when there is an indication of impairment if the recoverable amount is less than its carrying amount. The impairment loss is accounted in the standalone statement of profit and loss. For determining the recoverable amount, the Company measures investment in the subsidiary at fair value as per point (a) above. Changes in judgements and assumptions could effect by the recoverable / fair value of the investment in a subsidiary.

**2.4 Measurement of Fair Values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into the account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the Standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting year.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

## **2.5 Functional and presentation of currency**

The standalone financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and all values are rounded to the nearest lacs, except where otherwise indicated.

## **3 Significant Accounting policies**

### **3.1. Classification of Current and Non-current**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, the Company has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

### **3.2 Property, plant and equipment('PPE') and Depreciation**

- a. Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment is measured using cost model.
- b. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/ decommissioning of the asset.
- c. Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.
- d. Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

- e. Property, plant & equipment are eliminated from Consolidated Financial Statements either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from the disposal of property, plant & equipment are recognized in the statement of profit and loss in the year of occurrence.

**f. Depreciation**

Depreciation on property, plant and equipment (other than freehold land and capital work in progress) is provided on a written down value (WDV) over their useful lives which is in consonance with the useful life mentioned in Schedule II to the Companies Act, 2013:

Depreciation methods, useful lives and residual values are reviewed periodically, including at the end of each financial year and adjusted prospectively.

In case of assets purchased or derecognized during the year, depreciation on such assets is calculated on a pro-rata basis from the date of such addition or as the case may be, up to the date on which such asset has been derecognized.

**3.3 Impairment of Non Financial Assets**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) the fair value of the assets less the cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation had no impairment loss has been recognised in earlier years.

**3.4 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial Assets:**

**I. Initial measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

## **II. Subsequent measurement:**

### **a. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **b. Financial assets at fair value through other comprehensive income.**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### **c. Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in standalone statement of profit and loss.

### **d. Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment loss, if any.

## **III. Derecognition**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

## **IV. Impairment:**

A financial asset is regarded as credit impaired or subject to a significant increase in credit risk, when one or more events that may have a detrimental effect on the estimated future cash flow of the assets have occurred. The Company applies the expected credit loss model recognizing impairment loss on financial assets. The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables.

**(b) Financial Liabilities:**

**I. Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**II. Subsequent measurement**

**a. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**b. Financial liabilities at amortized cost (Loans and Borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included under the finance costs in the standalone statement of profit and loss.

**III. Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new



liability. The difference in the respective carrying amounts is recognized in the standalone statement of profit and loss.

**(c) Compound financial instruments**

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

**(d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(e) Re-classification**

The Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines the change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### 3.5 Income Taxes

**(a) Current tax:**

Tax expenses for the year comprise of current tax, deferred tax charge or credit and the adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

**(b) Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profits allow deferred tax assets to be recovered.

**3.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the Statement of cash flows, in addition to the above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of Cash and cash equivalents.

**3.7 Provisions, contingent liabilities and contingent assets**

**(a) Provisions:**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of the past event and 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(b) Contingency liability:**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(c) Contingent assets:**

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### **3.8 Revenue recognition**

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included and classified under the head “other income” in the standalone statement of profit and loss.

### **3.9 Borrowing Costs**

Borrowing costs attributable to the acquisition of a qualifying asset are capitalized as part of the cost of the asset till the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing cost includes interest expense incurred in connection with the borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### **3.10 Earnings per share (‘EPS’)**

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **3.11 Cash Flow Statement:**

Cash Flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and the items of income or expenses associated with investing or financing cash flows. The cash flows from the operating, investing and financing activities of the Company are segregated.

## **4. Standards notified effective as at reporting date**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1<sup>st</sup>, 2023, as below:

### **(a) Ind AS 1 – Presentation of Standalone Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence the decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements. The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence the decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

### **(b) Ind AS 12 – Income taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its standalone financial statements.

### **(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

**Note - 5 : Property, plant and equipment**

<b>Computer</b>	<b>(Amount (Rs) in Lakhs)</b>
<u>At Cost</u>	
<b>As at 1st April, 2021</b>	<b>0.26</b>
Additions	-
Disposals	-
<b>As at 31st March, 2022</b>	<b>0.26</b>
<b>As at 1st April, 2022</b>	<b>0.26</b>
Additions	-
Disposals	-
<b>As at 31st March, 2023</b>	<b>0.26</b>
<u>Accumulated Depreciation</u>	
<b>As at 1st April, 2021</b>	0.18
Additions	0.05
Disposals	-
<b>As at 31st March, 2022</b>	<b>0.23</b>
<b>As at 1st April, 2022</b>	<b>0.23</b>
Additions	0.02
Disposals	-
<b>As at 31st March, 2023</b>	<b>0.25</b>
<u>Net Block</u>	
<b>As at 31st March, 2022</b>	<b>0.03</b>
<b>As at 31st March, 2023</b>	<b>0.01</b>

**Note 6 : Investments**
**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Investments in Subsidiary- at cost</b>		
<b>-Unquoted equity instruments, fully paid up</b>		
<b>Modulex Modular Buildings Private Limited</b>	33,559.71	33,559.71
(As on 31st March 2023 - 6,75,73,618 Equity Shares of face value Rs. 10/- each)		
(As on 31st March 2022 - 6,75,73,618 Equity Share of face value Rs. 10/- each)		
<b>Other investments - Fair value through profit and loss</b>		
<b>-Unquoted Compulsory Convertible Debentures, fully paid up</b>		
15% Compulsory Convertible Debenture of Give Vinduet Windows and Doors Private Limited. *	59.16	75.18
(As on 31st March 2023 - 6,00,000 debentures of Rs. 10 each)		
(As on 31st March 2022 - 6,00,000 debentures of Rs. 10 each)		
<b>Total</b>	<b>33,618.87</b>	<b>33,634.89</b>

(Amount (Rs) in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	33,619.71	33,619.71
Market value of quoted investments	-	-
Aggregate amount of impairment in the value of investment	-	-

\* Convertible in the equity shares in the ratio of 1:1

**6.1** In FY 2021-22 Investments in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) was approved by the board of directors of the Company, however, the shareholder’s approval for the same was not obtained as per the requirement of Section 186 of the Companies Act 2013. In the current year, the Company has obtained prospective approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs.

**Note 7 : Other Non current assets**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Advance tax (Net of provision for tax)	2.59	0.27
Balance with Government authorities	33.81	25.77
<b>Total</b>	<b>36.39</b>	<b>26.04</b>

**Note 8 : Cash and cash equivalents**

Particulars	As at 31st March 2023	As at 31st March 2022
Balance with Banks		
- in Current Accounts	0.20	0.73
<b>Total</b>	<b>0.20</b>	<b>0.73</b>

**Note 9 : Bank balances other than cash & cash equivalents**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>In Fixed Deposit with Bank</b>		
(Maturity less than Twelve months) (Refer Note 9.1 below)	-	5.00
<b>Total</b>	<b>-</b>	<b>5.00</b>

**Note:**

**9.1** The fixed deposit held by the Company carries in its erstwhile name “Tumus Electric Corporation Limited” which has been matured during the year.

**Note 10 : Other financial assets**

(Amount (Rs) in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered good, measured at amortised cost</b>		
<b>Interest receivable on:</b>		
Fixed deposit	-	0.08
Compulsory Convertible Debentures	2.03	4.04
<b>Total</b>	<b>2.03</b>	<b>4.12</b>

**Note 11 : Other current assets**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Prepaid Expenses	0.11	0.48
Advance against expenses	0.90	-
<b>Total</b>	<b>1.01</b>	<b>0.48</b>

**Note 12 : Equity Share Capital**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	Amount (Rs)	Number of Shares	Amount (Rs)
<b><u>Authorised Share Capital</u></b>				
Cumulative Redeemable Pref Shares of Rs 10/- each (31st March, 2022: Rs 10/- each)	50,000	5.00	50,000	5.00
Equity Shares of Rs 10/- each (31st March, 2022: Rs 10/- each)	9,29,50,000	9295.00	7,29,50,000	7295.00
	<b>9,30,00,000</b>	<b>9300.00</b>	<b>7,30,00,000</b>	<b>7300.00</b>
<b><u>Issued, Subscribed and Fully Paid Up Issued Capital</u></b>				
Equity Shares of Rs 10/- each (31st March, 2022: Rs 10/- each)	5,13,03,040	5130.30	5,13,03,040	5130.30
	<b>5,13,03,040</b>	<b>5130.30</b>	<b>5,13,03,040</b>	<b>5130.30</b>

**a) Reconciliation of shares outstanding at the beginning and at the end of the year**

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount (In Rs)	No. of Shares	Amount (In Rs)
<b><u>Equity Shares</u></b>				
At the beginning of the period / year	5,13,03,040	5130.30	5,13,03,040	5130.30
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>5,13,03,040</b>	<b>5130.30</b>	<b>5,13,03,040</b>	<b>5130.30</b>

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares of Rs. 10/- each. These shares rank pari passu with each other and in accordance with the Articles of Association of the Company. Each equity shareholder is entitled to the same rights as regards voting, dividend and repayment of capital in proportion to his shareholding and there are no restrictions to the rights of shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets after distribution of all preferential amounts. The distribution assets of the company will be in proportion to the number of equity shares held by the shareholders after preferential allocation.

**c) Details of Shareholders holding more than 5% shares in the company:**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of Share	% holding	Number of Share	% holding
Red Ribbon Modulex Buildings Ltd	1,06,84,526	20.83%	1,06,84,526	20.83%
JZ MODY Family Private Limited	50,94,399	9.93%	54,51,853	10.63%
Ajmera Realty and Infra India Ltd.	37,25,809	7.26%	37,25,809	7.26%
Ethix Realtors Private Limited	24,89,672	4.85%	25,91,427	5.05%

**d) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of Share	Amount (Rs)	Number of Share	Amount (Rs)
Equity Shares Issued under shares swap basis (Refer Note 1 below)	5,00,17,765	5001.78	5,00,17,765	5001.78

**Note:**

In the year 2019-20, the Company had issued its own 84,45,579 fully paid equity shares against 1,13,59,322 fully paid equity shares of Modulex Modular Buildings Private Limited (“MMBPL”) in terms of swap ratio approved by Bombay stock Exchange (BSE).

**e) Disclosure of Shares held by Promoters along with % of change during the year:-**

Promoter Name	As at 31st March 2023			As at 31st March 2022		
	No of Shares	% of Total Shares	% of Change during the year	No of Shares	% of Total Shares	% of Change during the year
Suchit Punnose	18,92,489	3.69%	-	18,92,489	3.69%	-
Redribbon Advisory Services Private Limited	6,11,929	1.19%	-	6,11,929	1.19%	-
Redribbon Modulex Buildings Limited	1,06,84,526	20.83%	-	1,06,84,526	20.83%	-
<b>Total</b>	<b>1,31,88,944</b>	<b>25.71%</b>	<b>-</b>	<b>1,31,88,944</b>	<b>25.71%</b>	<b>-</b>



**Note 13 : Other Equity**
**(Amount (Rs) in Lakhs)**

Particulars	Reserves & Surplus				Other Reserves	Total
	Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Transaction Cost on the Equity Instruments	
<b>As at 1st April, 2021</b>	<b>97.45</b>	<b>(85.42)</b>	<b>28501.81</b>	<b>(252.93)</b>	<b>(119.05)</b>	<b>28141.86</b>
Total (Loss) for the year	-	-	-	(79.40)	-	(79.40)
Other comprehensive income for the year	-	-	-	-	-	-
<b>As at 31st March, 2022</b>	<b>97.45</b>	<b>(85.42)</b>	<b>28501.81</b>	<b>(332.34)</b>	<b>(119.05)</b>	<b>28062.46</b>
<b>As at 1st April, 2022</b>	<b>97.45</b>	<b>(85.42)</b>	<b>28501.81</b>	<b>(332.34)</b>	<b>(119.05)</b>	<b>28062.46</b>
Total (Loss) for the year	-	-	-	(156.86)	-	(156.86)
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(19.00)	(19.00)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>As at 31st March, 2023</b>	<b>97.45</b>	<b>(85.42)</b>	<b>28501.81</b>	<b>(489.19)</b>	<b>(138.05)</b>	<b>27886.60</b>

**Nature and purpose of reserves:**
**1) Capital Reserve**

The capital reserve is created from capital profits in the earlier years.

**2) General Reserve**

General reserve is transfer of profits from retained earnings for appropriation purposes.

**3) Share Premium**

Securities premium is created due to shares being issued on premium. The reserve can be utilised only for certain purpose as per the provisions of the Companies Act, 2013.

**4) Retained earning**

The retained earnings represents balance of accumulated net profit or loss from business operations.

**5) Transaction Cost on the Equity Instruments**

This reserve represents the transaction cost incurred for issue of equity share capital and recognised due to Ind AS adjustment. In the current year, the Company increased its authorised share capital by Rs 2,000 lakhs (which comprises 20,000,000 equity shares with the face value of Rs 10 each). The Company has incurred Rs 19 lakhs with respect to transaction costs pertaining to fees and duty payable on an increase in authorized share capital. As per the relevant Ind AS, the said transaction costs is recognised and disclosed under “Other Equity”.

**Note 14 : Borrowings (Non-current)**
**(Amount (Rs) in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured Loan (carried at amortised cost):</b>		
<b>Loans from related parties (Refer note 14.1 below)</b>		
Modulex Modular Buildings Private Limited (Subsidiary)	22.20	47.70
Give Vinduet Windows and Door Private Limited (Company in which directors are interested)	-	10.93
Suchit Punnose (Director)	-	1.92
<b>Total</b>	<b>22.20</b>	<b>60.55</b>

**Note:**
**14.1** The loans are obtained at interest rates where the details are given below:

Name of Party	Rate of interest (%)	
	31st March 2023	31st March 2022
Modulex Modular Buildings Private Limited	7.37	7.37
Give Vinduet Windows and Door Private Limited	7.37	7.37
Suchit Punnose	7.37	7.37

**Note 15 : Other non current financial liabilities**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Carried at Amortised cost</b>		
Interest accrued but not due on borrowings	-	2.32
<b>Total</b>	<b>-</b>	<b>2.32</b>

**Note 16 : Borrowings (Current)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured Loan (carried at amortised cost and repayable on demand):</b>		
<b>Loans from related parties ( Refer note 16.1 below)</b>		
Modulex Modular Buildings Private Limited (Subsidiary)	402.22	299.81
<b>Unsecured Loan</b>		
<b>Loans from related parties</b>		
Current maturity of long term borrowings - Loan from Modulex Modular Buildings Private Limited (Subsidiary) (Refer note 14)	25.50	-
<b>Total</b>	<b>427.72</b>	<b>299.81</b>

**Note:**

**16.1** The loan is taken from Subsidiary Company with the interest rate @ 9% and 15% p.a. (Previous year: 9 % and 15%) respectively and same is repayable on demand.

**Note 17 : Trade payables**

**(Amount (Rs) in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
- total outstanding dues of micro and small enterprises	6.93	5.50
- total outstanding dues of creditors other than micro and small enterprises (Refer note 29)	31.82	21.16
<b>Total</b>	<b>38.75</b>	<b>26.66</b>

**Note:**

**17.1 Ageing Schedule - As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	4.77	2.16	-	-	-	6.93
(ii) Others	6.04	25.24	-	0.53	-	31.82
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>10.81</b>	<b>27.41</b>	-	<b>0.53</b>	-	<b>38.75</b>

**Ageing Schedule - As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.60	1.90	-	-	-	5.50
(ii) Others	1.50	14.24	4.07	1.36	-	21.16
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>5.10</b>	<b>16.14</b>	<b>4.07</b>	<b>1.36</b>	-	<b>26.66</b>

In the absence of relevant reports from the system, the above ageing is given as per the posting date of transaction in the books of accounts and accordingly disclosure of bills not due has also not been given in above table.

**17.2 Micro Small And Medium Enterprises (“MSME”) Disclosure:**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise Interest due.	2.16	1.90
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**17.3** Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company, there are no parties who have been identified as micro, small and medium enterprises as at reporting date other than mentioned above based on the confirmations circulated and responses received as at reporting date by the management. Any updated information received by the management post reporting date regarding change in the status to micro, small and medium enterprises would be given effect of status change in the next financial year.

**17.4** Amount unbilled as per trade payable aging has not been considered in the above table as the invoice for the same is yet to be received by the Company.

**Note 18 : Other current Financial Liabilities**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Carried at Amortised cost</b>		
Payable to employees	0.92	1.00
Interest accrued but not due on borrowings	110.07	68.47
<b>Total</b>	<b>110.99</b>	<b>69.47</b>

**Note 19 : Other Current Liabilities**

(Amount (Rs) in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Dues	41.95	19.71
<b>Total</b>	<b>41.95</b>	<b>19.71</b>

**Note 20 : Revenue From Operations**

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Sale of products / service	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 21 : Other Income**

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
<b>Interest income on:</b>		
Income Tax Refund *	-	0.00
Fixed deposit with bank	0.29	0.45
Compulsory convertible Debentures	9.00	6.34
Gain on financial instruments at fair value through profit or loss	-	15.18
Liabilities no longer required written back	10.83	5.40
<b>Total</b>	<b>20.12</b>	<b>27.37</b>

\* Interest on income tax refund is reflecting as 0.00 as absolute amount is below thousand

**Note 22 : Employee Benefits Expenses**

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Salaries and Wages (Refer Note 22.1)	17.00	12.00
Staff Welfare Expense	-	0.10
Group Health Insurance	0.34	-
<b>Total</b>	<b>17.34</b>	<b>12.10</b>

**22.1** The Payment of Gratuity Act, 1972 is not applicable to the Company as the numbers of employees are less than ten and hence, the Company has not made provision towards defined benefit plan in the form of gratuity. Further, there are no outstanding leave benefits for which provision is required to be made in the books of account.

**Note 23 : Finance Costs**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>For the Year Ended 31st March 2023</b>	<b>For the Year Ended 31st March 2022</b>
Interest on unsecured loan	47.82	38.20
Interest on Statutory dues	2.77	2.20
<b>Total</b>	<b>50.59</b>	<b>40.40</b>

**Note 24 : Depreciation**

<b>Particulars</b>	<b>For the Year Ended 31st March 2023</b>	<b>For the Year Ended 31st March 2022</b>
Depreciation on Property, plant and equipment	0.02	0.05
<b>Total</b>	<b>0.02</b>	<b>0.05</b>

**Note 25 : Other Expenses**

<b>Particulars</b>	<b>For the Year Ended 31st March 2023</b>	<b>For the Year Ended 31st March 2022</b>
Printing & Stationery	0.37	0.26
Advertisement Expenses	2.65	2.84
Legal and Professional Expenses	40.37	19.84
Rates, Taxes and penalties	35.71	6.68
Insurance	0.35	-
Directors Sitting Fees	-	16.50
Telephone & Mobile Charges	0.04	0.07
Bank Charges	0.07	0.11
Auditor's Remuneration (Refer Note 25.1)	13.12	6.44
Travelling Expenses	0.18	-
Loss on financial instruments at fair value through profit or loss	16.02	-
Office expense	0.16	0.01
<b>Total</b>	<b>109.03</b>	<b>52.74</b>

**25.1: Auditor's Remuneration**

<b>Particulars</b>	<b>For the Year Ended 31st March 2023</b>	<b>For the Year Ended 31st March 2022</b>
As auditor:		
Statutory Audit (including limited reviews)	11.90	5.90
Taxation matters	1.04	0.54
Out of pocket expenses	0.18	0.01
<b>Total</b>	<b>13.12</b>	<b>6.44</b>

**Note 26 : Earning Per Share**

Particulars	31st March 2023	31st March 2022
Net (Loss) after tax as per Standalone Statement of Profit & Loss (A)	(156.86)	(79.40)
Outstanding number of Equity Shares as at 31st March	5,13,03,040	5,13,03,040
Weighted average number of Equity Share used in computing Basic and Diluted EPS (B)	5,13,03,040	5,13,03,040
<b>Earning Per Share - Basic and Diluted (A/B)</b>	<b>(0.31)</b>	<b>(0.15)</b>

**Note 27 : Financial Instruments**

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation .

The following methods and assumptions were used to estimate the fair values:

- i) The management assessed that fair value of cash and cash equivalents, borrowing, other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and are equal to the fair values.
- ii) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled except investment in subsidiary which is carried at cost.

Hierarchy used for determining and disclosing the fair value of financial instruments by valuation technique:

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## 27.1 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial instruments along with their carrying amounts and fair value.

(Amount in Lakhs)

As at March 31, 2023	Carrying amount	Carried at amortised cost	Fair Value							
			Routed through OCI				Routed through Profit and loss			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>										
Investment in Compulsory Convertible Debentures	59.16	-	-	-	-	-	-	-	59.16	59.16
Balance with Banks (cash and cash equivalents)	0.20	0.20	-	-	-	-	-	-	-	-
Interest receivable	2.03	2.03	-	-	-	-	-	-	-	-
Bank balances other than cash & cash equivalents	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>61.39</b>	<b>2.23</b>	-	-	-	-	-	-	<b>59.16</b>	<b>59.16</b>
<b>Financial Liabilities</b>										
Borrowings	449.92	449.92	-	-	-	-	-	-	-	-
Payable to employee	0.92	0.92	-	-	-	-	-	-	-	-
Trade payable	38.75	38.75	-	-	-	-	-	-	-	-
Interest accrued but not due	110.07	110.07	-	-	-	-	-	-	-	-
<b>Total</b>	<b>599.65</b>	<b>599.65</b>	-	-	-	-	-	-	-	-

As at March 31, 2022	Carrying amount	Carried at amortised cost	Fair Value							
			Routed through OCI				Routed through Profit and loss			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>										
Investment in Compulsory Convertible Debentures	75.18	-	-	-	-	-	-	-	75.18	75.18
Balance with Banks (cash and cash equivalents)	0.73	0.73	-	-	-	-	-	-	-	-
Interest receivable	4.12	4.12	-	-	-	-	-	-	-	-
Bank balances other than cash & cash equivalents	5.00	5.00	-	-	-	-	-	-	-	-
<b>Total</b>	<b>85.03</b>	<b>9.85</b>	-	-	-	-	-	-	<b>75.18</b>	<b>75.18</b>
<b>Financial Liabilities</b>										
Borrowings	360.36	360.36	-	-	-	-	-	-	-	-
Payable to employee	1.00	1.00	-	-	-	-	-	-	-	-
Trade payable	26.66	26.66	-	-	-	-	-	-	-	-
Interest accrued but not due	70.79	70.79	-	-	-	-	-	-	-	-
<b>Total</b>	<b>458.81</b>	<b>458.81</b>	-	-	-	-	-	-	-	-

Investment in Modulex Modular Buildings Private Limited (Subsidiary) is carried at cost and hence, not disclosed in above table.



**Note 28 : Financial risk management objectives and policies :**

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments and other assets.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has adopted a Risk Management Charter and Policy for self-regulatory processes and procedures for ensuring the conduct of the business in a risk conscious manner. The Risk Management Policy of the Company states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The Company has exposure to the following risks arising from financial instruments:

- I. Market Risk
- II. Credit Risk
- III. Liquidity Risk

**I. Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Market risk comprises three types of risks:

- a. Interest Rate Risk
- b. Currency Risk
- c. Other Price Risk

Financial instruments affected by market risk includes borrowings, investments and trade payables.

**a. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in the interest rates.

The impact on Company's loss after tax and on other equity due to change in interest rate is given below :

(Amount (Rs) in Lakhs)

Particulars.	(Increase) / Decrease in loss after tax		Increase / (Decrease) in other equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Increase by 1%	(4.50)	(3.60)	(4.50)	(3.60)
Decrease by 1%	4.50	3.60	4.50	3.60

#### b. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities i.e. when revenue or expense is denominated in a foreign currency. The Company is not exposed to foreign currency risk.

#### c. Price Risk :

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company has investment in securities which is not exposed to price risk except investment in 15% Compulsory Convertible Debentures which is recognised under the category of Fair value through profit and loss (under level 3) which is made in previous year.

Particulars	(Increase) / Decrease in loss after tax		Increase / (Decrease) in other equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Increase by 10%	5.92	7.52	5.92	7.52
Decrease by 10%	(5.92)	(7.52)	(5.92)	(7.52)

In the above table, the management has not considered investment in subsidiary which is carried at cost and investments against which the Company has made impairment provision. Further refer Note 34.

## II. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as Investment, Cash and cash equivalent, balances with banks and other financial assets. The Company's exposure to credit risk is disclosed in note 6, 8, 9 and 10.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,

- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the standalone statement of profit and loss.

The Company measures the expected credit loss based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

#### **Other Financial assets**

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

For other financial assets e.g. Investments and other assets, Company periodically assesses financial reliability counter parties, taking into account the financial condition, current economic trends, and analysis of historical credit losses and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### **III. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The table below analyse financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Amount(Rs) in Lakhs)

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
<b>As at March 31, 2023</b>					
Borrowings	427.72	22.20	-	449.92	449.92
Trade payables	38.75	-	-	38.75	38.75
Other Financial liabilities	110.99	-	-	110.99	110.99
<b>Total</b>	<b>577.45</b>	<b>22.20</b>	<b>-</b>	<b>599.65</b>	<b>599.65</b>

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
<b>As at March 31, 2022</b>					
Borrowings	299.81	60.55	-	360.36	360.36
Trade payables	26.66	-	-	26.66	26.66
Other Financial liabilities	69.47	2.32	-	71.79	71.79
<b>Total</b>	<b>395.94</b>	<b>62.87</b>	<b>-</b>	<b>458.81</b>	<b>458.81</b>

### Capital Management

For the purpose of the Company’s capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2023 and March 31, 2022, the Company has one class of shares in the nature of equity. Further company had raised fund through loans from related parties. Consequent to such capital structure, there are no externally imposed capital requirements.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(Amount (Rs) in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Total Debt (including interest on debt)	559.98	431.15
Total Capital (total equity shareholder's fund - deferred tax assets)	33016.91	33192.76
Total Capital and Debt	33576.89	33623.92
Gearing Ratio	1.67%	1.28%

**Note 29 : Related Party Transactions**

**29.1** Following is the list of Related Parties and Relationships:

<b>Sr. No.</b>	<b>Particulars</b>
<b>A)</b>	<b>Subsidiary</b>
1	Modulex Modular Buildings Private Limited
<b>B)</b>	<b>Step Down Subsidiary</b>
1	Redribbon Advisory Services Private Limited (till 15th May 2022)
<b>C)</b>	<b>Associate</b>
1	Redribbon Advisory Services Private Limited (From 16th May 2022 to 28th August 2022)
<b>D)</b>	<b>Other Enterprise where control exists / Where Directors or KMP's is interested</b>
1	Eco Hotels India Private Limited
2	Eco Hotels and Resorts Limited (erstwhile Sharad Fibres and Yarn Processors Limited) (w.e.f. 10th November 2022)
3	Armaec Energy Private Limited
4	Give Vinduet Windows And Doors Private Limited
5	Crowdsource Global Private Limited
6	Substantia Real Estate India Private Limited
7	Ribbon Services Private Limited
8	Redribbon Modulex Buildings Limited (MU)
9	Red Ribbon Asset Management PLC
10	Credent Asset Management Services Private Limited
11	Redribbon Advisory Services Private Limited (w.e.f. 29th August 2022)
12	Ribbon Wealthtech Plc, (w.e.f. 30th June 2022)
<b>E)</b>	<b>Key Management Personnel</b>
1	Suchit Punnose
2	Raj Kumar Sharma, Independent Director
3	Sandeep Khurana, Independent Director (till 6th March 2023)
4	Aditya Vikram Kanoria, Independent Director
5	Rakhee Amit Agarwal, Independent Director
6	Ajay Shridhar Palekar, Managing Director

29.2 Related Party Transactions during the period are as follows:

S.No.	Particulars	(Amount (Rs) in Lakhs)	
		As at 31st March 2023	As at 31st March 2022
<b>A)</b>	<b>Interest on loan</b>		
i	Modulex Modular Buildings Private Limited	46.21	37.02
ii	Give Vinduet Windows and Doors Private Limited	1.39	1.02
iii	Suchit Punnose	0.21	0.16
<b>B)</b>	<b>Interest income on Compulsory Convertible Debentures</b>		
i	Give Vinduet Windows and Doors Private Limited	9.00	6.34
<b>C)</b>	<b>Repayment of loan</b>		
i	Give Vinduet Windows and Doors Private Limited	10.93	-
ii	Suchit Punnose	1.92	-
iii	Modulex Modular Buildings Private Limited	1.80	-
<b>D)</b>	<b>Loan received during the year (including transfer)</b>		
i	Modulex Modular Buildings Private Limited	104.21	119.67
<b>E)</b>	<b>Directors Sitting fees</b>		
i	Raj Kumar Sharma	-	2.25
ii	Sandeep Khurana	-	5.75
iii	Aditya Vikram Kanoria	-	5.25
iv	Rakhee Amit Agarwal	-	3.25

29.3 Related Party balances outstanding are as follows:

S.No.	Particulars	(Amount (Rs) in Lakhs)	
		As at 31st March 2023	As at 31st March 2022
<b>A)</b>	<b>Loan outstanding including interest accrued but not due on borrowings</b>		
i	Modulex Modular Buildings Private Limited	559.98	415.98
ii	Give Vinduet Windows and Doors Private Limited	-	12.93
iii	Suchit Punnose	-	2.24
<b>B)</b>	<b>Interest receivable on Compulsory Convertible Debentures</b>		
i	Give Vinduet Windows and Doors Private Limited	2.03	4.04
<b>C)</b>	<b>Outstanding Sitting fees</b>		
i	Raj Kumar Sharma	-	2.26
ii	Aditya Vikram Kanoria	-	5.42
iii	Rakhee Amit Agarwal	-	3.16
iv	Sandeep Khurana	0.45	2.93
<b>D)</b>	<b>Investment in Subsidiary (at cost)</b>		
i	Modulex Modular Buildings Private Limited	33559.71	33559.71

Also refer note 45 for other commitment given by the Company.

The information disclosed is based on the names of the parties as identified by the management and same has been relied by the Auditor. Further, above transactions (including outstanding balances) are after considering the fair value adjustments under Ind AS.

**Note 30 : Segment Reporting**

There are no reportable segments under Ind AS-108 ‘Operating Segments’ as all the activities relate to only one segment i.e. civil construction. Further the management of the Company is also reviewing the results / operations of the Company as single segment i.e. civil construction.

**Note 31 : Disclosure required under Section 186(4) of the Companies Act 2013 and Sebi (listing agreement and disclosure requirements) regulations, 2015**

In the previous year, the Company purchased 15% Unsecured Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited for Rs. 60 lakhs at face value from existing shareholders of Give Vinduet Windows and Doors Private Limited. As mentioned in note 6.1 of standalone financial statements, the same is approved by the board of directors, however, shareholders approval for the same not obtained. The Company has obtained the approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs in the current year.

**Note 32 : Deferred Tax Assets / Liabilities:**

Due to the absence of virtual/ reasonable certainty about the future taxable income, the Company has not recognised deferred tax assets (net of deferred tax liabilities) on any carried forward business losses, unabsorbed depreciation and other components. Details of the component of deferred tax items thereon are as follows:

**Amount (Rs) in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b><u>Deferred tax Assets</u></b>		
Business Losses (Carried Forward)	322.14	263.53
Unabsorbed Depreciation	0.23	0.18
Difference in WDV of PPE between Companies Act and Income Tax Act	0.03	0.04
Difference in Investment (based on fair value through profit and loss)	3.49	-
<b><u>Deferred tax Liabilities</u></b>		
Difference in Investment (based on fair value through profit and loss)	-	15.18
Deferred tax Asset (Net)	82.92	64.63

**Note 33 : Disclosure of Ratios**

Particulars	Description of Ratio	As at 31st March 2023	As at 31st March 2022	Variance %	Reasons for variance more than 25%
(a) Current Ratio (in times)	Current assets / Current liabilities	0.01	0.02	-78.96%	The variance is mainly because of an increase in unsecured loan during the year as compared to previous year
(b) Debt-Equity Ratio (in times)	Total Debt / Shareholder's equity	0.01	0.01	25.52%	The variance is mainly because of increase in unsecured loan during the year
(c) Debt Service Coverage Ratio (in times)	EBITDA (Earnings before Interest, Depreciation and Tax) / Total debt service	(0.20)	(0.10)	94.18%	The variance is mainly because of unsecured loan obtained during the year and increase in net loss during the year
(d) Trade payable turnover ratio (in times)	Average Trade payable / other expense	3.33	2.09	59.45%	The variance is mainly because of increase in other expense and average trade payable as compared to previous year
(e) Return on Equity Ratio (in %)	Net loss after taxes / Average Shareholder's equity	(0.47%)	(0.24%)	98.31%	The variance is mainly because of increase in net loss during the year
(f) Return on Capital employed (in %)	"EBIT / Capital Employed "	(0.32%)	(0.11%)	183.94%	The variance is mainly because of increase in debt and increase in net loss during the year
(g) Return on investment (in %)	Investment income / Average investment	0.03%	0.02%	41.93%	The variance is mainly because of the increase in income from the investment (annualised).

Since the Company does not have any revenue from operations and inventories, the relevant ratios pertaining to it is not applicable and hence, not disclosed.

**Note 34 :** The fair value of investments in the subsidiary company (Modulex Modular Buildings Private Limited [MMBPL]) carried out by the two independent valuers as on 31st March 2023 is sufficient to cover the cost of investments. The valuers have also considered effect of the slow progress of project (including temporary suspension of project) by subsidiary company. Considering the management outlook for improvement in the performance of the Subsidiary Company (MMBPL) in the long run and in the opinion



of management, no impairment is required for investment value in the Subsidiary Company (MMBPL) since it is committed to complete the construction of the project.

**Note 35** : In the Previous year, the Company in capacity of intermediary is in receipt of funds via unsecured loan and same has been invested in the Compulsory Convertible Debentures (CCD's) in the year for which details are given below:

The Company has received Rs. 10 lakhs on 13th July 2021 and Rs. 50 lakhs on 19th July 2021 from Modulex Modular Buildings Private Limited (MMBPL) (Intermediary party) which in turn received the funds Give Vinduet Windows and Doors Private Limited (GIVWDPL) (Funding party). The Company has utilized Rs. 10 lakhs and Rs. 50 lakhs on 13th July 2021 and 19th July 2021 respectively for purchase of Compulsory Convertible Debentures (CCD) of GIVWDPL from existing CCD holders of GIVWDPL (ultimate beneficiaries / ultimate receipt of funds).

**Additional details:**

- a) Give Vinduet Windows and Doors Private Limited (U28111KL2011PTC028899) (Company in which directors are interested): No.67/6446, Basin Road, Ernakulam, Kerala - 682031, India
- b) Modulex Modular Buildings Private Limited (Subsidiary) (U45400KL2008PTC029096): 67/6446, Basin Road, Cochin - 682031 Kerala.
- c) CCD holders of GIWDPL: Various details of CCD holders GIVWDPL are given below:
  - i) Anila Jain : PAN - ABZPJ3933H, Address - 28-111, 3rd Floor, West Patel Nagar, New Delhi - 110008
  - ii) Pramila Kumari : PAN - AAPPP9137Q, Address - B-5, Shivalaya Marg, Sethi Colony, Jawahar Nagar, Jaipur - 302004
  - iii) Deo Narain Kalla : PAN - AGDPK9101D, Address - 4-CH-15, Jawahar Nagar, Jaipur - 302004
  - iv) Vinod Kumar Jain : PAN - ABEPJ9443P, Address - B-5, Shivalaya Marg, Sethi Colony, Jawahar Nagar, Jaipur - 302004
  - v) Nishi Lodha : PAN - AAGPL8897G, Address - 7, Wali Garden, Bardia Colony, Museum Road, Jaipur - 302004
- d) In the Previous Year ,the Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003) except that as stated in note 6.1 of standalone financial statements, investments in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) was approved by the board of directors of the Company, however, the shareholder's approval for the same was not obtained as per the requirement of Section 186 of the Companies Act 2013. During the current year, the Company has obtained prospective approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs.

**Note 36 : Other Notes pertaining to Schedule III:**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with Companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) except as stated in the Note 35 that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has complied with provisions of downstream layers of companies as per Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) Reporting/disclosures is not made/applicable to the Company with respect to submission of statement of current assets to the bank as credit facility is not sanctioned against current assets of the Company.
- (x) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (xi) Any other disclosure with respect to the amendment of Schedule III of the Act is either Nil or not applicable.

**Note 37 : Changes in liabilities arising from financing activities**

**31st March 2023**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>From 1st April 2022</b>	<b>Reclassification from other current liabilities to borrowings</b>	<b>Cash Flows (net)</b>	<b>As at 31st March 2023</b>
Borrowings (Current and non current)	360.36	-	89.56	449.92

**31st March 2022**

Particulars	From 1st April 2021	Reclassification from other current liabilities to borrowings	Cash Flows (net)	As at 31st March 2022
Borrowings (Current and non current)	240.69	-	119.67	360.36

Interest expense on borrowings was Rs 47.22 Lakhs and Rs 38.20 lakhs for the year ended 31st March 2023 and 31st March 2022 respectively.

**Note 38 :** In the previous year, the Company received a whistleblower complaint from one of the person (hereinafter referred to as “the complainant”). The Complainant was an independent director of the Company till 6th March 2023 (Refer Note 43). The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, said matter was raised by the statutory auditor to the audit committee and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014. The Company has appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which is also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint are found baseless. Further, during the year, the Company has received an additional 2 whistleblower complaints from the above complainant. The Audit Committee has rebutted the allegation levelled by the Complainant and has suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors for further actions. The board of directors is exploring the best feasible option to close the matter.

**Note 39 :** In the opinion of the management, the Company is not required to obtain registration as Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities and nor proposing to carrying on financial activities as principal business in future and revenue of the Company is mainly affected due to delay in implementing the project by the subsidiary company. Further, the Company is taking necessary steps to generate revenue from non-financial assets. This is also confirmed by the consultant of the Company.

**Note 40 :** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note 41 :** The Company has not maintained the video recordings of the certain board meetings and audit committee meetings which are held virtually till 31st March 2022 as per requirement of Section 108 of the Companies Act 2013 due to technical glitches. However, signed physical board minutes and audit committee minutes of meeting have been maintained by the Company.

**Note 42 :** In the current year, the board of directors in its meeting held on 9th November, 2022 approved for issue and allotment of not more than 1,81,05,576 equity shares of the Company on a preferential basis via swap against the equity shares of Give Vinduet Windows and Doors Private Limited in the ratio of 1:1.345. Further, shareholders have given approval for the issue of 1,78,98,746 equity shares on a preferential basis

via swap ratio of 1:1.353 through a postal ballot which commenced on 14th November 2022 and ended on 13th December 2022. Subsequent to the year ended 31st March 2023, final in principle approval is received from the Bombay Stock Exchange is received for 1,78,98,746 equity shares of Rs 10 each to be issued at a price not less than Rs 13.53 to the persons other than cash on the preferential basis pursuant to share swap basis. As a result, no impact has been given in the standalone financial statements for the year ended 31st March 2023.

**Note 43 :** One of the independent director of the Company as mentioned in Note 38 has resigned w.e.f. 7th March 2023 and he has levelled certain allegations against the Company / certain employees & directors of the Company. Based on the said letter, the Company has received an email from the Bombay Stock Exchange to submit its reply. The Company has rebutted the allegation levelled by the said independent director. The Company has replied to the email received from the Bombay Stock Exchange and also uploaded it on the website of the stock exchange.

**Note 44 :** The Company has incurred a net loss (before other Comprehensive Income) in the current year and in the previous year. The Company's current assets are not sufficient to meet its current liabilities. The Company is implementing project at Pune through its subsidiary company (Modulex Modular Buildings Private Limited) and progress of project is slow considering the various factors (including the temporary suspension of project). There is material uncertainty related to the aforementioned conditions that may cast significant doubt on the Company continuing as a going concern. The management is expecting an improvement in the performance of the Company in the long run and the management is also committed to complete the project at Pune through its subsidiary company. Considering these and considering that the promoters are committed to give financial support as and when required by the Company, in the opinion of management, the Standalone financial statements are prepared on the going concern basis.

**Note 45 : Other Commitments:**

The Company has given the commitment to provide the financial support to Subsidiary Company (Modulex Modular Buildings Private Limited) as and when required.

**Note 46 : Comparatives**

The figures of the previous year have been regrouped and re-arranged wherever necessary to conform to current presentation. The figures for the current year and previous year have been presented in Rs in Lakhs.

As per our report of even date attached

**For RMJ & Associates LLP**  
**Chartered Accountants**  
**Firm Registration No. W100281**

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
**(CIN: L25999PN1973PLC182679)**

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

## INDEPENDENT AUDITOR’S REPORT

### To the Members of Modulex Construction Technologies Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of **Modulex Construction Technologies Limited** (hereinafter referred to as “**the Company**” or “**the Holding Company**”) and its Subsidiary and associate (the holding Company / the Company along with the Subsidiaries and associate together referred to as “**the Group**”) which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (Including other comprehensive income), Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “**the Consolidated Financial Statements**”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023; and its loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

#### Basis for Opinion:

We have conducted the 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 Consolidated Financial Statements section of the report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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.

#### Material Uncertainty related to Going Concern

We draw attention to Note 55 in the Consolidated Financial Statements, which states that the Group has incurred a net loss (before Other Comprehensive Income) in the current year and in the previous year. The Group’s current assets as on the date of the balance sheet are not sufficient to meet its current liabilities. The Group is implementing the project at Pune and as stated in the note 55 and 5.3 of the Consolidated Financial Statements the progress of the project is slow considering the various factors (including the temporary suspension of the project). There is material uncertainty related to the aforementioned conditions read with the point 5 & 12 of the Emphasis of Matters paragraph of the Independent auditor’s report that may cast significant doubt on the Group continuing as a going concern. Further, we are informed that the promoters/shareholders are committed to give the financial support as and when required by the Group, the management expects an improvement in the performance of the Group in the long run and the management is also committed to complete the project at Pune. Considering this, in the opinion of management, the

Consolidated Financial Statement are prepared on the going concern basis. Our opinion is not modified in respect of this matter.

### **Emphasis of Matters**

- 1) As stated in note 47 of the Consolidated Financial Statements, in the previous year, the Holding Company had received a whistleblower complaint from one of the person (hereinafter referred to as “the complainant”). The Complainant was an independent director of the Holding Company till 6th March 2023. The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, the said matter was raised by the statutory auditor to the audit committee of the Holding Company and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014 in the current year. The Holding Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which is also approved by the audit committee in a meeting held on 2<sup>nd</sup> September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, during the year, the Holding Company has received an additional 2 whistleblower complaints from the above complainant. The Audit Committee of the Holding Company has rebutted the allegation levelled by the Complainant and has suggested by taking the appropriate legal action against the complainant by referring these entire matters to the board of directors of the Holding Company for further actions. The board of directors of the Holding Company is exploring the best feasible option to close the matter.

- 2) As stated in note 7.1 and 37 of the Consolidated Financial Statements, in the previous year, the Holding Company had made an Investment in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) which was approved by the board of directors of the Holding Company, however, the shareholders’ approval for the same was not obtained as per the requirement of Section 186 of the Act. During the current year, the Holding Company has obtained prospective approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs.
- 3) Reference is invited to Note 52 of the Consolidated Financial Statements which states that in the opinion of the management, the Holding Company is not required to obtain registration as a Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities and nor proposing to carrying on financial activities as a principal business in future and revenue of the Holding Company is affected mainly due to delay in implementing the project by the subsidiary company. However, the Holding Company is taking necessary steps to generate revenue from non-financial assets. This opinion is also confirmed by the consultant of the Holding Company and we have relied on the same.
- 4) As stated in Note 53 of the Consolidated Financial Statements, one of the independent director of the Holding Company has resigned w.e.f 7th March 2023 and he has levelled certain allegations against the Holding Company / certain employees & directors of the Holding Company. Based on the said letter, the Holding Company has received an email from the Bombay Stock Exchange Limited to submit its reply. The Holding Company has rebutted the allegation levelled by the said independent director. The Holding Company has replied to the email received from the Bombay Stock Exchange Limited and uploaded it on the website of the stock exchange.



- 5) As stated in Note 5.3 of the Consolidated Financial Statements, there is a delay in the construction of the project by the subsidiary company [Modulex Modular Building Private Limited (MMBPL)] for the reason stated in the said note which includes a delay in raising the fund & non-receipt of extension letter from MIDC. The Subsidiary Company has continued to incur losses in the current year and in the earlier years. Further, current liabilities are also greater than current assets. Considering the commitment from the shareholders / promoters to infuse the funds for the execution of the project, the expectation of management for receipt of an extension letter from MIDC for construction work as well as future business prospects of the Subsidiary Company and valuation report obtained from two valuers, in the opinion of the management, there is no impairment of property, plant and equipment and capital work in progress as on date.
- 6) Attention is invited to Note 30.1 of the Consolidated Financial Statements, where one of the non-executive director of the subsidiary company (MMBPL) has demanded fees of Rs. 96.33 lakhs. As mentioned in the same note, we are informed by the management that said director was brought on board on the mutual understanding that fees will be accrued / payable on achieving financial closure of the project and since financial closure is not achieved as on 31st March 2022, the fees is not payable to the said director. However, in the current year, the Subsidiary Company has paid Rs. 47.18 lakhs as expended goodwill for which provision was made in the books as on 31st March 2022 and the balance amount of Rs. 49.33 lakhs was treated as contingent liabilities in the previous year pending the outcome final dispute/settlement.

Further, we are informed by the management that the additional liability of Rs. 12 lakhs for the current year is also not payable as per the mutual understanding stated above and hence, entire amount of Rs. 61.33 lakhs (including liability of Rs. 12 lakhs of the current year) is considered as contingent liabilities as on 31st March 2023.

- 7) We draw attention to Note 27.1 of the Consolidated Financial Statements, regarding excess managerial remuneration to directors of the subsidiary company (MMBPL) aggregating Rs. 116 lakhs for FY 20-21, Rs. 117.25 lakhs for FY 21-22 and Rs 57.18 lakhs for the current year. In the current year, the Board of directors and shareholders have approved the excess remuneration payable to directors for FY 20-21, FY 21-22, and waived recovery of said excess managerial remuneration. In the current year, the subsidiary company has formed the nomination and remuneration committee and the excess managerial remunerations for FY 20-21, FY 21-22 & for the current year have been approved by the nomination and remuneration committee.

Current year approval for excess managerial remuneration by the Board of directors and shareholders is short by Rs. 2.69 lakhs and we are informed by the management that it will take necessary action for the same in next financial year (which is in line with the requirement of Section 197 of the Act).

- 8) As stated on Note 38(a) of the Consolidated Financial Statements, unsecured loans given by MMBPL (subsidiary company) to the holding company and RRASPL [Redribbon Advisory Services Private Limited] (subsidiary company) are approved by the board of directors of MMBPL, however, shareholders' approval for the same was not obtained by MMBPL as per the requirement of Section 185 & 186 of the Act in FY 2021-22 and the same is approved by the shareholders of MMBPL in the current year. Further, as stated in note 11.2 of the Consolidated Financial Statements, in respect of loan given by the MMBPL to the Company in which the director is having control was not approved by the board of directors and shareholders of the MMBPL as per the requirement of Section 185 & 186 of the Act in FY 2021-22, however, the same is approved by the board of directors and shareholders of MMBPL in the current year.

- 9) As stated in Note 38 (b) of the Consolidated Financial Statements, loan taken by Redribbon Advisory Services Private Limited (RRASPL) (subsidiary company) from Modulex Modular Buildings Private Limited (MMBPL) (subsidiary company), director and relative of directors were approved by the board of directors, however, shareholders' approval for the same u/s 180 of the Act was not taken by the RRASPL in FY 2021-22 and shareholders' approval for the same is taken in the current year.
- 10) As stated in note 49 of the Consolidated Financial Statements, the group has not maintained video recordings of the certain board meetings and audit committee meetings which are held virtually for the previous year 2021-22 as per the requirement of Section 108 of the Companies Act 2013. We are informed by the management that it is due to technical glitches. However, signed physical board minutes and audit committee minutes of meetings have been maintained by the holding company and we have relied on the same for our audit.
- 11) As stated in Note 13.1 of the Consolidated Financial Statements, the subsidiary company (MMBPL) has paid an advance of Rs. 143.33 lakhs to Credit Express Financial Services till 31st March 2023. As per the agreement, the vendor would be able to charge the subsidiary company on completion of services. Even though the rendering of the service by the vendor is still in process, as a matter of abundant caution, the subsidiary company has made provision for professional services of Rs. 143.33 lakhs (to the extent of the advance paid to the vendor) towards service rendered by the consultant but billable at the time of completion of services.
- 12) As stated in Note 6.1 of the Consolidated Financial Statements, the management has carried out the fair value of investments in the subsidiary company (Modulex Modular Buildings Private Limited [MMBPL]) from the two valuers as on 31st March 2023 which is sufficient to cover the goodwill of Rs. 25,731.20 lakhs arising due to investment in the said subsidiary company. Considering the same and considering the management outlook for improvement in the performance of the Subsidiary Company (MMBPL) in the long run, in the opinion of management, no impairment is required for goodwill, since the management is committed to complete the construction of the project. We have relied on the said valuation reports and information & explanation given by the management.

Our opinion is not modified in respect of the above matters. All the above points except point (11) & (12) were reported in the previous financial year and our opinion was not qualified in respect of said matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	Auditor’s Response
<p><b>Investments in Compulsory Convertible Debentures (CCD’s) amounting to Rs 60.00 lakhs (excluding fair value adjustments under Ind AS)</b></p> <p>During the previous year, the Holding Company has made an investment in 15% Compulsory Convertible Debentures. Management assesses whether there are indications of impairment and determines the recoverable amounts of the investments including the recording of the said amount.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach consisted of following audit procedures:</p> <ul style="list-style-type: none"> <li>• Inquiry from management</li> <li>• Obtaining valuation report and relying on the appropriateness of the valuation report provided by the management for the fair value of CCD’s.</li> <li>• Obtain and verified evidence of investments. Also refer point 2 of paragraph “Emphasis of Matters” in audit report.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Report on Corporate Governance and Business Responsibility Report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Consolidated Financial Statements of the subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

When we read the Director’s report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective board of directors of the Companies included in the group is responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Further, as part of an audit in accordance with standards on auditing, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our Independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 the audit of the consolidated financial statements;
  - b) In our opinion proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books;

- c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other comprehensive income), Consolidated Cash Flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained;
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended applicable there to.
- e) The matter covered under para ‘material uncertainty related to going concern’ may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary and associate, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company along with its subsidiary and associate which are incorporated in India and the operating effectiveness of such controls, refer to our separate report in ‘Annexure B’.
- h) 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 to the best of our information and according to the explanations given to us, the Holding Company has not paid any remuneration to its directors during the year.

- i) 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 Group has no pending litigations that affect its financial position in its consolidated financial statements except as disclosed in Note 5.3 & 30.1 of Consolidated Financial Statements;
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
  - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 44 and 45 of consolidated financial statements, in the current year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary and associate which are companies incorporated in India to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other

persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or its subsidiary and associate which are companies incorporated in India or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 44 and 45 of consolidated financial statements, in the current year, no funds have been received by the Holding Company or its subsidiary and associate which are companies incorporated in India from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary and associate which are companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material mis-statement.
- v. The Group has not declared or paid a dividend during the year and hence, our reporting with respect to compliance with section 123 of the Act does not arises.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For RMJ & Associates LLP**

**Chartered Accountants**

Firm Registration No: W100281

**Rakesh Upadhyaya**

Partner

Membership No.: 046271

**UDIN No.: 023046271BGXMBJ9001**

Place: Mumbai.

Date: 30<sup>th</sup> May, 2023

**Annexure A to the Independent Auditor’s report on the Consolidated Financial Statements of Modulex Construction Technologies Limited for the year ended 31 March 2023 (Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

(xxi) According to the information and explanations given to us, and based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks in the CARO reports of the companies included in the consolidated financial statements except as stated below:

<b>Sr. No</b>	<b>Name of the Company</b>	<b>Corporate Identification Number (CIN)</b>	<b>Nature of relationship</b>	<b>Clause number of the CARO report which is qualified or adverse</b>
	Modulex Modular Buildings Private Limited	U25999PN2008PTC217684	Subsidiary	3x (b).

**For RMJ & Associates LLP**

**Chartered Accountants**

Firm Registration No: W100281

**Rakesh Upadhyaya**

Partner

Membership No.: 046271

**UDIN No.: 023046271BGXMBJ9001**

Place: Mumbai.

Date: 30<sup>th</sup> May, 2023

**Annexure B to the Independent Auditor’s report on the consolidated financial statements of Modulex Construction Technologies Limited for the year ended 31 March 2023 (Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **Modulex Construction Technologies Limited**(hereinafter referred to as “**the Company**” or “**the Holding Company**”) and its Subsidiary and associate (the holding Company / the Company along with the Subsidiary and associate together referred to as “**the Group**”), which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Boards of Directors of the Holding Company and its subsidiary and associate which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary, associate which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company and its subsidiary, associate which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Holding 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 Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group'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 group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated 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.

### **Emphasis of Matters**

- 1) As stated in point 1 of the Emphasis of Matters paragraph of the Independent Auditor's report, the Holding Company had received a whistleblower complaint from one of the person (hereinafter referred to as "the complainant"). The Complainant was an independent director of the Holding Company till 6th March 2023. The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, the said matter was raised by the statutory auditor to the audit committee of the Holding Company and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014 in the current year. The Holding Company had appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which is also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint were found baseless.

Further, during the year, the Holding Company has received an additional 2 whistleblower complaints from the above complainant. The Audit Committee of the Holding Company has rebutted the allegation levelled by the Complainant and has suggested by taking the appropriate legal action against the complainant by referring these entire matters to the board of directors of the Holding Company for further actions. The board of directors of the Holding Company is exploring the best feasible option to close the matter.



- 2) As stated in point 2 of the Emphasis of Matters paragraph of the Independent Auditor’s report, the Holding Company had made an Investment in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) which was approved by the board of directors of the Holding Company, however, the shareholders’ approval for the same was not obtained as per the requirement of Section 186 of the Act. During the current year, the Holding Company has obtained prospective approval from shareholders u/s 186 of the Act for making any investments up to Rs. 40,000 lakhs.
- 3) As stated in point 7 of the Emphasis of Matters paragraph of the Independent Auditor’s report, regarding excess managerial remuneration to directors of the subsidiary company (MMBPL) aggregating Rs. 116 lakhs for FY 20-21, Rs. 117.25 lakhs for FY 21-22 and Rs 57.18 lakhs for the current year. In the current year, the Board of Directors and shareholders of the Holding Company have approved the excess remuneration payable to directors for FY 20-21, FY 21-22, and waived recovery of said excess managerial remuneration. In the current year, the subsidiary company has formed the nomination and remuneration committee and the excess managerial remunerations for FY 20-21, FY 21-22 & for the current year have been approved by the nomination and remuneration committee.
- 4) As stated in point 8 of Emphasis of Matters in the paragraph of the Independent Auditor’s report, unsecured loans given by MMBPL (subsidiary company) to the holding company and RRASPL [Redribbon Advisory Services Private Limited] (subsidiary company) are approved by the board of directors of MMBPL, however, shareholders’ approval for the same was not obtained by MMBPL as per the requirement of Section 185 & 186 of the Act in FY 2021-22 and the same is approved by the shareholders of MMBPL in the current year. Further, in respect of the loan given by the MMBPL to the Company in which the director was having control was not approved by the board of directors and shareholders of the MMBPL as per the requirement of Section 185 & 186 of the Act in FY 2021-22, however, the same is approved by the board of directors and shareholders of MMBPL in the current year.
- 5) As stated in point 9 of Emphasis of Matters in the paragraph of the Independent Auditor’s report, loan taken by Redribbon Advisory Services Private Limited (RRASPL) (subsidiary company) from Modulex Modular Buildings Private Limited (MMBPL) (subsidiary company), director and relative of directors were approved by the board of directors, however, shareholders’ approval for the same u/s 180 of the Act was not taken by the RRASPL in FY 2021-22 and shareholders’ approval for the same is taken in the current year.
- 6) As stated in point 10 of Emphasis of Matters in the paragraph of the Independent Auditor’s report, the Holding Company has not maintained video recordings of certain board meetings/ audit committee meetings which are held virtually till 31<sup>st</sup> March 2022 as per the requirements of Section 108 of the Companies Act 2013. We are informed by the management that it is due to technical glitches. However, signed physical board minutes of the meeting has been maintained by the Holding Company and we have relied on the same for our audit.

Our opinion is not modified in respect of above matters. Our opinion is not modified in respect of the above matters. The above matters were reported in the report for the previous year ended 31<sup>st</sup> March 2022 and our opinion was also not modified in respect of the above matters.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary and associate which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## **Other Matter**

The respective companies in the group have appointed chartered accountant for testing of control / process with respect to internal financial control over financial reporting which has expressed unmodified opinion.

Our opinion is not modified in respect of the above matter. The above matter was also reported in the Independent auditor's report of the previous financial year ended 31<sup>st</sup> March 2022 and our opinion was not modified in respect of the said matter in the previous financial year also.

## **For RMJ & Associates LLP**

### **Chartered Accountants**

Firm Registration No: W100281

## **Rakesh Upadhyaya**

### **Partner**

Membership No. 046271

**UDIN No.: 023046271BGXMBJ9001**

Place: Mumbai

Date: 30<sup>th</sup> May, 2023

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)  
**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2023**

(Amount (Rs) in Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	4.28	5.81
Right of Use assets	5	684.78	693.10
Goodwill on Consolidation	6	25,731.20	26,122.67
Capital work in progress	5.1	3,254.54	3,247.17
<u>Financial assets:</u>			
Investments	7	60.15	76.43
Other non-current assets	8	371.75	539.71
		<b>30,106.68</b>	<b>30,684.88</b>
<b>Current assets</b>			
<u>Financial assets:</u>			
Cash and cash equivalents	9	3.48	31.61
Bank balances other than cash and cash equivalents	10	-	5.00
Loans and Advances	11	12.96	0.50
Other financial assets	12	6.88	8.97
Other current assets	13	205.20	43.46
		<b>228.52</b>	<b>89.54</b>
<b>Asset held for disposal</b>	50	-	<b>3.04</b>
<b>TOTAL</b>		<b>30,335.20</b>	<b>30,777.46</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	14	5,130.30	5,069.11
Other equity	15	20,801.86	21,677.58
Non Controlling interest	16	34.89	89.42
		<b>25,967.06</b>	<b>26,836.11</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<u>Financial liabilities</u>			
Borrowings	17	179.65	192.50
Other financial liabilities	18	78.29	80.61
Provisions	19	37.92	35.20
		<b>295.86</b>	<b>308.31</b>

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)  
**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2023**

(Amount (Rs) in Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
<b>Current Liabilities</b>			
<u>Financial liabilities</u>			
Borrowings	20	1,672.90	1,614.27
Lease liabilities	5.4	396.16	396.16
Trade payables	21		
Payable to micro enterprises and small enterprises		23.01	20.35
Payable to others		211.76	102.27
Other financial liabilities	22	1,205.78	976.84
Other current liabilities	23	542.25	404.98
Provisions	24	20.42	21.76
		<b>4,072.28</b>	<b>3,536.63</b>
<b>Liabilities held for disposal</b>	50	-	<b>96.41</b>
<b>TOTAL</b>		<b>30,335.20</b>	<b>30,777.46</b>
<b>Significant Accounting Policies</b>			
<b>The accompanying notes form an integral part of the Consolidated financial statements.</b>			

As per our report of even date attached

**For RMJ & Associates LLP**  
**Chartered Accountants**  
**Firm Registration No. W100281**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
**(CIN: L25999PN1973PLC182679)**

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Suchit Punnose**  
Director  
(DIN 02184524)

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**Date : 30<sup>th</sup> May, 2023**

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARH 2023**

(Amount (Rs) in Lakhs)

Particulars	Notes	Year ended 31st March 2023	Year ended 31st March 2022
<b>INCOME</b>			
Revenue from Operations	25	-	-
Other income	26	29.59	30.16
<b>TOTAL INCOME (I)</b>		<b>29.59</b>	<b>30.16</b>
<b>EXPENSES</b>			
Employee benefits expenses	27	242.14	225.73
Finance costs	28	284.72	286.98
Depreciation	29	9.84	14.24
Other expenses	30	483.36	308.56
<b>TOTAL EXPENSES (II)</b>		<b>1020.06</b>	<b>835.51</b>
<b>(III) (Loss) before Share in (Loss) of Associates, exceptional items and tax (I-II)</b>		<b>(990.47)</b>	<b>(805.35)</b>
<b>(IV) Share in (Loss) of Associates (net of tax)</b>	51	(1.79)	-
<b>(V) (Loss) before exceptional item and tax (III-IV)</b>		<b>(992.26)</b>	<b>(805.35)</b>
<b>(VI) Exceptional item</b>	50	88.34	
<b>(VII) (Loss) before tax (V - VI)</b>		<b>(903.91)</b>	
<b>(VIII) Tax expense</b>			
Current tax		-	-
short / (excess) of tax provision pertaining to earlier years		0.30	3.93
Deferred tax	42	-	-
<b>(IX) (Loss) after tax for the year (VII-VIII)</b>		<b>(904.22)</b>	<b>(809.28)</b>
<b>(X) Other comprehensive income (net of tax)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Change in fair value of the equity instruments		11.46	-
Remeasurement of the defined benefit plans (Net)		(7.27)	1.41
<b>Items that will be reclassified to profit or loss</b>		-	-
<b>(XI) Total comprehensive income (net of tax)</b>		<b>(908.41)</b>	<b>(810.69)</b>
<b>(X+XI)</b>			

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARH 2023 (Contd.)**  
(Amount (Rs) in Lakhs)

Particulars	Note No	Year ended 31st March 2023	Year ended 31st March 2022
<b>(Loss) for the year attributable to:</b>			
Owners of the Group		<b>(902.98)</b>	<b>(804.54)</b>
Non-Controlling Interest		<b>(1.24)</b>	<b>(4.74)</b>
<b>Other Comprehensive Income for the period attributable to:</b>			
Owners of the Group		<b>(4.20)</b>	<b>(5.29)</b>
Non-Controlling interests		<b>0.01</b>	<b>3.88</b>
<b>Other comprehensive income for the year (net of tax)</b>		<b>(4.19)</b>	<b>(1.41)</b>
<b>Total comprehensive income for the year (net of tax)</b>		<b>(908.41)</b>	<b>(810.69)</b>
<b>Attributable to</b>			
Owners of the Group		<b>(907.18)</b>	<b>(809.83)</b>
Non-Controlling Interest		<b>(1.23)</b>	<b>(0.86)</b>
<b>Earnings per equity share Nominal value of share Rs.10 each (Previous year: Rs 10 each)</b>	31		
: Basic		<b>(1.76)</b>	<b>(1.60)</b>
: Diluted		<b>(1.76)</b>	<b>(1.60)</b>
<b>Significant Accounting Policies</b>			
<b>The accompanying notes form an integral part of the Consolidated financial statements.</b>			

As per our report of even date attached

**For RMJ & Associates LLP**  
Chartered Accountants  
Firm Registration No. W100281

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount (Rs) in Lakhs)

Sr. No	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Net loss after exceptional item, share of (Loss) of Associate and before tax	(903.91)	(805.35)
	<b>Adjustments for Non-Cash and Non-Operating Items :</b>		
	Depreciation and Amortisation	9.84	14.24
	Exceptional item	(88.34)	
	Interest income on deposit, investment and Income tax refund	(13.09)	(7.41)
	Gain/Loss on financial instruments at fair value through profit and loss	16.29	(15.43)
	Liabilities no longer required written back	(10.83)	(7.17)
	Finance Cost	284.72	286.98
	Property, plant and equipment write off	0.45	-
	Share in (Loss) of Associates (net of tax)	1.79	-
	<b>Operating Profit before Working Capital Charges</b>	<b>(703.09)</b>	<b>(534.15)</b>
	<b>Movement in working capital:</b>		
	(Increase) / Decrease in current and non current assets	8.31	14.06
	Increase / (Decrease) in current and non current liabilities	210.70	92.42
	<b>Net Cash Generated from Operating Activities</b>	<b>(484.09)</b>	<b>(427.67)</b>
	Income Tax paid (Net of Refund)	(0.30)	(0.25)
	<b>Net Cash Flow (Used in) Operating Activities (A)</b>	<b>(484.39)</b>	<b>(427.92)</b>
<b>B.</b>	<b>Cash Flow From Investing Activities</b>		
	Interest Received on Fixed Deposit	0.23	0.45
	Interest Received on Compulsory Convertible Debenture and others	11.01	2.30
	Investment in 15% Compulsory Convertible Debenture	-	(60.00)
	Maturity proceeds from Fixed deposit	5.00	-
	Unsecured Loan given to Company in which Directors are interested	(5.00)	(47.00)
	Derecognition of investment in equity shares of subsidiary (RRASPL)	290.76	125.00
	Recognition of property, plant and equipment Including capital work in progress (Net of Capital advances and Capital creditors)	(7.80)	228.55
	Proceeds from unsecured loan given above	48.72	-
	<b>Net Cash (Used in) / generated from Investing Activities (B)</b>	<b>342.92</b>	<b>249.30</b>

**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)**  
(Amount (Rs) in Lakhs)

Sr. No	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>C.</b>	<b>Cash Flow From Financing Activities</b>		
	Issue of Share Capital (Including Security Premium)	50.56	-
	Proceeds from unsecured borrowings from Company in which Directors are interested	61.71	969.62
	Share Application money pending for allotment	36.00	-
	Proceeds from borrowings from Directors	23.30	-
	Interest Paid	-	(38.91)
	Repayment of borrowings to related parties	(39.23)	(156.78)
	Payment of secured loan (car)	-	(3.31)
	Transaction cost for increase in authorised share capital	(19.00)	-
	<b>Net Cash Flow generated from Financing Activities (C )</b>	<b>113.34</b>	<b>770.62</b>
	<b>Net Increase/ (Decrease) in cash and other equivalents (A+B+C)</b>	<b>(28.13)</b>	<b>592.01</b>
	<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>		
	Cash & Cash Equivalent at the beginning of the year	31.61	10.54
	Cash & Cash Equivalent at the end of the year	3.48	31.61
	<b>Net Increase/ (Decrease) in cash and other equivalents</b>	<b>(28.13)</b>	<b>21.08</b>

**Notes:**

- Consolidated Cash flow statement has been prepared under the indirect method as set out in IND AS 7: “Statement of Cash Flows” notified under section 133 of the Companies Act, 2013.
- Figures in the brackets indicates Cash Outflow.
- Previous years figures have been regrouped / reclassified wherever applicable.
- Refer note 46 for Changes in financing liabilities

As per our report of even date attached

**For RMJ & Associates LLP**  
Chartered Accountants  
Firm Registration No. W100281

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)



**Modulux Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023**

**(a) Equity Share Capital**

(Amount (Rs) in Lakhs)

Particulars	Number of Shares	Amount
As at 31 March 2021	5,13,03,040	5130.30
Less: Shares of the Holding Company held by Subsidiary (RRASPL)	6,11,929	61.19
As at 31 March 2022	5,06,91,111	5069.11
As at 1 April 2022	5,06,91,111	5069.11
Add : Due to derecognition of investment in Subsidiary (Refer Note 50 and 51)	6,11,929	61.19
As at 31st March 2023 (Excluding group holding)	5,13,03,040	5130.30

**(b) Other Equity**

Particulars	Reserves & Surplus				Other Reserves	Share application money pending allotment	Total	Non-controlling interest
	Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Transaction Cost on the Equity Instruments			
As at 1 April 2021	97.45	(85.42)	28501.81	(5935.17)	(119.05)	-	22459.63	(6.94)
Add:								
Total loss for the year	-	-	-	(804.52)	-	-	(804.52)	(4.76)
Other Comprehensive Income	-	-	-	(5.29)	-	-	(5.29)	3.88
Effects of changes in Interest in existing Subsidiary (RRASPL) (Refer Note 51)	-	-	-	27.77	-	-	27.77	97.23
Total comprehensive income for the year	-	-	-	(782.05)	-	-	(782.05)	89.42
As at 31 March 2022	97.45	(85.42)	28501.81	(6717.22)	(119.05)	-	21677.58	89.42
As at 1st April 2022	97.45	(85.42)	28501.81	(6717.22)	(119.05)	-	21677.58	89.42
Add:								
Add: Transaction Cost on the Equity Instruments	-	-	-	-	(19.00)	-	(19.00)	-
Total loss for the year	-	-	-	(902.98)	-	-	(902.98)	(1.24)
Other Comprehensive Loss	-	-	-	(4.20)	-	-	(4.20)	0.01
Effects of changes in Interest in Subsidiary (MMBPL)	-	-	-	14.46	-	-	14.46	36.10
Effect of loss of control (Refer Note 50 and 51)	-	-	-	-	-	-	-	(89.39)
Total comprehensive Loss for the year	-	-	-	(892.72)	-	-	(892.72)	(54.52)
Share Application Money (Pending for allotment)	-	-	-	-	-	36.00	36.00	-
As at 31st March 2023	97.45	(85.42)	28501.81	(7609.93)	(138.05)	36.00	20801.86	34.89

**Significant Accounting Policies**

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

**For RMJ & Associates LLP**  
Chartered Accountants  
Firm Registration No. W100281

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

Place: Mumbai  
Date : 30<sup>th</sup> May, 2023

**For and on behalf of the Board of**  
**Modulux Construction Technologies Limited**  
(CIN: L25999PN1973PLC182679)

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
Date : 30<sup>th</sup> May, 2023

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

## Notes To Consolidated Financial Statements For The Year Ended March 31, 2023

### 1. Corporate information

Modulex Construction Technologies Limited (“the Company or the Holding Company”) is a Company registered under the Companies Act, 1956. The Holding Company was incorporated on 24th May, 1973 with the CIN of the Company is L25999PN1973PLC182679. It was originally incorporated with the name, “Tumus Electric Corporation Limited”. Its name has changed to, “Modulex Construction Technologies Limited” with effect from 14th December, 2018. The Holding Company is primarily engaged in the production, building, supplying, fabricating and manufacture of modular steel buildings and currently project is being implemented at Pune, Maharashtra through its subsidiary.

The Board of Directors of Holding Company approved the Consolidated Financial Statements for the year ended March 31, 2023 on 30<sup>th</sup> May 2023.

### 2. Basis of preparation and presentation of Consolidated Financial Statements

#### 2.1 Statement of Compliance

The Consolidated Financial Statements of the Holding Company and its subsidiaries (“the Group”) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time . Further, these Consolidated Financial Statements have been presented as per requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as amended from time to time.

#### 2.2 Basis of Measurement

These Consolidated Financial Statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

#### 2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries, as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

## 2.4 Principal of Consolidation

The Group consolidates entities which it controls. The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries:

- Modulex Construction Technologies Private Limited (“The Company” or “the Holding Company”)
- Modulex Modular Building Private Limited (“Subsidiary”) [% of holding as on 31<sup>st</sup> March 2023: 99.67 % (As on 31<sup>st</sup> March 2022: 99.81%)]
- Redribbon Advisory Services Private Limited (“Sub-subsidiary”) [% of holding as on 31<sup>st</sup> March 2023: Nil % (As on 31<sup>st</sup> March 2022: 60.68% )

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The financial statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company, i.e. 31<sup>st</sup> March, 2023 (Previous year: 31<sup>st</sup> March 2022).

The excess of cost to the Group, of its investment in the subsidiaries over the Group’s share of equity is recognized in the consolidated financial statements as Goodwill and tested for impairment annually.

The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.

Non-controlling interests in the Consolidated Financial Statements are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

## **2.5 Changes in Holding Company’s ownership interest in existing subsidiary or sub-subsidiary**

Changes in the Holding Company’s ownership interests in subsidiary or sub-subsidiary that do not result in the Holding losing control over the subsidiary or sub-subsidiary are accounted for as equity transactions. The carrying amounts of the Holding Company’s interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary or sub-subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Holding Company.

When the Holding Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

## **2.6 Use of significant accounting estimates, judgements & assumptions and key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Holding Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Holding Company. Such changes are reflected in the assumptions when they occur.

### **a) Fair Value measurements of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Changes in judgements and assumptions could effect the reported fair value of consolidated financial instruments.

### **b) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

### **c) Recognition of deferred tax asset**

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Group has not recognised the deferred tax on unused tax losses / unused tax credits. Any increase in probability of future taxable profit will result into recognition of unrecognised deferred tax assets.

**d) Measurement of defined benefit plan**

The present value of the gratuity obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**e) Impairment of property, plant and equipment, Rights of use assets and Capital work in progress**

Assets that are subject to depreciation and amortization and other assets are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**f) Property, plant & equipment and intangible assets**

The Group has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Group. Further the Group has estimated that scrap value of property, plant & equipment would be able to cover the residual value of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value and method of depreciation / amortisation are critical to the Group's financial position and performance.

**2.7 Measurement of Fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

## **2.8 Functional and presentation of currency**

The Consolidated Financial Statements are presented in Indian Rupees (INR) which is the functional currency of the Group and all values are rounded to the nearest lacs, except where otherwise indicated.

## **3. Significant Accounting policies**

### **3.1 Classification of Current and Non-current**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the Act. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, the Group has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

### 3.2 Property, plant and equipment ('PPE') and Depreciation

- a. Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model.
- b. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.
- c. Cost of assets not ready for intended use, as on the Consolidated Balance Sheet date, is shown as capital work in progress. Capital work in progress is stated at cost, net of impairment losses, if any. Expenditure directly relating to construction phase is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent it is related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss. Any incidental income arising directly in relation to the project is reduced from the project.
- d. Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.
- e. Subsequent expenditure related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- f. Property, plant and equipment are eliminated from consolidated financial statements either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant & equipment are recognized in the consolidated statement of profit and loss in the year of occurrence.
- g. Depreciation**

Depreciation on property, plant and equipment (other than freehold land and capital work in progress) is provided on a written down value (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013. Assets acquired under lease are depreciated on straight line basis over the shorter of the lease term and their useful lives.

Depreciation methods, useful lives and residual values are reviewed periodically, including at the end of each financial year and adjusted prospectively.

In case of assets purchased or derecognized during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been derecognized.

### **3.3 Intangible assets and amortization**

Intangible assets are stated at cost of development or consideration paid for acquisition less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised only if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably. Intangible assets comprise of Web designing and is amortised over its useful life which is presently estimated to be 5 years.

The useful lives and methods of amortisation of intangible assets are reviewed at each Consolidated balance sheet date and in case of any changes, effect of the same is given prospectively.

### **3.4 Impairment of Non Financial assets**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation had no impairment loss been recognised in earlier years.

### **3.5 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **(a) Financial Assets:**

##### **I. Initial measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.



## **II. Subsequent measurement:**

### **a. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **b. Financial assets at fair value through other comprehensive income.**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### **c. Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in consolidated statement of profit and loss.

## **III. Derecognition**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

## **IV. Impairment:**

A financial assets is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have detrimental effect on estimated future cash flow of the assets have occurred. The Group applies expected credit loss model recognizing impairment loss on financial assets. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

## **(b) Financial Liabilities:**

### **I. Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

## **II. Subsequent measurement**

### **a. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

### **b. Financial liabilities at amortized cost (Loans and Borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

## **III. Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

**(c) Compound financial instruments**

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

**(d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(e) Re-classification**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**3.6 Non-current assets held for sale**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

### **3.7 Income Taxes**

#### **(a) Current tax:**

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

#### **(b) Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

### **3.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the Consolidated Statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of Cash and cash equivalents.

### 3.9 Provisions, contingent liabilities and contingent assets

#### (a) Provisions:

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and 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. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### (b) Contingency liability:

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### (c) Contingent assets:

The Group does not recognize a contingent asset but discloses its existence in the consolidated financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 3.10 Revenue recognition

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with the customer

Step 2: Identify the performance obligation in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and it can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included and classified under the head “other income” in the consolidated statement of profit and loss.

### **3.11 Borrowing Costs**

Borrowing costs attributable to the acquisition of a qualifying asset are capitalized as part of the cost of the asset till the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing cost includes interest expense incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### **3.12 Leases**

#### **Group as a lessee**

The Group's lease asset classes primarily consist of leasehold land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### **3.13 Employee Benefits**

#### **(a) Short term employee benefit**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

#### **(b) Post-employment benefits**

##### **I. Defined Contribution Plan**

The defined contribution plan is post-employment benefit plan under which group contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The group's contribution to defined contribution plans are recognized in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

## II. Defined Benefit Plan

The liability recognized in the consolidated balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bond and that have terms to maturity approximating to the terms of the related gratuity.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

### 3.14 Earnings per share ('EPS')

Basic earnings per share are calculated by dividing the consolidated net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the consolidated net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 3.15 Consolidated Cash Flow Statement

Cash Flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 3.16 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Consolidated Statement of profit and loss outside operating profit. The Separate financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Consolidated financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate its carrying value, and then recognises the loss as 'Share of profit or loss of an associate in the Consolidated Statement of profit and loss. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.



#### 4 Standards notified but not yet effective as at reporting date

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

##### (a) Ind AS 1 – Presentation of Standalone Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence the decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in the consolidated financial statements. The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence the decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its Consolidated financial statements.

##### (b) Ind AS 12 – Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its Consolidated financial statements.

##### (c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in the consolidated financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in Consolidated financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its Consolidated financial statements.

**Notes To Consolidated Financial Statements For The Year Ended March 31, 2023**

**Note 5 : Property, Plant and Equipment including capital work in progress, Rights of use assets and intangible assets**

(Amount (Rs.) in lakhs)

Particulars	Computer	Vehicles	Office equipments and fixtures	Furniture and fixtures	Tangible Assets (total)	Leasehold Land	Leasehold improvement	Right to use Assets (total)	Intangible Assets (Web designing fee)
<b>As at 1st April 2021</b>	4.16	13.93	3.70	5.64	27.43	725.27	8.20	733.47	8.17
Additions	2.52	-	-	-	2.52	-	-	-	-
Disposals	(2.21)	-	(0.74)	(4.12)	(7.06)	-	(8.20)	(8.20)	-
<b>Transfer to non current assets held (refer Note 50)</b>	-	-	-	-	-	-	-	-	(8.17)
<b>As at 31st March 2022</b>	4.47	13.93	2.96	1.53	22.89	725.27	-	725.27	-
Additions	-	-	0.43	-	0.43	-	-	-	-
Disposals	(0.14)	(0.36)	(1.20)	(0.09)	(1.79)	-	-	-	-
<b>As at 31st March 2023</b>	<b>4.33</b>	<b>13.57</b>	<b>2.19</b>	<b>1.44</b>	<b>21.53</b>	<b>725.27</b>	-	<b>725.27</b>	-

**Accumulated Depreciation**

<b>As at 1st April 2021</b>	3.71	10.61	2.78	3.09	20.19	23.05	7.26	30.30	7.68
Additions	0.82	0.63	0.30	2.21	3.96	9.12	0.94	10.06	0.22
Disposals	(2.21)	-	(0.74)	(4.12)	(7.06)	-	(8.20)	(8.20)	-
<b>Transfer to non current assets held (refer Note 50)</b>	-	-	-	-	-	-	-	-	(7.90)
<b>As at 31st March 2022</b>	2.32	11.23	2.35	1.18	17.08	32.17	-	32.17	-
Additions	1.22	0.00	0.23	0.06	1.52	8.32	-	8.32	-
Disposals	(0.01)	(0.23)	(1.04)	(0.07)	(1.34)	-	-	-	-
<b>As at 31st March 2023</b>	<b>3.53</b>	<b>11.00</b>	<b>1.54</b>	<b>1.18</b>	<b>17.25</b>	<b>40.49</b>	-	<b>40.49</b>	-

**Net Block**

<b>As at 31st March 2022</b>	2.16	2.69	0.62	0.35	5.81	693.10	-	693.10	-
<b>As at 31st March 2023</b>	<b>0.80</b>	<b>2.56</b>	<b>0.65</b>	<b>0.26</b>	<b>4.28</b>	<b>684.78</b>	-	<b>684.78</b>	-

<b>5.1 Capital Work in Progress (CWIP)</b>	<b>As on 31st March 2023</b>	<b>As on 31st March 2022</b>
<b>Balance at beginning of the year</b>	3,247.17	2,678.75
(+) Additions during the year	7.37	568.41
(-) Capitalized during the year	-	-
<b>Balance as at end of the year</b>	<b>3,254.54</b>	<b>3,247.17</b>

**5.2 (a) CWIP aging schedule:**

<b>Particulars</b>	<b>Amount in CWIP for a period of 2022-23</b>				<b>Total*</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	7.37	568.41	26.24	2,652.51	3,254.54
<b>Total</b>	<b>7.37</b>	<b>568.41</b>	<b>26.24</b>	<b>2,652.51</b>	<b>3,254.54</b>

<b>Particulars</b>	<b>Amount in CWIP for a period of 2021-22</b>				<b>Total*</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	568.41	-	26.24	2,652.51	3,247.17
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>568.41</b>	<b>-</b>	<b>26.24</b>	<b>2,652.51</b>	<b>3,247.17</b>

**(b) For Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:**

For Financial 2022-23

<b>Particulars</b>	<b>To be completed in</b>				<b>Total*</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Project *	-	9,369.00	-	-	9,369.00
<b>Total</b>	<b>-</b>	<b>9,369.00</b>	<b>-</b>	<b>-</b>	<b>9,369.00</b>

For Financial 2021-22

<b>Particulars</b>	<b>To be completed in</b>				<b>Total*</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Project *	-	9,369.00	-	-	9,369.00
<b>Total</b>	<b>-</b>	<b>9,369.00</b>	<b>-</b>	<b>-</b>	<b>9,369.00</b>

\* Even though the Subsidiary (MMBPL) is implementing the project shed wise above detail is given as one single project as the Subsidiary (MMBPL) has prepared the budget as a one single project only.

**5.3** In respect of Subsidiary (MMBPL), due to multiple factors including delays in raising the resources from the banks and other regulatory issues resulted in the temporary suspension of construction activity at the project site at Indapur, Pune [which is taken on lease from MIDC (Maharashtra Industrial Development Corporation)].

Further, the Subsidiary (MMBPL) is in discussion with a consortium consisting of two member banks for funding the project to the extent of Rs. 8,500 lakhs. In December, 2022, the management received sanction letters from two member banks and is expecting the disbursement of the loan on the fulfillment of certain terms and conditions. Considering the continued delay in the construction of the project, the Subsidiary (MMBPL) has continued to incur losses in the current year and in the previous year. Further, current liabilities are greater than current assets. The management is committed to complete the construction of the factory complex and promoters / shareholders are committed to provide necessary funds to the Subsidiary (MMBPL) as and when required. The management is expecting trial production to commence and commercial production to be commenced in FY 24-25.

Further, the Subsidiary (MMBPL) had received a letter dated 12th August 2020 from MIDC asking the Subsidiary (MMBPL) to vacate the above project site due to a delay in construction work / delay in payment of premium charges. The Subsidiary (MMBPL) vide letter dated 13th August 2020 had replied to the said notice and requested for more time to make payment of outstanding premium charges. Further, the Subsidiary (MMBPL) vide letter dated 24th September 2021 has requested an extension of time for construction work for additional re-allotment fees of Rs. 810 lakhs. The Subsidiary (MMBPL) is confident of receipt of the extension letter from MIDC for the construction of work. The outcome of additional liability payable to MIDC (including interest for delay in payment of premium, if any) would be determined based on the decision of MIDC and pending this decision, additional liability proposed by the Subsidiary (MMBPL) has been disclosed under contingent liabilities (Refer Note 34.1).

Considering the commitment from the shareholders/promoters to continue to infuse funds for the execution of the project, the management's expectation for receipt of an extension letter from MIDC for construction work as well as the future business prospects of the Subsidiary (MMBPL) and valuation report obtained from two valuers, in the opinion of the management there is no impairment of property, plant and equipment and capital work in progress as on date and further, the management has prepared the consolidated financial statements on going concern basis.

#### **5.4 Lease liabilities**

The movement in lease liabilities during the years ended 31st March, 2023 and 31 March, 2022 is as follows :

<b>Particulars</b>	<b>As on 31st March 2023</b>	<b>As on 31st March 2022</b>
<b>Balance at beginning of the year</b>	396.16	396.16
(+) Additions during the year	-	-
(-) Payment during the year	-	-
<b>Balance as at end of the year</b>	<b>396.16</b>	<b>396.16</b>

**5.5** The gross block of one motor vehicle amounting of Rs 27.44 lakhs (31st March 2022: 27.44 lakhs) is hypothecated / mortgaged against the bank has been fully repaid in previous year.

**Note 6 : Goodwill on Consolidation**

**(Amount (Rs) in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Goodwill on Consolidation	25,731.20	26,122.67
<b>Total</b>	<b>25,731.20</b>	<b>26,122.67</b>

**Note:**

**6.1** The fair value of investments in the subsidiary company (Modulex Modular Buildings Private Limited [MMBPL]) carried out by the two independent valuers as on 31st March 2023 is sufficient to cover the cost of investments. The valuers have also considered effect of the slow progress of project (including temporary suspension of project) by subsidiary company. Considering the management outlook for improvement in the performance of the Subsidiary Company (MMBPL) in the long run and in the opinion of management, no impairment is required for goodwill for consolidation since it is committed to complete the construction of the project.

**Note 7 : Investments**

Particulars	As at March 31, 2023	As at March 31, 2022
<b><u>Investment in equity shares of Companies where directors are same or interested:</u></b>		
<b><u>- Unquoted fully paid up and carried at Fair value through profit and loss</u></b>		
9,999 (Previous year: 9,999) Equity shares of Give Vinduet Windows and Doors Pvt. Ltd. - of Rs. 10 (Previous year: Rs 10), fully paid up	0.99	1.25
<b><u>- Unquoted partly up and carried at Fair value through profit and loss</u></b>		
1,04,375 (Previous year: 1,04,375) equity Shares of Eco Hotels India Private Limited of Rs 10 each, 0.10 partly paid up per share (Previous year: Rs 10 each, 0.10 partly paid up per share)	-	0.10
Less : Provision for Impairment of investment	-	(0.10)
<b><u>Investments in Preference shares (fully paid up)</u></b>		
23,00,000 (Previous year: 23,00,000) Preference Shares of Eco Hotels India Private Limited of Rs. 10, (Previous year: Rs. 10), fully paid up	230.00	230.00
Less : Provision for Impairment of investment	(230.00)	(230.00)
<b>Other investments - Fair value through profit and loss</b>		
<b>-Unquoted Compulsory Convertible Debentures, fully paid up</b>		
6,00,000 (Previous year: 6,00,000) 15% Compulsory Convertible Debenture of Give Vinduet Windows and Doors Private Limited of Rs. 10, (Previous year: Rs. 10) each . *	59.16	75.18
<b>Total</b>	<b>60.15</b>	<b>76.43</b>

(Amount (Rs) in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments (at original cost)	291.00	291.10
Market value of quoted investments	-	-
Aggregate amount of impairment in the value of investment	230.00	230.10

\* Convertible in the equity shares in the ratio of 1:1

7.1 In FY 2021-22, Investments in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) was approved by the board of directors of the Holding Company, however, the shareholders approval for the same was not obtained as per the requirement of Section 186 of the Companies Act 2013. In the current year, the Subsidiary (MMBPL) has obtained prospective approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs.

#### Note 8 : Other Non current assets

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital Advance	-	129.89
Advance tax (Net of provision for tax)	21.46	13.80
Balance with Government authorities	200.24	210.26
Unamortised License / Royalty Fees	150.01	185.75
Advance given to Director	0.03	-
<b>Total</b>	<b>371.75</b>	<b>539.71</b>

#### Note:

- 8.1 Balances with government authorities includes the Input Tax Credit on GST of Rs 80.46 lakhs (31st March 2022 - Rs 74.00 lakhs) on the reverse charge basis which is unpaid as on 31st March 2023.
- 8.2 In respect of Subsidiary (MMBPL), in the previous FY 2021-22, GST input credit as per books was higher by Rs. 151.49 lakhs than the aggregate of the GST Input Credit availed as per GST returns submitted by the Subsidiary (MMBPL). Out of the total amount, GST input credit aggregating to Rs. 120.15 lakhs was capitalized in the books (as the input credit for the same is not available) in the previous FY 2021-22. In the opinion of the tax consultant of the Subsidiary (MMBPL) for the year ended March 2022, the balance amount of Rs. 31.34 lakhs will be available pending certain rectifications and was treated as a contingent liability by the Subsidiary (MMBPL) in the previous year. However, in the current year, the Subsidiary (MMBPL) has written off the entire amount to expenses as the Subsidiary (MMBPL) could not take GST input credit inspite of taking necessary actions.

**Note 9 : Cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0.43
<b><u>Balance with bank:</u></b>		
- In Current accounts	3.48	31.19
<b>Total</b>	<b>3.48</b>	<b>31.61</b>

**Note 10 : Bank Balances Other than cash and cash Equivalents**

Particulars	As at 31st March 2023	As at 31st March 2022
<b><u>In Fixed Deposit with Bank of India</u></b>		
(Maturity less than Twelve months) (Refer Note 10.1 below)	-	5.00
<b>Total</b>	<b>-</b>	<b>5.00</b>

**Note:**

**10.1** The fixed deposit held by the Holding (MCTL) carries in its erstwhile name “Tumus Electric Corporation Limited” which has been matured during the year.

**Note 11 : Loans and Advances (Current)**

**(Amount (Rs) in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good unless otherwise stated)</b>		
Interest receivable from related party (Eco Hotels India Private Limited) (Refer Note 11.1 and 11.2)	-	0.50
Loan to related party (RRASPL) (Refer Note 50 and 51 )	12.96	
<b>Total</b>	<b>12.96</b>	<b>0.50</b>

**Note:**

**11.1** The above interest receivable is from the Company in which Directors are interested.

**11.2** The above loan given to the Company in which director is having control (Eco Hotels India Private Limited) was not approved by the board of directors and shareholders as per requirement of Section 185 & 186 of the Companies Act 2013 in FY 2021-22. The said approval is taken from the board and shareholders in the current year. Also Refer note 36.

**Note 12 : Other financial assets**
**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Unsecured, Considered good, measured at amortised cost</b>		
<b>Interest receivable on:</b>		
Fixed deposit	-	0.08
Compulsory Convertible Debentures	2.03	4.04
Security Deposit (Refer Note 12.1)	4.85	4.85
<b>Total</b>	<b>6.88</b>	<b>8.97</b>

**Note:**

**12.1** The above includes security deposit given to Director who is interested.

**Note 13 : Other current assets**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Unsecured, Considered Good</b>		
Prepaid Expenses	2.04	7.56
Advance given for expense (Refer Note 13.1)	166.85	0.08
Advance to employees	0.58	0.09
Unamortised License / Royalty Fees	35.73	35.73
<b>Total</b>	<b>205.20</b>	<b>43.46</b>

**Note:**

**13.1** The Subsidiary (MMBPL) paid an advance of Rs. 143.33 lakhs to Credit Express Financial Services (“the vendor”) in the current year. As per the agreement, the vendor would be able to charge the Company on completion of services. Even though rendering of the service by the vendor is still in process, as a matter of abundant caution, the Company has made provision for professional services of Rs. 143.33 lakhs (to the extent of advance paid to the vendor) towards service rendered by the consultant but billable at the time of completion of services.



**Note 14 : Equity Share Capital**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount (Rs)	Number of Shares	Amount (Rs)
<b>Authorised Share Capital</b>				
Cumulative Redeemable Pref Shares of Rs 10/- each (31st March, 2022: Rs 10/- each)	50,000	5.00	50,000	5.00
Equity Shares of Rs 10/- each (31st March, 2022: Rs 10/- each)	9,29,50,000	9295.00	7,29,50,000	7295.00
	<b>9,30,00,000</b>	<b>9300.00</b>	<b>7,30,00,000</b>	<b>7300.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>				
<b>Issued</b>				
Paid Up Capital Equity Shares of Rs 10/- each (Previous year: Rs 10/- each)	5,13,03,040	5130.30	5,13,03,040	5130.30
<b>Subscribed and paid up</b>				
Paid Up Capital Equity Shares of Rs 10/- each (Previous year: Rs 10/- each)	5,13,03,040	5130.30	5,13,03,040	5130.30
Shares held by Subsidiary Company (Refer Note 50 and 51)	-	-	6,11,929	(61.19)
	<b>5,13,03,040</b>	<b>5130.30</b>	<b>5,06,91,111</b>	<b>5069.11</b>

**a) Reconciliation of shares outstanding at the beginning and at the end of the period**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount (In Rs)	No. of Shares	Amount (In Rs)
<b>Equity Shares</b>				
At the beginning of the year	5,13,03,040	5,130.30	5,13,03,040	5130.30
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>5,13,03,040</b>	<b>5,130.30</b>	<b>5,13,03,040</b>	<b>5130.30</b>
<b>Less: Shares held by Subsidiary Company (Refer Note 50 and 51)</b>	-	-	6,11,929	(61.19)
<b>Outstanding at the end of the year (excluding Group Holdings)</b>	<b>5,13,03,040</b>	<b>5,130.30</b>	<b>5,06,91,111</b>	<b>5191.50</b>

**b) Terms / rights attached to equity shares**

The Holding Company has only one class of equity shares of Rs. 10/- each. These shares rank pari passu with each other and in accordance with the Articles of Association of the Holding Company. Each equity shareholder is entitled to the same rights as regards voting, dividend and repayment of capital in proportion to his shareholding and there are no restrictions to the rights of shareholders. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets after distribution of all preferential amounts. The distribution assets of the Holding Company will be in proportion to the number of equity shares held by the shareholders after preferential allocation.

**c) Details of Shareholders holding more than 5% shares in the company:**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of Share	% holding	Number of Share	% holding
Red Ribbon Modulex Buildings Ltd	1,06,84,526	20.83%	1,06,84,526	21.08%
JZ MODY Family Private Limited	50,94,399	9.93%	54,51,853	10.76%
Ajmera Realty and Infra India Ltd.	37,25,809	7.26%	37,25,809	7.35%
Ethix Realtors Private Limited	24,89,672	4.85%	25,91,427	5.11%

**d) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of Share	Amount (Rs)	Number of Share	Amount (Rs)
Equity Shares Issued under shares swap basis (Refer Note 1 below)	5,00,17,765	5001.78	5,00,17,765	5001.78

**Note:**

In the year 2019-20, the Holding Company had issued its own 84,45,579 fully paid equity shares against 1,13,59,322 fully paid equity shares of Subsidiary (MMBPL) in terms of swap ratio approved by Bombay stock Exchange Limited (BSE).

**e) Disclosure of Shares held by Promoters excluding group holdings:-**

Promoter Name	As at 31st March 2023			As at 31st March 2022		
	No of Shares	% of Total Shares	% of Change during the year	No of Shares	% of Total Shares	% of Change during the year
Suchit Punnose	18,92,489	3.69%	-0.04%	18,92,489	3.73%	-
Redribbon Modulex Buildings Limited (MU)	1,06,84,526	20.83%	-0.25%	1,06,84,526	21.08%	-
Redribbon Advisory Services Private Limited (Refer Note 50 and 51)	6,11,929	1.19%	1.19%	-	-	-
<b>Total</b>	<b>1,31,88,944</b>	<b>25.71%</b>	<b>0.90%</b>	<b>1,25,77,015</b>	<b>24.81%</b>	<b>-</b>

**Note 15 : Other Equity**
**(Amount (Rs) in Lakhs)**

Particulars	Reserves & Surplus				Other Reserves	Share application money pending allotment (vi)	Total
	Capital Reserve (i)	General Reserve (ii)	Securities Premium (iii)	Retained Earnings (iv)	Transaction Cost on the Equity Instruments (v)		
<b>As at 1 April 2021</b>	97.45	(85.42)	28501.81	(5935.17)	(119.05)	-	22459.63
Loss for the year	-	-	-	(804.52)	-	-	(804.52)
Other comprehensive income for the year (vii)	-	-	-	(5.29)	-	-	(5.29)
Effects of changes in Interest in existing Subsidiary (RRASPL)	-	-	-	27.77	-	-	27.77
<b>Total comprehensive income for the year</b>	-	-	-	<b>(782.05)</b>	-	-	<b>(782.05)</b>
<b>As at 31 March 2022</b>	<b>97.45</b>	<b>(85.42)</b>	<b>28501.81</b>	<b>(6717.22)</b>	<b>(119.05)</b>	-	<b>21677.58</b>

<b>As at 1 April 2022</b>	<b>97.45</b>	<b>(85.42)</b>	<b>28501.81</b>	<b>(6717.22)</b>	<b>(119.05)</b>		<b>21677.58</b>
Loss for the year	-	-	-	(902.98)	-	-	(902.98)
Other comprehensive income for the year (vii)	-	-	-	(4.20)	-	-	(4.20)
Effects of changes in Interest in existing Subsidiary (RRASPL) (Refer Note 51)	-	-	-	14.46	-	-	14.46
Share Application Money (Pending for allotment)	-	-	-	-	-	36.00	36.00
Transaction Cost on the Equity Instruments	-	-	-	-	(19.00)	-	(19.00)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(892.72)</b>	<b>(19.00)</b>	<b>36.00</b>	<b>(875.72)</b>
<b>As at 31 March 2023</b>	<b>97.45</b>	<b>(85.42)</b>	<b>28501.81</b>	<b>(7609.93)</b>	<b>(138.05)</b>	<b>36.00</b>	<b>20801.86</b>

**Nature and purpose of reserves:**
**i) Capital Reserve**

The capital reserve is created from capital profits in the earlier years.

**ii) General Reserve**

General reserve is transfer of profits from retained earnings for appropriation purposes.

**iii) Share Premium**

Securities premium is created due to shares being issued on premium. The reserve can be utilised only for certain purpose as per the provisions of the Companies Act, 2013.

**iv) Retained earnings**

The retained earnings represents balance of accumulated net profit or loss from business operations.

**v) Transaction Cost on the Equity Instruments**

This reserve represents the transaction cost incurred for issue of equity share capital and recognised due to Ind AS adjustment. In the current year, the Company increased its authorised share capital by Rs 2,000 lakhs (which comprises 20,000,000 equity shares with the face value of Rs 10 each). The Company has incurred Rs 19 lakhs with respect to transaction costs pertaining to fees and duty payable on an increase in authorized share capital. As per the relevant Ind AS, the said transaction costs is recognised and disclosed under “Other Equity”.

**VI) Share Application Money pending for allotment**

The Subsidiary Company (MMBPL) has issued & allotted 91,000 equity shares of the face value of Rs 10 each for aggregate consideration of Rs. 50.55 lakhs on a private placement basis to the Company in which the director is having control. The Subsidiary Company (MMBPL) has received share application money aggregating to Rs. 36 lakhs for issue of equity shares on private placement basis.

**VII) Other Reserves-Defined benefit plan remeasurement through Other Comprehensive income**

The above reserves represents the recognition of defined benefit plan through other comprehensive income. The same has been disclosed and reclassified under the retained earnings.

**Note 16 : Non Controlling Interest**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Modulex Modular Buildings Private Limited (Subsidiary)	34.89	0.04
Redribbon Advisory Services Private Limited (erstwhile Subsidiary)	-	89.39
<b>TOTAL</b>	<b>34.89</b>	<b>89.43</b>

**Note 17 : Borrowings (Non-current)**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Unsecured Loan (carried at amortised cost):</b>		
<b>Loans from related parties (Refer note 17.1 below)</b>		
-Give Vinduet Windows and Door Private Limited (Company in which directors are interested)	179.65	190.58
-Director	-	1.92
<b>Total</b>	<b>179.65</b>	<b>192.50</b>

**Note:**

17.1 The loans are obtained at interest rates where the details are given below:

Name of Party	Rate of interest (%)	
	31st March 2023	31st March 2022
Give Vinduet Windows and Door Private Limited	7.37	7.37
Suchit Punnose	7.37	7.37

The above unsecured loans (including interest thereon) are repayable which commences from financial year 2024-25.

**Note 18 : Other non current financial liabilities**

Particulars	As at 31st March 2023	As at 31st March 2022
<b><u>Carried at Amortised cost</u></b>		
Interest accrued but not due on borrowings	78.29	80.61
<b>Total</b>	<b>78.29</b>	<b>80.61</b>

**Note 19 : Provisions (Non-current)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Employee benefits</u></b>		
- Gratuity	16.12	15.20
<b><u>Others</u></b>		
Provision for decommissioning cost	21.80	20.00
<b>Total</b>	<b>37.92</b>	<b>35.20</b>

**Note 20 : Borrowings (Current)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured loan (carried at amortised cost and repayable on demand):</b>		
<b>Unsecured Loan from (Refer Note 20.1)</b>		
- Related Parties	1,663.60	1,614.27
- Director	9.30	-
<b>Total</b>	<b>1,672.90</b>	<b>1,614.27</b>

**Note:**

20.1 The above loan is taken from Company in which directors are interested with the interest rate @ 9% and 15% p.a. (Previous year: 9 % and 15%) respectively. During the current year, an unsecured loan is taken from the Director where the interest rate will be charged @ 9% p.a. As a result, the Company has not made any adjustment for the fair value on the loan from the director or relative of the director till 31st December 2022. All the above outstanding unsecured loans including interest is repayable on demand.

**Note 21 : Trade payables**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
- total outstanding dues of micro enterprises and small enterprises	23.01	20.35
- total outstanding dues of creditors other than micro enterprises and small enterprises	211.76	102.27
<b>Total</b>	<b>234.77</b>	<b>122.62</b>

**Note:**

**21.1 Ageing Schedule - As at March 31, 2023**

<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>					
	<b>Unbilled</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
(i) MSME	17.01	6.00				23.01
(ii) Others	173.62	29.30	3.72	4.32	0.81	211.76
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>190.63</b>	<b>35.30</b>	<b>3.72</b>	<b>4.32</b>	<b>0.81</b>	<b>234.77</b>

**21.2 Ageing Schedule - As at March 31, 2022**

<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>					
	<b>Unbilled</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
(i) MSME	19.45	5.21	-	-	-	24.67
(ii) Others	62.68	27.59	10.29	3.27	-	103.84
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Less : Amount disclosed under liability held for disposal (Refer note 50)	3.34	1.31	0.13	1.10		5.88
<b>Total</b>	<b>85.47</b>	<b>31.49</b>	<b>10.16</b>	<b>2.17</b>	<b>-</b>	<b>122.62</b>

**21.3 Micro Small And Medium Enterprises (“MSME”) Disclosure:**

Particulars	As at 31st March 2023	As at 31st March 2022
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise Interest due.	6.00	5.21
Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**21.4** Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Group, there are no parties who have been identified as micro, small and medium enterprises as at reporting date other than mentioned above based on the confirmations circulated and responses received as at reporting date by the management. Any updated information received by the management post reporting date regarding change in the status to micro, small and medium enterprises would be given effect of status change in the next financial year.

**21.5** Amount unbilled as per trade payable aging has not been considered in the above table as the invoice for the same is yet to be received by the Group.

**Note 22 : Other financial liabilities (current)**
**(Amount (Rs) in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Carried at Amortised cost</b>		
Payable to Employees and Directors	128.17	113.19
Capital creditors (Retention money)	8.72	3.10
Interest accrued but not due on borrowings	482.24	273.90
Dividend on preference shares (Refer note 22.1)	586.65	586.65
<b>Total</b>	<b>1,205.78</b>	<b>976.84</b>

**Note:**

**22.1** In past, the Subsidiary (MMBPL) had issued 15% cumulative convertible redeemable preference shares (CCRPS) which had been converted into the equity shares. However the said Subsidiary has not paid the dividend till date.

**Note 23 : Other Current Liabilities**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Statutory Dues Payable	538.71	398.35
Other Liabilities	3.54	6.63
<b>Total</b>	<b>542.25</b>	<b>404.98</b>

**Note 24 : Provisions (Current)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b><u>Provision for Employee benefits (Non-funded)</u></b>		
Provision for gratuity	20.42	21.76
<b>Total</b>	<b>20.42</b>	<b>21.76</b>

**Note 25 : Revenue From Operations**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Sale of Services / Products	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 26 : Other Income**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Interest income:		
on Fixed deposit with bank	0.29	0.45
on unsecured loans	3.79	0.55
on Compulsory convertible Debentures	9.00	6.34
on Income Tax refund	-	0.07
Insurance claim received	5.68	0.14
Gain on financial instruments at fair value through profit or loss	-	15.43
Liabilities no longer required to be paid is written back	10.83	7.17
<b>Total</b>	<b>29.59</b>	<b>30.16</b>



**Note 27 : Employee Benefits Expenses**

**(Amount (Rs) in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Salary, wages and bonus etc.	99.22	74.31
Director remuneration	132.50	147.35
Gratuity	0.83	5.57
Staff welfare expenses	6.86	2.48
Group Health Insurance	2.73	-
Less: Capitalised during the year (Refer Note 5.1)	-	3.99
<b>Total</b>	<b>242.14</b>	<b>225.73</b>

**Note:**

**27.1** The Subsidiary (MMBPL) has accounted the managerial remuneration of Rs. 162 lakhs for FY 2020-21, Rs. 163.35 lakhs for FY 2021-22 and Rs. 132.5 lakhs for the current year. As per Section 197 of the Companies Act 2013, there is an excess managerial remuneration aggregating to Rs. 116 lakhs in FY 2020-21, Rs. 117.25 lakhs in FY 2021-22 and Rs 57.18 lakhs for the current year which have been booked in the Subsidiary (MMBPL)'s books of account. However, the Subsidiary (MMBPL) has actually paid Rs. 84 lakhs in FY 2020-21, Rs. 100.52 lakhs in FY 2021-22 and Rs. 80.13 lakhs for the current year.

In the current year, the Board of Directors and shareholders have approved the excess remuneration payable to directors for FY 20-21, FY 21-22 and also waived recovery of said excess managerial remuneration. In the current year, the Subsidiary (MMBPL) has also formed the nomination and remuneration committee and excess managerial remunerations for FY 20-21, FY 21-22 & for the current year have been approved by the nomination and remuneration committee. The management will take necessary approval of excess managerial remuneration of Rs. 2.69 lakhs for the current year from the board of directors, shareholders and the nomination and remuneration committee in the next financial year (which is within the time limit prescribed under the Companies Act, 2013).

**27.2** The Payment of Gratuity Act, 1972 is not applicable to the Holding Company as the numbers of employees are less than ten and hence, the Holding Company has not made provision towards defined benefit plan in the form of gratuity. Further, there are no outstanding leave benefits for which provision is required to be made in the Consolidated financial statements.

**Note 28 : Finance Costs**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Interest on:</b>		
borrowing from bank	-	0.04
borrowing from Director	0.24	-
borrowing from related party	232.30	198.41
delayed payment	-	35.17
statutory dues	56.49	47.19
<b>Other Finance cost</b>		
Bank Charges	0.20	0.22
Processing Fees	(4.51)	5.95
<b>Total</b>	<b>284.72</b>	<b>286.98</b>

**Note 29 : Depreciation And Amortization Expenses**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Depreciation and Amortisation (Property Plant Equipment, Right of use assets and Intangible assets)	9.84	14.24
<b>Total</b>	<b>9.84</b>	<b>14.24</b>

**Note 30 : Other Expenses**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Legal and Professional Fees	281.84	127.99
Advertisement, marketing & business promotion expenses	3.60	2.84
Amortisation of Royalty & License Fees	35.73	35.73
Travelling & conveyance expenses	31.43	22.08
Rent, rates & taxes		
- Rent	15.15	15.23
- Rates, Taxes and penalties	40.93	11.39
Commission	-	2.75
Auditors Remuneration		
- Statutory Audit (including limited review)	29.15	27.22
- Taxation matters	2.84	1.36
- Out of pocket expense	0.45	-
Internal Audit Fees	0.70	1.40
Repairs & Maintenance	5.25	5.66

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Electricity Charges	1.42	0.80
Security Charges	6.29	6.01
Printing & stationery expenses	0.77	0.68
Postage & Courier Charges	0.09	0.21
Insurance	1.72	1.27
Mobile & Telephone Charges	1.00	1.21
Internet Charges	0.09	0.26
Office Expenses	3.23	1.40
Site Expenses	4.94	11.36
Directors Sitting Fees (Refer note 30.1)	-	16.50
Loss on sale of material at site	-	16.51
Loss on financial instruments at fair value through profit or loss	16.29	-
Property, plant and equipment write off	0.45	-
Less: Capitalised during the year (Refer Note 5.1)	-	1.46
<b>TOTAL</b>	<b>483.36</b>	<b>308.56</b>

**Note:**

**30.1** One of the non-executive director was brought into the board of the Subsidiary Company (MMBPL) on the mutual understanding that fees will be accrued and paid out on achieving financial closure of the project. However, in FY 21-22, the said director had demanded entire fees of Rs. 96.33 lakhs payable till 31st March 2022 even though financial closure of the project was not achieved. MMBPL had not agreed to the said demand. However, the MMBPL had paid Rs. 47.18 lakhs as expended goodwill for which provision was made in the books as on 31st March 2022 and the balance amount of Rs. 49.15 lakhs was shown under contingent liability in the consolidated financial statements for the year ended 31st March 2022 pending outcome of final dispute / settlement.

Further, the additional claim of Rs. 12 lakhs for this matter pertaining to the current year is also considered as a contingent liability by the Subsidiary Company (MMBPL) as the financial closure of the project is still not achieved as on 31st March 2023 (Refer note 35.1).

**Note 31 : Earning Per Share**

Particulars	As at March 31, 2023	As at March 31, 2022
Net (Loss) as per Consolidated Statement of Profit & Loss (A)	(904.22)	(809.28)
Outstanding number of Equity Shares as at 31st March	5,13,03,040	5,06,91,111
Weighted average number of Equity Share used in computing for Basic EPS (B)	5,13,03,040	5,06,91,111
Weighted average number of Equity Share used in computing for Diluted EPS (C)	5,13,03,040	5,06,91,111
<b>Basic earning per share {(D) = (A) / (B)}</b>	<b>(1.76)</b>	<b>(1.60)</b>
<b>Diluted Earning Per Share {(E) = (A) / (C)}</b>	<b>(1.76)</b>	<b>(1.60)</b>

**Note 32 : Financial Instruments**
Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The following methods and assumptions were used to estimate the fair values:

- i) The management assessed that fair value of cash and cash equivalents, borrowing, other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and are equal to the fair values.
- ii) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled except investment in subsidiary which is carried at cost.

Hierarchy used for determining and disclosing the fair value of financial instruments by valuation technique:

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

### 32.1 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial instruments along with their carrying amounts and fair value.

(Amount in Lakhs)

As at March 31, 2023	Carrying amount	Carried at amortised cost	Fair Value							
			Routed through OCI				Routed through Profit and loss			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b><u>Financial assets (Non-current)</u></b>										
Investments	60.15	-	-	-	-	-	-	-	60.15	60.15
<b><u>Financial assets (Current)</u></b>										
Cash and cash equivalents	3.48	3.48	-	-	-	-	-	-	-	-
Loans and Advances	12.96	12.96	-	-	-	-	-	-	-	-
Other financial assets	6.88	6.88	-	-	-	-	-	-	-	-
<b>Total</b>	<b>79.98</b>	<b>79.98</b>	-	-	-	-	-	-	<b>60.15</b>	<b>60.15</b>
<b><u>Financial liability (Non-current)</u></b>										
Borrowings	179.65	179.65	-	-	-	-	-	-	-	-
Other financial liabilities	78.29	78.29	-	-	-	-	-	-	-	-
<b><u>Financial liabilities (Current)</u></b>										
Borrowings	1,672.90	1,672.90	-	-	-	-	-	-	-	-
Lease liabilities	396.16	396.16	-	-	-	-	-	-	-	-
Trade payables	234.77	234.77	-	-	-	-	-	-	-	-
Other financial liabilities	1,205.78	1,205.78	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,767.56</b>	<b>3,767.56</b>	-	-	-	-	-	-	-	-

As at March 31, 2022	Carrying amount	Carried at amortised cost	Fair Value							
			Routed through OCI				Routed through Profit and loss			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b><u>Financial assets (Non-current)</u></b>										
Investments	76.43	-	-	-	-	-	-	-	76.43	76.43
Loans and advances	129.89	129.89	-	-	-	-	-	-	-	-
<b><u>Financial assets (Current)</u></b>										
Cash and cash equivalents	31.61	31.61	-	-	-	-	-	-	-	-
Bank balances other than cash and cash equivalents	5.00	5.00	-	-	-	-	-	-	-	-
Loans and Advances	0.50	0.50	-	-	-	-	-	-	-	-
Other financial assets	8.97	8.97	-	-	-	-	-	-	-	-
<b>Total</b>	<b>252.40</b>	<b>175.97</b>	-	-	-	-	-	-	<b>76.43</b>	<b>76.43</b>

As at March 31, 2022	Carrying amount	Carried at amortised cost	Fair Value							
			Routed through OCI				Routed through Profit and loss			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b><u>Financial liability</u></b>										
<b><u>(Non-current)</u></b>										
Borrowings	192.50	192.50	-	-	-	-	-	-	-	-
Other financial liabilities	80.61	80.61	-	-	-	-	-	-	-	-
<b><u>Financial liabilities</u></b>										
<b><u>(Current)</u></b>										
Borrowings	1614.27	1614.27	-	-	-	-	-	-	-	-
Lease liabilities	396.16	396.16	-	-	-	-	-	-	-	-
Trade payables	122.62	122.62	-	-	-	-	-	-	-	-
Other financial liabilities	976.84	976.84	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3383.01</b>	<b>3383.01</b>	-	-	-	-	-	-	-	-

The above investments which is fully impaired is not included in above table.

### Note 33 : Financial risk management objectives and policies :

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments and other assets.

The Group has exposure to the following risks arising from financial instruments:

- I. Market Risk
- II. Credit Risk
- III. Liquidity Risk

#### I. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Market risk comprises three types of risks:

- a. Interest Rate Risk
- b. Currency Risk
- c. Other Price Risk

Financial instruments affected by market risk includes borrowings, investments and trade payables.

#### a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because

of fluctuations in the interest rates, in cases where the borrowings are measured at fair value. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in the interest rates.

The impact on Group's loss after tax and on other equity due to change in interest rate is given below:

**(Amount (Rs) in Lakhs)**

Particulars.	(Increase) / Decrease in loss after tax		Increase / (Decrease) in other equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Increase by 1%	(18.53)	(18.07)	(18.53)	(18.07)
Decrease by 1%	18.53	18.07	18.53	18.07

The above amount does not include the outstanding loans which are interest free.

#### b. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities i.e. when revenue or expense is denominated in a foreign currency. The Group is not exposed to foreign currency risk.

#### c. Price Risk :

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Group has investment in securities which is not exposed to price risk except investment in 15% Compulsory Convertible Debentures which is recognised under the category of Fair value through profit and loss (under level 3) which is made in current year.

Particulars	(Increase) / Decrease in loss after tax		Increase / (Decrease) in other equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Increase by 10%	6.01	7.64	6.01	7.64
Decrease by 10%	(6.01)	(7.64)	(6.01)	(7.64)

In the above table, the management has not considered investments against which the Group has made impairment provision.

## II. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as Investment, Loans and advances, Cash and cash equivalent, balances with banks other than cash and cash equivalent, loans and advances and other financial assets. The Group's exposure to credit risk is disclosed in note 7,9,10,11 and 12

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Consolidated statement of profit and loss.

The Group measures the expected credit loss based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

#### **Other Financial assets**

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

For other financial assets e.g. Investments and other assets, Group periodically assesses financial reliability counter parties, taking into account the financial condition, current economic trends, and analysis of historical credit losses and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### **III. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group has not yet started operation, therefore it does not have any bank credit facility to meet its normal operating commitments. However, since the Group is process of developing manufacturing facility, it needs capital to fund the project. To meet those obligations the Group has raised capital from various investors and is in process to raise further capital to fund the project.



The table below analyse financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**(Amount(Rs) in Lakhs)**

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
<b>As at March 31, 2023</b>					
Borrowings	1,672.90	179.65	-	1,852.55	1,852.55
Trade payables	234.77	-	-	234.77	234.77
Lease Liabilities	396.16	-	-	396.16	396.16
Other Financial liabilities	1,205.78	78.29	-	1,284.07	1,284.07
<b>Total</b>	<b>3,509.62</b>	<b>257.94</b>	<b>-</b>	<b>3,767.56</b>	<b>3,767.56</b>

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
<b>As at March 31, 2022</b>					
Borrowings	1614.27	192.50	-	1806.78	1806.78
Lease Liabilities	122.62	-	-	122.62	122.62
Trade payables	396.16	-	-	396.16	396.16
Other Financial liabilities	976.84	80.61	-	1057.45	1057.45
<b>Total</b>	<b>3109.89</b>	<b>273.11</b>	<b>-</b>	<b>3383.01</b>	<b>3383.01</b>

### 33A Capital Management

For the purpose of the Group’s capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2023, the Group has one class of shares in the nature of equity. Further Group has raised fund through loans from related parties. Consequent to such capital structure, there are no externally imposed capital requirements.

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

**(Amount (Rs) in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
Total Debt (including interest on debt)	2413.08	2161.29
Total Capital (total equity shareholder's fund - deferred tax assets)	25967.06	26836.11
Total Capital and Debt	28380.14	28997.40
Gearing Ratio	8.50%	7.45%

**Note 34 : Contingent liabilities, Capital & Other Commitments**
**34.1 Contingent liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Amount of Goods and Services Tax Input Credit not reflecting in GST Return but accounted in books (Refer Note 8.2)	-	31.37
<b>Claims not acknowledge as debts:</b>		
- towards additional premium amount payable to MIDC (Refer Note 5.3)	810.00	810.00
- towards interest, if any, payable to MIDC on delay in payment to MIDC (Refer Note 5.3)	Not ascertainable	Not ascertainable
- payable to contractor for construction of project	26.20	26.20
- Other claims against Company	94.00	-
- towards fees payable to Independent Director (Refer Note 30.1)	61.34	49.34

**34.2 Capital Commitment and other Commitment**

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in Partly Paid Equity Shares of Eco Hotels India Private Limited (Refer Note 1 below)	-	10.33
<b>Estimated amount of contracts remaining to be executed on capital account commitments:</b>		
Rewards Constructions Private Limited		
- For Design, Supply and Construction of Manufacturing Facility	-	945.38
<b>Other Commitments</b>		
License Fees to Modulex Modular Buildings Plc., United Kingdom		
via cash (Refer Note 2 below)	662.17	622.70
via Equity Shares (Refer Note 2 below)	1018.73	958.00
Royalty & Design Fees to Modulex Modular Buildings Plc., United Kingdom (Refer Note 3 below)	-	
<b>Total</b>	<b>1680.90</b>	<b>2536.41</b>

**Notes:**

- Investments in partly paid up shares of Rs. 10,438 made by erstwhile Subsidiary (RRASPL) in Eco Hotels India Private Limited has been impaired in Financial year 2018-19.
- Amount in GBP has been converted into equivalent INR rate as on Consolidated balance sheet date.

3. As per agreement dated July 01, 2017 with Modulex Modular Buildings Plc., Royalty and Design fee payable in each year from the licence start date or where the Subsidiary (MMBPL) makes a profit at 5% of Gross operating profit payable in Pound Sterling towards design and production drawing support provided by the franchisor. Fees is not payable to the Franchisor until the Master Franchisee achieves financial closure and further that the fees is payable based on review of the Master Franchisee’s cash flow position post commencement of trading.

**Note 35 : Employee Benefits**

**Defined Benefits Plan**

**Gratuity**

The Subsidiary (MMBPL) provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity is provided as per the Actuarial valuation which is unfunded

The Holding Company has not made provision for gratuity since the employees are below 10 and hence Payment of Gratuity Act, 1972 is not applicable.

Employee benefit schemes recognised in the Consolidated financial statements as per actuarial valuation as on March 31, 2023 and March 31, 2022 are as follows :

**Change in Defined Benefit Obligation**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Defined Benefit Obligation at the beginning</b>	36.96	29.97
Current Service Cost	4.19	3.53
Interest Expense	2.66	2.04
Benefit Payments from Employer	-	-
Remeasurements - Due to Financial Assumptions	(0.67)	(1.05)
Remeasurements - Due to Experience Adjustments	(6.60)	2.46
<b>Defined Benefit Obligation at the end</b>	<b>36.54</b>	<b>36.96</b>

<b>Retirement age</b>	<b>60 and 80 years</b>	<b>60 and 79 years</b>
<b>Mortality rate</b>	<b>IALM(2012-14) ult</b>	<b>IALM(2012-14) ult</b>
<b>Expected average remaining working lives (in years)</b>	<b>12.16</b>	<b>13.23</b>
<b>Discount Rate</b>	<b>7.50%</b>	<b>7.20%</b>
<b>Salary Escalation Rate</b>	<b>6.00%</b>	<b>6.00%</b>

**Major Categories of plan assets (%)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Equities</b>	-	-
Bonds	-	-
Insurance Policies	-	-
Government Securities	-	-
Special Deposit scheme	-	-
Funds managed by insurer	-	-
Property	-	-
Others	-	-
<b>Total</b>	-	-

**Components of Defined Benefit Cost**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Current Service Cost	4.19	3.53
Interest Expense on DBO	2.66	2.04
<b>Defined Benefit Cost included in Consolidated statement of profit and loss</b>	<b>6.86</b>	<b>5.57</b>
Remeasurements - Due to Financial Assumptions	(0.67)	(1.05)
Remeasurements - Due to Experience Adjustments	(6.60)	2.46
<b>Total Remeasurements in OCI</b>	<b>(7.27)</b>	<b>1.41</b>
<b>Total Defined Benefit Cost recognized in Consolidated statement of profit and loss and total Comprehensive income</b>	<b>(0.41)</b>	<b>6.98</b>

Bifurcation of Present Value of Obligations at the end of the valuation period as per Schedule III of the Companies Act, 2013:

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Current Liabilities	20.42	21.76
Non- current Liabilities	16.12	15.20

**Amounts recognized in the Consolidated Statement of Financial Position:**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Defined Benefit Obligation	36.54	36.96
Fair Value of Plan Assets	-	-
<b>Net Defined Benefit Liability / (Asset)</b>	<b>36.54</b>	<b>36.96</b>
<b>Of which, Short term Liability</b>	<b>20.42</b>	<b>21.76</b>

**Experience Adjustments on Present Value of DBO and Plan Assets**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(Gain) / Loss on Plan Liabilities Defined Benefit Obligation	(6.60)	2.46
% of Opening Plan Liabilities	-18%	8%
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

**Expected Cash flow for following years**

**Maturity Profile of Defined Benefit Obligations**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Year 1	20.42	21.76
Year 2	0.31	0.32
Year 3	0.39	0.37
Year 4	0.49	0.46
Year 5	0.57	0.54
Year 6	13.49	4.62
Year 7	13.49	4.62
Year 8	13.49	4.62
Year 9	13.49	4.62
Year 10	13.49	4.62

The weighted average duration of the defined benefit plan / obligation is 9.3 years.

**Sensitivity Analysis**

Sensitivity Analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

A) Impact of change in discount rate when base assumption is decreased/ increased by 100 basis point

<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
<b>Discount Rate</b>	<b>Present value of Obligation</b>	<b>Discount Rate</b>	<b>Present value of Obligation</b>
	<b>(Amount (Rs) in lakhs)</b>		<b>(Amount (Rs) in lakhs)</b>
6.50%	38.92	6.20%	39.71
8.50%	34.53	8.20%	34.61

B) Impact of change in salary increase rate when base assumption is decreased/ increased by 100 basis point

As at March 31, 2023		As at March 31, 2022	
Salary Increment Rate	Present value of Obligation	Salary Increment Rate	Present value of Obligation
	(Amount (Rs) in lakhs)		(Amount (Rs) in lakhs)
5.00%	35.35	5.00%	35.63
7.00%	37.93	7.00%	38.51

C) Impact of change in withdrawal rate when base assumption is decreased/ increased by 100 basis point

As at March 31, 2023		As at March 31, 2022	
Withdrawal Rate	Present value of Obligation	Withdrawal Rate	Present value of Obligation
	(Amount (Rs) in lakhs)		(Amount (Rs) in lakhs)
0.00%	36.02	0.00%	36.48
2.00%	37.01	2.00%	37.38

Expected expense to be recognized in consolidated statement of profit and loss for the next financial year is amounting to Rs 4.37 lakhs

### Note 36 : Related Party Transactions

#### 36.1 Following is the list of Related Parties and Relationships:

Sr. No.	Particulars
<b>A)</b>	<b>Subsidiary</b> Modulex Modular Buildings Private Limited
<b>B)</b>	<b>Step Down Subsidiary</b> Redribbon Advisory Services Private Limited (till 15th May 2022)
<b>C)</b>	<b>Associate</b> Redribbon Advisory Services Private Limited (From 16th May 2022 to 28th August 2022)
<b>D)</b>	<b>Key Management Personnel</b>
1	Suchit Punnose
2	Raj Kumar Sharma, Independent Director
3	Sandeep Khurana, Independent Director
4	Aditya Vikram Kanoria, Independent Director
5	Rakhee Amit Agarwal, Independent Director

Sr. No.	Particulars
6	Punnose Punnose
7	Ajay Shridhar Palekar, Managing Director
8	Prem Nath Pasricha
<b>E)</b>	<b>Other Enterprise where control exists / Where Directors or KMP's is interested</b>
1	Eco Hotels India Private Limited
2	Eco Hotels and Resorts Limited (erstwhile Sharad Fibers and Yarn Processors Limited) (w.e.f 10th November 2022)
3	Armaec Energy Private Limited
4	Give Vinduet Windows And Doors Private Limited
5	Crowdsourcing Global Private Limited
6	Substantia Real Estate India Private Limited
7	Ribbon Services Private Limited
8	Redribbon Modulex Buildings Limited (MU)
9	Red Ribbon Asset Management PLC
10	Credent Asset Management Services Private Limited
11	Redribbon Advisory Services Private Limited (from 29th August 2022)
12	Ribbon Wealthtech Plc, (w.e.f 30th June 2022)
13	Credent Asset Advisors Private Limited
14	B4S Infratech Private Limited (w.e.f 28th September 2022)
15	Aarvi Ventures LLP (w.e.f 2nd February 2023)
16	Firstpluttus Growth Services LLP (w.e.f 2nd February 2023)

**36.2 Related Party Transactions during the period are as follows:**

S.No.	Particulars	(Amount (Rs) in Lakhs)	
		As at 31st March 2023	As at 31st March 2022
<b>A)</b>	<b>Interest expense on loan</b>		
	Give Vinduet Windows And Doors Private Limited	234.60	199.33
	Suchit Punnose	0.45	0.16
	Eco Hotels India Private Limited	-	1.91
<b>B)</b>	<b>Interest Income</b>		
	Give Vinduet Windows and Doors Private Limited	-	-
	Eco Hotels India Private Limited	-	0.55
	Redribbon Advisory Services Private Limited	3.79	-
	Modulex Construction Technologies Limited	49.65	-

<b>C)</b>	<b>Interest income on Compulsory Convertible Debentures</b>	-	
	Give Vinduet Windows and Doors Private Limited	9.00	6.34
<b>D)</b>	<b>Repayment of loan via transfer</b>	-	
	Give Vinduet Windows and Doors Private Limited	10.93	-
	Suchit Punnose	1.92	
	Modulex Modular Buildings Private Limited	1.80	
<b>E)</b>	<b>Directors Sitting fees</b>		
	Raj Kumar Sharma	-	2.25
	Sandeep Khurana	-	5.75
	Aditya Vikram Kanoria	-	5.25
	Rakhee Amit Agarwal	-	3.25
<b>F)</b>	<b>Loans given to</b>		
	Redribbon Advisory Services Private Limited (Refer Note 35.5)	5.00	
	Eco Hotels India Private Limited	-	47.00
<b>G)</b>	<b>Repayment of loan taken</b>		
	Suchit Punnose	14.00	
	Eco Hotels India Private Limited	-	84.02
	Give Vinduet Windows and Doors Private Limited	12.38	72.76
<b>H)</b>	<b>Sale of investment in Subsidiary (Red Ribbon Advisory Service Private Limited)</b>	-	
	Redribbon Asset Management PLC	290.76	125.00
<b>I)</b>	<b>Reimbursement of Expenses</b>		
	P. Punnose	3.69	1.47
	Ajay Palekar	5.16	2.25
	Suchit Punnose	-	0.20
	Rakhee Agarwal	1.48	-
<b>J)</b>	<b>Unsecured Loan taken from</b>		
	Suchit Punnose	23.30	
	Eco Hotels India Private Limited	-	54.00
	Give Vinduet Windows and Doors Private Limited	61.71	915.62
<b>K)</b>	<b>Repayment of loan given</b>		
	Eco Hotels India Private Limited	-	47.00
	Redribbon Advisory Services Private Limited	48.72	



<b>L)</b>	<b>Director Remuneration</b>		
	Suchit Punnose	29.17	50.42
	Punnose Punnose	12.00	12.10
	Ajay Palekar	91.33	84.83
<b>M)</b>	<b>Advance against salary paid</b>		
	Suchit Punnose (Refer note 36.3)	-	58.01
<b>N)</b>	<b>Repayment of advance against salary received</b>		
	Suchit Punnose (Refer note 36.3)	-	58.01
<b>O)</b>	<b>Professional fees</b>		
	Sandeep Khurana (Refer Note 30.1)	-	51.56
<b>Q)</b>	<b>Rent Expenses</b>		
	Suchit Punnose	4.56	4.41
<b>R)</b>	<b>Refund of Rent Deposit from</b>		
	Credent Asset Management Services Private Limited	-	7.20
<b>S)</b>	<b>Issue of Share Capital (Including Share Premium)</b>		
	Redribbon Modulex Buildings Ltd, Mauritius	50.56	
<b>T)</b>	<b>Share application money pending allotment</b>		
	Redribbon Modulex Buildings Ltd, Mauritius	36.00	

**36.3** The Subsidiary (MMBPL) has paid advance against salary of Rs. Nil lakhs (Previous year: Rs. 58.01 lakhs) in anticipation of increase in salary. However due to undue delay in the project funding, delay in completion of Factory project and delay in commercial business activities, the decision to increase remuneration was not finalized. Hence, advance paid against salary has been recovered by the Subsidiary (MMBPL) before the year end. Considering the same, in the opinion of the management, advance paid against salary would not be treated in nature of loan and no compliance would be required u/s 185 & u/s 186 of the Companies Act, 2013.

**36.4** The information disclosed is based on the names of the parties as identified by the management and same has been relied by the Auditor. Further, above transactions (including outstanding balances) are after considering the fair value adjustments under Ind AS.

**36.5 Related Party balances outstanding are as follows:**

S.No.	Particulars	(Amount (Rs) in Lakhs)	
		As at 31st March 2023	As at 31st March 2022
<b>A)</b>	<b>Loan outstanding including interest accrued but not due on borrowings</b>		
	Give Vinduet Windows and Doors Private Limited	2409.63	2164.14
	Suchit Punnose	9.52	2.24
<b>B)</b>	<b>Interest receivable on Compulsory Convertible Debentures</b>		
	Give Vinduet Windows and Doors Private Limited	2.03	4.04
<b>C)</b>	<b>Outstanding Sitting fees</b>	-	
	Raj Kumar Sharma	-	2.26
	Aditya Vikram Kanoria	-	5.42
	Rakhee Amit Agarwal	-	3.16
	Sandeep Khurana	0.45	2.93
<b>D)</b>	<b>Investment in Shares of the Company in which Directors are interested</b>		
	Give Vinduet Windows & Doors Private Limited (Equity shares and at fair value as per Ind AS)	0.99	1.25
<b>E)</b>	<b>Amount receivable (loan and interest receivable)</b>		
	Eco Hotels India Private Limited	-	0.50
	Redribbon Advisory Services Private Limited	12.96	-
<b>G)</b>	<b>Rent Deposit</b>	-	
	Suchit Punnose	1.05	1.05
<b>H)</b>	<b>Salary Payable</b>		
	Ajay Palekar	100.98	95.25
	Punnose Punnose	-	0.85
	Suchit Punnose	16.64	6.19
<b>I)</b>	<b>Reimbursement Payable</b>		
	Ajay Palekar	1.66	-
	Punnose Punnose	0.14	-
	Rakhee Agarwal	0.24	-
<b>J)</b>	<b>Advance Given</b>		
	Punnose Punnose	0.03	-

The information disclosed is based on the names of the parties as identified by the management and same has been relied by the Auditor. Further, above transactions (including outstanding balances) are after considering the fair value adjustments under Ind AS

**36.6 Disclosures of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) that are repayable on demand.**

Type of Borrower	Amount of loan or advance (including interest receivable) in the nature of loan outstanding As on 31st March 2023	Percentage to the total Loans and Advances in the nature of loans 31st March 2023	Amount of loan or advance in the nature of loan outstanding As on 31st March 2022	Percentage to the total Loans and Advances in the nature of loans 31st March 2022
Related Parties (Refer Note 36.5)	12.96	100%	0.50	100%

**Note 37 : Details of loan given**

The following are the disclosures as required u/s 186(4) of the Companies Act, 2013 and Sebi (listing agreement and disclosure requirements) regulations, 2015

Company Name	Rate of Interest	Secured / Unsecured	Amount of loan given during the year (Amount (Rs) in lakhs)	Purpose
Redribbon Advisory Services Private Limited	9%	Unsecured	5.00	As informed by the management, the funds are proposed to be used for general corporate purpose of the borrower company.
<b>Total</b>			<b>5.00</b>	

In the previous year, the Company purchased 15% Unsecured Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited for Rs. 60 lakhs at face value from existing shareholders of Give Vinduet Windows and Doors Private Limited. As mentioned in note 6.1 of standalone financial statements, the same is approved by the board of directors, however, shareholders approval for the same not obtained. The Company has obtained the approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs in the current year.

**Note 38 :** There were certain non-compliance with section 185 & 186 of the Act with respect to inter company loans between the Companies forming part of group (for the purpose of preparation of consolidation of financial statements) which are prospectively approved by the shareholder's in the current year even though such transactions are eliminated while preparing the consolidated financial statements.

- a) Unsecured loans given by MMBPL (subsidiary company) to the holding company of Rs. 119.67 lakhs (closing balance as on 31st March 2022 was Rs. 409.35 lakhs ) and RASPL (subsidiary company) of Rs. 60.58 lakhs (closing balance as on 31st March 2022 was Rs. 53.27 lakhs) in FY 2021-22 were approved by the board of directors of MMBPL, however, shareholders approval for the same was not obtained by MMBPL as per requirement of Section 185 & 186 of the Act in FY 2021-22 and the same is approved by the shareholders of MMBPL in the current year.
- b) Loan taken by Redribbon Advisory Services Private Limited (RASPL) (subsidiary company) from Modular Modulex Buildings Private Limited (MMBPL) (subsidiary company) of Rs. 60.58 lakhs

(closing balance as on 31st March 2022 is Rs. 53.27 lakhs), director of Rs. Nil (closing balance as on 31st March 2022 is Rs. 50.80 lakhs) and relative of directors of Rs. Nil lakhs (closing balance as on 31st March 2022 is Rs. 5 lakhs) in FY 2021-22 were approved by the board of directors, however, shareholders' approval for the same u/s 180 of the Act is not taken by the RASPL in FY 2021-22 and shareholders approval for the same is taken in the current year.

**Note 39 : Additional information as required by Para 2 of the general instruction for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:**

Name of the Entities in the Group	Net Assets, i.e. total assets minus total liabilities		Share in the Consolidated Loss		Share in the Other Comprehensive Income		Share in the Total Comprehensive Income	
	As % of Consolidated net Assets	Amount	As % of Consolidated loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated TCI	Amount
<b>Holding Company</b> Modulex Construction Technologies Limited								
Balance as at 31 March, 2023	96.90%	25162.12	7.74%	(70.03)	272.89%	(11.45)	8.97%	(81.47)
Balance as at 31 March, 2022	94.13%	25259.77	9.81%	(79.40)	274.83%	(3.88)	10.27%	(83.29)
<b>Subsidiary</b> Modulex Modular Buildings Private Limited								
Balance as at 31 March, 2023	2.97%	770.05	91.92%	(831.17)	-172.75%	7.25	90.70%	(823.92)
Balance as at 31 March, 2022	5.64%	1512.66	87.49%	(708.03)	100.00%	(1.41)	87.51%	(709.44)
<b>Sub Subsidiary / Associate</b> Redribbon Advisory Services Private Limited								
Balance as at 31 March, 2023	-	-	0.20%	(1.79)	-	-	-	(1.79)
Balance as at 31 March, 2022	-0.10%	(25.73)	2.11%	(17.09)	-	-	2.11%	(17.09)
<b>Non-Controlling Interest</b>								
Balance as at 31 March, 2023	0.13%	34.89	0.14%	(1.24)	-0.14%	0.01	0.14%	(1.23)
Balance as at 31 March, 2022	0.33%	89.42	0.59%	(4.76)	-274.83%	3.88	0.11%	(0.88)
<b>Total</b>								
Balance as at 31 March, 2023	100%	25967.06	100%	(904.22)	100%	(4.19)	100%	(908.41)
Balance as at 31 March, 2022	100%	26836.11	100%	-809.28	100%	(1.41)	100%	-810.69

**Note 40 : Segment Reporting**

There are no reportable segments under Ind AS-108 ‘Operating Segments’ as all the activities relate to only one segment i.e. civil construction. Further the management of the Company is also reviewing the results / operations of the Company as single segment i.e. civil construction.

**Note 41 :** Subsequent to year end 31st March 2023, the board has approved for removal of directors (Mr. Sandeep Khurana & Mr. Prem Pasricha) of Subsidiary Company and has also called up the shareholders meeting for the same. However, before shareholders meeting both the directors have resigned and their resignation have also been accepted by the Subsidiary Company.

**Note 42 : Deferred Tax Assets / Liabilities:**

Due to the absence of virtual/ reasonable certainty about the future taxable income, the Company has not recognised deferred tax assets (net of deferred tax liabilities) on any carried forward business losses, unabsorbed depreciation and other components. Details of the component of deferred tax items thereon are as follows:

**Amount (Rs) in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b><u>Deferred tax Assets</u></b>		
Business Losses (Carried Forward)	2348.97	1952.66
Unabsorbed Depreciation	58.25	66.28
Difference in WDV of PPE between Companies Act and Income Tax Act	0.03	1.79
Difference in Investment (based on fair value through profit and loss)	3.49	-
Employee benefit	36.54	56.96
<b><u>Deferred tax Liabilities</u></b>		
Difference in asset value between Income Tax and Companies Act:	(465.59)	-
Difference in Investment (based on fair value through profit and loss)	-	(395.61)
Fair value gain on investment	(0.81)	(0.47)
Deferred tax Asset (Net)	82.92	429.33

**Note 43 :** In the current year, the board of directors in its meeting held on 9th November, 2022 approved for issue and allotment of not more than 1,81,05,576 equity shares of the Company on a preferential basis via swap against the equity shares of Give Vinduet Windows and Doors Private Limited in the ratio of 1:1.345. Further, shareholders have given approval for the issue of 1,78,98,746 equity shares on a preferential basis via swap ratio of 1:1.353 through a postal ballot which commenced on 14th November 2022 and ended on 13th December 2022. Subsequent to the year ended 31st March 2023, final in principle

approval is received from the Bombay Stock Exchange is received for 1,78,98,746 equity shares of Rs 10 each to be issued at a price not less than Rs 13.53 to the persons other than cash on the preferential basis pursuant to share swap basis. As a result, no impact has been given in the consolidated financial statements for the year ended 31st March 2023.

**Note 44 : Disclosure pertaining to receipt and utilisation of funds as a funding / intermediary parties:**

**44.1 In respect of Holding Company, Disclosure pertaining to fund received as intermediary**

**For the Financial year 2021-22**

In the Previous year, the Holding Company in capacity of intermediary is in receipt of funds via unsecured loan and same has been invested in the Compulsory Convertible Debentures (CCD's) in the year for which details are given below:

The Holding Company has received Rs. 10 lakhs on 13<sup>th</sup> July 2021 and Rs. 50 lakhs on 19<sup>th</sup> July 2021 from Modulex Modular Buildings Private Limited (MMBPL) (Intermediary party) which in turn received the funds from Give Vinduet Windows and Doors Private Limited (GIVWDPL) (Funding party). The Company has utilized Rs. 10 lakhs and Rs. 50 lakhs on 13<sup>th</sup> July 2021 and 19<sup>th</sup> July 2021 respectively for purchase of Compulsory Convertible Debentures (CCD) of GIVWDPL from existing CCD holders of GIVWDPL (ultimate beneficiaries / ultimate receipt of funds).

**44.2 Disclosure pertaining to receipt as well as transfer of funds in the capacity of funding party / intermediary by Subsidiary (MMBPL):**

**44.3 For the Financial year 2022-23**

**In the Capacity of funding party/ First intermediary**

- a) The Subsidiary Company (MMBPL) (Funding Party / first intermediary) has received funds of Rs. 15.61 lakhs (on various dates) from the Give Vinduet Windows and Doors Private Limited for giving the loan (on various dates) to Holding Company (MCTL) (ultimate beneficiaries / ultimate receipts of funds) for general corporate purpose.
- b) The Subsidiary Company (MMBPL) (Funding party / first intermediary) has received funds of Rs. 3.90 lakhs (on various dates) from the Suchit Punnose (Director) for giving the loan (on various dates) to Holding Company (MCTL) (ultimate beneficiaries / ultimate receipts of funds) for general corporate purpose.

**44.4 For the Financial year 2021-22**

**In the Capacity of funding party/ First intermediary**

In FY 2021-22, The Subsidiary Company (MMBPL) (funding party / first intermediary) has given loan of Rs. 10 lakhs (on 13<sup>th</sup> July 2021) and Rs. 50 lakhs (on 19<sup>th</sup> July 2021) to Holding Company (MCTL) (2<sup>nd</sup> intermediary) for purchase of Compulsory Convertible Debenture of Give Vinduet Windows and Doors Private Limited (GVWDPL) (Rs. 10 lakhs on 13<sup>th</sup> July 2021 and Rs. 50 lakhs on 19<sup>th</sup> July 2021) from existing debenture holders of Give Vinduet Windows and Doors Private Limited [ultimate Beneficiaries (ultimate receipt of funds)].

**In the Capacity of first Intermediary**

- a) The Subsidiary Company (MMBPL) has received funds of Rs. 10 lakhs (on 13<sup>th</sup> July 2021) and Rs. 50 lakhs (on 19<sup>th</sup> July 2021) from Give Vinduet Windows and Doors Private Limited for giving the loan to Holding Company (MCTL) (2<sup>nd</sup> intermediary) (loan given of Rs. 10 lakhs on 13<sup>th</sup> July 2021 and Rs. 50 lakhs on 19<sup>th</sup> July 2021) for purchase of Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited (GVWDPL) from existing debenture holders of Give Vinduet Windows and Doors Private Limited [ultimate Beneficiaries (ultimate receipt of funds)].
- b) The Subsidiary Company (MMBPL) has received funds of Rs. 56.70 lakhs (on various dates) from Give Vinduet Windows and Doors Private Limited for giving the loan (on various dates) to Holding Company (MCTL) (ultimate beneficiaries / ultimate receipts of funds) (MCTL) for general corporate purpose.
- c) The MMBPL has received funds of Rs. 0.01 lakhs (on various dates) from Eco hotels India Private limited for giving the loan (on various dates) to Subsidiary Company (RRASPL) (ultimate beneficiaries / ultimate receipts of funds) for general corporate purpose.
- d) The MMBPL has received funds of Rs. 46.16 lakhs (on various dates) from Give Vinduet Windows and Doors Private Limited for giving the loan (on various dates) to Subsidiary Company (RRASPL) (ultimate beneficiaries / ultimate receipts of funds) for general corporate purpose.

**Additional details:**

- a) Give Vinduet Windows and Doors Private Limited (U28111KL2011PTC028899) (Company in which directors are interested): No.67/6446, Basin Road, Ernakulam, Kerala - 682031, India
- b) Modulex Modular Buildings Private Limited (Subsidiary) (U45400KL2008PTC029096): 67/6446, Basin Road, Cochin - 682031 Kerala.
- c) CCD holders of GIWDPL: Various details of CCD holders GIVWDPL are given below:
  - i) Anila Jain : PAN - ABZPJ3933H, Address - 28-111, 3rd Floor, West Patel Nagar, New Delhi - 110008
  - ii) Pramila Kumari : PAN - AAPPP9137Q, Address - B-5, Shivalaya Marg, Sethi Colony, Jawahar Nagar, Jaipur - 302004
  - iii) Deo Narain Kalla : PAN - AGDPK9101D, Address - 4-CH-15, Jawahar Nagar, Jaipur - 302004
  - iv) Vinod Kumar Jain : PAN - ABEPJ9443P, Address - B-5, Shivalaya Marg, Sethi Colony, Jawahar Nagar, Jaipur - 302004
  - v) Nishi Lodha : PAN - AAGPL8897G, Address - 7, Wali Garden, Bardia Colony, Museum Road, Jaipur - 302004
- d) Eco Hotels India Private Limited: (U55101KL2008PTC022097): 67/6446, Basin Road Ernakulam, Cochin - 682031 Kerala

- e) Redribbon Advisory Services Private Limited (U74140KL2010PTC026154): 67/6446, Basin Road Cochin - 682031 Kerala
- f) In the Previous Year 2021-22, the Group has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003) except that as stated in note 7.1 of standalone financial statements, investments in Compulsory Convertible Debentures of Give Vinduet Windows and Doors Private Limited aggregating to Rs. 60 lakhs (excluding fair value adjustment under Ind AS) was approved by the board of directors of the Holding Company, however, the shareholder's approval for the same was not obtained as per the requirement of Section 186 of the Companies Act 2013. During the current year, the Holding Company has obtained prospective approval from shareholders u/s 186 of the Act for making any investments upto Rs. 40,000 lakhs.

**Note 45 : Other Notes pertaining to Schedule III:**

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with Companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding except disclosed in Note 44.1 to 44.5 that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) except disclosed in Note 44.1 to 44.5 that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.



- (viii) The Group has complied with provisions of downstream layers of companies as per Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) Reporting/disclosures is not made/applicable to the Group with respect to submission of statement of current assets to the bank as credit facility is not sanctioned against current assets of the Group.
- (x) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (xi) Any other disclosure with respect to the amendment of Schedule III of the Act is either Nil or not applicable.

**Note 46 : Changes in liabilities arising from financing activities**

**31st March 2023**

**(Amount (Rs) in Lakhs)**

Particulars	From 1st April 2022	Reclassification from other current liabilities to borrowings	Cash Flows (net)	As at 31st March 2023
Lease liabilities	396.16	-	-	396.16
Borrowings (Current and non current)	1806.78	-	45.78	1852.55

**31st March 2022**

Particulars	From 1st April 2021	Reclassification from other current liabilities to borrowings	Cash Flows (net)	As at 31st March 2022
Lease liabilities	396.16	-	-	396.16
Borrowings (Current and non current)	1053.05	-	753.73	1806.78

Interest expense on borrowings was Rs 289.03 Lakhs and Rs 280.81 lakhs for the year ended 31st March 2023 and 31st March 2022 respectively.

**Note 47 :** In the previous year, the Holding Company received a whistleblower complaint from one of the person (hereinafter referred to as “the complainant”). The Complainant was an independent director of the Company till 6th March 2023 (Refer Note 54). The Complaint was filed with respect to the conduct of the board meeting held for approval of the right issue of equity shares. Based on the complaint, said matter was raised by the statutory auditor to the audit committee of the Holding Company and the statutory auditor had also submitted its report to the Central Government in Form No ADT 4 as per the requirement of the Companies (Audit and Auditor) Rules, 2014. The Company has appointed an independent third party to investigate the complaint. Based on the investigation report submitted by the third party which is also approved by the audit committee in a meeting held on 2nd September 2022, allegations made in the said whistleblower complaint are found baseless.

Further, during the year, the Holding Company has received an additional 2 whistleblower complaints from the above complainant. The Audit Committee of the Holding Company has rebutted the allegation levelled by the Complainant and has suggested to take the appropriate legal action against the complainant by referring these entire matters to the board of directors for further actions. The board of directors is exploring the best feasible option to close the matter.

**Note 48 :** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note 49 :** The Group has not maintained the video recordings of the certain board meetings and audit committee meetings which are held virtually till 31st March 2022 as per requirement of Section 108 of the Companies Act 2013 due to technical glitches. However, signed physical board minutes and audit committee minutes of meeting have been maintained by the Group.

**Note 50 :** Non Current Assets held for sale / disposal:

In the previous year, the board of directors in its meeting dated 18th January 2022 have approved for sale of entire investments in Redribbon Advisory Services Private Limited (RRASPL) (subsidiary company) in one or more tranches at face value i.e. for aggregate consideration of Rs. 415.76 lakhs. Since investments are sold at cost, there is no gain / loss on the derecognition. In the previous financial year, the Company had sold 12,50,000 equity shares for aggregate consideration of Rs. 125 lakhs. The Company further sold 2,907,600 equity shares for aggregate consideration of Rs. 290.76 lakhs in the current year. Due to this transaction, RRASPL ceases to be a subsidiary company and became an associate company from 16th May 2022. Further, RRASPL ceases to be an associate company from 28th August 2022. Accordingly, the gain due to loss of control (i.e. ceases to be subsidiary / associate) aggregating to Rs. 88.34 lakhs is recognised as an exceptional item in the Consolidated Financial statements.

<b>Non Current Assets held for Sale / disposal</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Other Intangible Assets	-	0.27
Other Non Current Assets	-	2.64
Cash and Cash Equivalents	-	0.14
<b>Total</b>	-	<b>3.04</b>

<b>Liabilities directly associated with the assets held for sale.</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Unsecured Loan from (carried at amortised cost and repayable on demand)	-	55.80
Trade payable	-	5.88
Other Financial Liabilities (Current)	-	9.85
Other Current Liabilities	-	3.80
Provisions (Current)	-	21.08
<b>Total</b>	<b>-</b>	<b>96.41</b>

**Note 51 : Consequences of changes in a parent’s interest not resulting into loss of control in Other equity**

In the previous year, the board of directors in its meeting dated 18th January 2022 have approved for sale of entire investments in Redribbon Advisory Services Private Limited (RRASPL) (subsidiary company) in one or more tranches at face value i.e. for aggregate consideration of Rs. 415.76 lakhs. Since investments are sold at cost, there is no gain / loss on the derecognition. In the previous financial year, the Company had sold 12,50,000 equity shares for aggregate consideration of Rs. 125 lakhs

The Company further sold 2,907,600 equity shares for aggregate consideration of Rs. 290.76 lakhs in the current year. Due to this transaction, RRASPL ceases to be a subsidiary company and became an associate company from 16th May 2022 . Further, RRASPL ceases to be an associate company from 28th August 2022. Accordingly, the group has recognised Rs 1.79 lakhs as a share of loss in the associate (net of tax) during the year in the Consolidated Statement of profit and loss.

<b>Particular</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Effects on equity attributable to owners of parent	-	27.77
<b>Total</b>	<b>-</b>	<b>27.77</b>

**Note 52 :** In the opinion of the management, the Holding Company is not required to obtain registration as Non-Banking Financial Company (NBFC) as it is neither carrying on any financial activities and nor proposing to carrying on financial activities as principal business in future and revenue of the Holding Company is mainly affected due to delay in implementing the project by the Subsidiary (MMBPL). Further, the Holding Company is taking necessary steps to generate revenue from non-financial assets. This is also confirmed by the consultant of the Holding Company.

**Note 53 :** One of the independent director of the Holding Company as mentioned in Note 47 has resigned w.e.f 7th March 2023 and he has levelled certain allegations against the Company / certain employees & directors of the Holding Company. Based on the said letter, the Holding Company has received an email from the Bombay Stock Exchange to submit its reply. The Holding Company has rebutted the allegation levelled by the said independent director. The Holding Company has replied to the email received from the Bombay Stock Exchange and also uploaded it on the website of the stock exchange.

**Note 54 :** The Group has incurred a net loss (before other Comprehensive Income) in the current year and in the previous year. The Group’s current assets are not sufficient to meet it’s current liabilities. The Group is implementing project at Pune through its subsidiary company (Modulex Modular Buildings Private Limited) and progress of project is slow considering the various factors (including the temporary suspension of project). There is material uncertainty related to the aforementioned conditions that may cast significant doubt on the Group continuing as a going concern. The management is expecting an improvement in the performance of the Group in the long run and the management is also committed to complete the project at Pune through its subsidiary company. Considering these and considering that the promoters are committed to give financial support as and when required by the Group, in the opinion of management, the Consolidated financial Statements are prepared on the going concern basis.

**Note 55 : Comparatives:**

The figures of the previous year have been regrouped and re-arranged wherever necessary to conform to current presentation. The figures for the current year and previous year have been presented in Rs in Lakhs.

As per our report of even date attached

**For RMJ & Associates LLP**  
**Chartered Accountants**  
**Firm Registration No. W100281**

**Rakesh Upadhyaya**  
Partner  
Membership No. 046271

**Place: Mumbai**  
**Date : 30<sup>th</sup> May, 2023**

**For and on behalf of the Board of**  
**Modulex Construction Technologies Limited**  
**(CIN: L25999PN1973PLC182679)**

**Suchit Punnose**  
Director  
(DIN 02184524)

**Mahendra Kumar Bhurat**  
Chief Financial Officer  
(PAN AJIPB3300M)  
**Date : 30<sup>th</sup> May, 2023**

**Ajay Palekar**  
Managing Director  
(DIN 02708940)

**Bhoomi Mewada**  
Company Secretary  
(M.No. A34561)

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm’s length basis: Nil
2. Details of material contracts or arrangement or transactions at arm’s length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid/ received
Mr. Suchit Punnose	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: 09<sup>th</sup> January , 2019</li> <li>• General business purpose loan</li> <li>• Interest Rate @7.37% p.a. or interest free</li> <li>• Repayment at once, including interest following expiry of the term</li> </ul>	-	Rs. (1,92,000)
Modulex Modular Buildings Private Limited	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: 01<sup>st</sup> April , 2018</li> <li>• General business purpose loan</li> <li>• Interest Rate 9% p.a. from 1.4.2021 or interest free</li> <li>• Repayment at once, including interest following expiry of the term.</li> </ul>	-	Rs. 1,04,21,000 Rs. (1,80,000)
Give Vinduet Windows and Doors Private Limited	Loan Taken	5 years	<ul style="list-style-type: none"> <li>• Date: 17<sup>th</sup> February , 2019</li> <li>• General business purpose loan</li> <li>• Interest Rate @7.37% p.a. or interest free</li> <li>• Repayment at once, including interest following expiry of the term.</li> </ul>	-	Rs. (10,93,194)

For and on behalf of the Board of Directors of  
**Modulex Construction Technologies Limited**

Sd/-  
(Ajay Palekar)  
Managing Director  
DIN : 02708940

Sd/-  
(Suchit Punnose)  
Whole Time Director  
DIN : 02184524

Sd/-  
(Mahendra Kumar Bhurat)  
Chief Financial Officer  
PAN: AJIPB3300M

Sd/-  
(Bhoomi Mewada)  
Company Secretary  
M. NO. : A34561

9<sup>th</sup> August, 2023

## NOTICE OF THE 50<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 50<sup>th</sup> Annual General Meeting ('AGM') of the Members of **Modulex Construction Technologies Limited** will be held on Tuesday, 26<sup>th</sup> September, 2023, at 12.30 p.m. IST, through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility, to transact the following businesses:

### ORDINARY BUSINESS:

#### 1. Adoption of Audited Financial Statements (Standalone and Consolidated):

To receive, consider and adopt:

- a. The Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the Reports of the Board of Directors and Auditors thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the Report of the Auditors thereon.

#### 2. Appointment of Mr. Ajay Palekar (DIN: 02708940) as Director liable to retire by rotation:

To appoint a Director in place of Mr. Ajay Palekar (DIN: 02708940), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

#### 3. To appoint M/s. Dhadda & Associates, Chartered Accountants, as the Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s. Dhadda & Associates (FRN: 013807S) Chartered Accountants, registered with the Institute of Chartered Accountants of India, be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 55<sup>th</sup> Annual General Meeting to be held in the year 2028, on such remuneration as may be agreed with the Auditors and the Management plus any other outlays and taxes at the applicable rates, with the power to the Board including Audit Committee thereof to alter and vary the terms and conditions.

### SPECIAL BUSINESS:

#### 4. To consider and approve material related party transactions:

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

“RESOLVED THAT pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, each as amended from time to time, and the Company's Policy on Related Party Transaction(s), the approval of the Shareholders be and is hereby accorded to the Board of Directors of Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time

to exercise its powers conferred by this resolution) to enter into/continue to enter Material related party transaction(s)/contract(s)/arrangement(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Give Vinduet Windows and Doors Private Limited, a related party of the Company and subsidiary Company under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and Give Vinduet Windows and Doors Private Limited, subject to a maximum of ₹ 10 crore through transaction(s)/contract(s)/arrangement(s)/agreement(s), as mentioned in the explanatory statement subject to such transaction(s)/contract(s)/arrangement(s)/agreement(s), being carried out at arm's length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By Order of the Board  
For **Modulex Construction Technologies Limited**

SD/-  
(Bhoomi Mewada)  
Company Secretary  
M No: A34561

09<sup>th</sup> August, 2023  
Mumbai

**Registered Office:**  
A 82, MIDC Industrial Estate,  
Indapur Pune 413132

**NOTES:**

1. An Explanatory Statement pursuant to section 102 of the Companies Act 2013 which sets out details relating to Special Business at the meeting is annexed hereto.
2. The Ministry of Corporate Affairs ('MCA') has vide its General Circular No(s). 14/2020 dated 08<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020 and 20/2020, dated 05<sup>th</sup> May, 2020, respectively ('MCA Circulars') permitted the holding of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ('SEBI LODR Regulations') and MCA Circulars, the 50<sup>th</sup> AGM of the Company is being held through VC/OAVM facility.

The Deemed Venue for the 50<sup>th</sup> AGM shall be the Registered Office of the Company.

3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility and as such the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board resolution to the Company, which should reach the Company at least 1 day before the commencement of the ensuing Annual General Meeting.

4. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Details of Directors seeking appointment / reappointment in AGM pursuant to the Secretarial Standard on General Meetings (SS-2) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") are also attached as an Annexure with this Notice of AGM.
6. All documents referred to in the accompanying Notice and the Explanatory Statement are available on website of the Company for inspection by the Members.
7. Pursuant to Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participants ('DP'). Members who have not registered their e-mail address with the Company can now register the same by sending an email to the Compliance Officer of the Company at [bhoomimewada@modulex.in](mailto:bhoomimewada@modulex.in) and/or by sending a request to Purva Sharegistry (India) Private Limited, Registrar and Share Transfer Agents ('RTA') through email at [support@purvashare.com](mailto:support@purvashare.com) or contact 022 2301 6761. Members holding Shares in Demat form are requested to register their e-mail address with their DP only. The registered e-mail address will be used for sending future communications.
8. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, the Notice of AGM and Annual Report along with login details for joining the AGM through VC / OAVM facility including e-voting are being sent only through electronic mode to those Members whose e-mail address are registered with the Company or DP or RTA. Members may note that this Notice of AGM and Annual Report will also be available on Company's website [www.modulex.in](http://www.modulex.in), Stock Exchange website [www.bseindia.com](http://www.bseindia.com) and Central Depository Services Limited ('CDSL') website [www.evotingindia.com](http://www.evotingindia.com)
9. The statutory registers including the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and other relevant documents referred to in the Notice and in the Explanatory Statements will be available for inspection by the members at the Registered Office of the Company from Monday to Friday from 11.00 am to 4.00 pm at A-82, MIDC Industrial Estate Indapur, District Pune Maharashtra – 413132.



10. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name(s) will appear in the Register of Members / list of beneficiaries received from the Depositories as on 25<sup>th</sup> August, 2023.
11. The Register of Members and Share Transfer books will remain closed from Tuesday, 19<sup>th</sup> September, 2023 to Tuesday, 26<sup>th</sup> September, 2023 (both days inclusive).
12. Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at [compliance@modulex.in](mailto:compliance@modulex.in) at least seven days in advance to enable the management to keep information ready at the AGM. Members desiring to seek information/clarification during the AGM on the accounts or any matter to be placed at the AGM may ask through the chat box facility provided by RTA.
13. To prevent fraudulent transactions, Members are requested to exercise due diligence and immediately notify to the RTA any change in their address and/or bank mandate in respect of shares held in physical form and to their DPs in respect of shares held in the Dematerialized form. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
14. SEBI vide its Circular No. SEBI/HO/MIRSD/DOPI/ CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 has directed all the listed companies to update Bank Account details and PAN of the Members holding shares in physical form. It has been observed that many of the Members holding physical shares have not updated the said information. Therefore, such Members are requested to send the following documents to the Company's RTA:
  - i. Self-attested copy of PAN card including that of joint Members; and
  - ii. An original cancelled cheque of 1<sup>st</sup> Member (Name of 1<sup>st</sup> Member should be printed on cheque leaf). If name of 1<sup>st</sup> Member is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker along with cancelled cheque (Photocopy of cheque will not be accepted/ entertained).
15. To comply with the provisions of Section 108 of the Act and the Rules framed thereunder, Regulation 44 of the SEBI LODR Regulations, Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and MCA Circulars, the Members are provided with the facility to cast their vote electronically through remote e-voting (prior to AGM) and e-voting (during the AGM) services provided by CDSL on all resolutions set forth in this Notice.
16. Only those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

**The instructions for joining the AGM through VC /OAVM, remote e-voting and e-voting during the AGM are as follows:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. Ministry's General Circular No. 20/2020, dated 05<sup>th</sup> May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 23<sup>rd</sup> September, 2023 at 9.00 a.m. and ends on 25<sup>th</sup> September, 2023 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19<sup>th</sup> September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Modulex Construction Technologies Limited> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [compliance@modulex.in](mailto:compliance@modulex.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.  
  
Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [compliance@modulex.in](mailto:compliance@modulex.in) These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No.3**

This Explanatory Statement is provided voluntarily though not required as per Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings.

The Members of the Company at the 46<sup>th</sup> Annual General Meeting ('AGM') held on 17<sup>th</sup> December, 2019 had approved the appointment of M/s. RMJ & Associates, (Firm Registration No. W100281) Chartered Accountants, as Statutory Auditors of the Company for a period of Five consecutive years. However, M/s. RMJ & Associates resigned from the position of Statutory Auditors w.e.f 10<sup>th</sup> June, 2023.

Based on the recommendation of the Audit Committee, the Board of Directors propose the appointment of M/s. Daddha & Associates, Chartered Accountants (Firm Registration No. 013807S), as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of 55<sup>th</sup> Annual General Meeting of the Company, at a remuneration agreed between the Board and the Auditors for performing the statutory audit functions of the Company, with the authority/power in favour of the Board/Audit Committee to modify the terms and conditions, including fixation/ variation of remuneration for remaining tenure, as may be mutually agreed with the Auditor of the Company.

M/s. Dhadda & Associates, Chartered Accountant is leading firm withstanding since 2012. It has a strong network in Jaipur, Bangalore, Delhi and Bahrain. They have 3 Partners with rich and diversified experience of > 15 years and previously worked with Ernst & Young. They have Strength of 40+ Staff & Growing further. The firm is pioneer in Audit & Assurances, Internal Financial Control (IFC), Valuation Services, Taxation, Financial Advisory, Forensic Audits, BRSR (Business Responsibility & Sustainability Reporting), GST and IND-AS implementation across Industries. Over the past decade the firm has provided over 100+ clients with financial consulting and taxation related services. Their clients range from privately owned to publicly listed companies, across various geographies and sectors including Textile, Automobile, Construction, Electricals & Electronics, Banking, FMCG, Iron & Steel etc.

The certificate from the said Auditors has been obtained to the effect that their appointment, if made, would be within the limits specified under Section 141 of the Companies Act, 2013 and that they are eligible to be appointed as Auditors of the Company.

The Board of Directors recommend passing of the Ordinary Resolution, set out in Item No. 3 of the accompanying Notice, for approval of Members of the Company.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any Key managerial personnel is, in anyway, concerned or interested in the aforesaid Ordinary Resolution, set out in Item No. 3 of the accompanying notice.

### **Item No.4**

The provisions amended Regulation 23 of the Listing Regulations, stipulate that a transaction with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and will require prior approval of Members by means of an ordinary resolution. The amended Regulation 2(1)(zc) of the Listing Regulations has also enhanced the definition of Related Party(ies) and Related Party Transactions (RPTs) which now includes a transaction involving a transfer of

resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not. The details as per the requirement are given in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the aforesaid resolution set out at Item No. 4 of the Notice Further, no voting done by any members of the Company, if such member is a related party, shall be counted for the purpose of passing of this resolution.

By Order of the Board  
For **Modulex Construction Technologies Limited**

SD/-  
(Bhoomi Mewada)  
Company Secretary  
M No: A34561

09<sup>th</sup> August, 2023  
Mumbai

**Registered Office:**  
A 82, MIDC Industrial Estate,  
Indapur Pune 413132

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI LODR AND SECRETARIAL STANDARD - 2**

<b>Name of Director</b>	<b>Mr. Ajay Palekar</b>
Director Identification No.	02708940
Date of Birth	8 <sup>th</sup> October, 1962
Age	59 Years
Date of first appointment	10 <sup>th</sup> March, 2018
Terms and conditions of re-appointment	Managing Director, liable to retire by rotation
Qualification	Post Graduate
Experience / Expertise in functional field and brief resume	He is a Professional Manager with continuous working experience since 1984 on full time basis. He has a strong background in manufacturing of leather, fabric, steel and several other categories. Additionally, he has led and improved large multination and multiunit Companies in ITeS and Outsourcing. He is an Administrator and Operations Professional, adept in all day-to-day functions and long term plans and implementation, and in bringing value to shareholders and employees alike. He is adept at starting up large units of industries and in outsourcing, as well as in turnarounds and ramp ups.
No. of Shares held in the Company	2,23,048 equity shares
No. of Board Meetings attended during the financial year 2022-23	6
Details of remuneration sought to be paid and the remuneration last drawn by him	The Board of Directors at the Board Meeting held on 10 <sup>th</sup> March, 2018 has approved to pay a salary of Rs. 12 lakhs p.a. However, considering the losses incurred by Company, Mr. Palekar voluntarily waived his remuneration. Therefore, there was no remuneration paid to Mr. Palekar during the year.
Other Directorships	Modulex Modular Buildings Private Limited
Membership/Chairmanship of Committees of Board and other Companies	<u>Modulex Construction Technologies Limited</u> <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> <li>• Stakeholders Relationship Committee – Member</li> <li>• Management Committee – Chairman</li> <li>• Securities Committee – Member</li> </ul> <u>Modulex Modular Buildings Private Limited</u> <ul style="list-style-type: none"> <li>• Audit Committee - Member</li> </ul>
Listed entities from which the Director has resigned in the past three years	Not applicable
Relationship with other Directors, Manager and Key Managerial Personnel	None

