41, Film Center, 4th Floor, 68 Tardeo Road,
Mumbai – 400034.
T.: +91-22-4944 6000
www.rmj.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Modulex Modular Buildings Private Limited

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying Financial Statements of **Modulex Modular Buildings Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2023, Statement of Profit and Loss (including Other Comprehensive Income), Statement of change in Equity and Statement of Cash Flow for the year then ended and notes to 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 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 the 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 cash flows and the changes in equity 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 Financial Statements section of the report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act 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 5.3 in the 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 and as stated in Note 5.3 of the 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 point (1) 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 the financial support as and when required by the Company and the management also expects an improvement in the performance of the Company in the long run. Considering this, in the opinion of management, the Financial Statements are prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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Emphasis of Matter

1. As stated in Note 5.3 of the financial statements, there is a delay in the construction of the project for the reason stated in the said note which includes a delay in raising the fund & non-receipt of an extension letter from MIDC. The Company has continued to incur losses in the current year and in the earlier years. Further, current liabilities is also greater than current assets. Considering the commitment from the shareholders / promoters to infuse the funds for execution of the project, the expectation of management for receipt of an extension letter from MIDC for construction work as well as the future business prospects of the Company and valuation report obtained by the Company 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.

2. Attention is invited to Note 27.1 of the Financial Statements, where one of the non-executive director has demanded the 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 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 shown under 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, the 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.

3. We draw attention to Note 24.1 of the financial statements, regarding excess managerial remuneration to directors of the Company 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 also waived recovery of said excess managerial remuneration for the current year. In the current year, the Company has 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.

   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 the next financial year (which is in line with the requirement of Section 197 of the Act).

4. As stated in Note 7.2 & 10.2 of Financial Statements, unsecured loans to the Holding Company and Subsidiary are approved by the board of directors, however, the shareholder's approval for the same was not obtained as per the requirement of Section 185 & 186 of the Act in FY 2021-22 and the same is approved by the shareholders in the current year. Further, in respect of the loan given to the Company in which the director is having control was not approved by the board of directors and shareholders as per the requirement of Sections 185 & 186 of the Act in FY 2021-22, however, the same is approved by the board of directors and shareholders in the current year.

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5. As stated in Note 12.1 of the financial statements, the Company has paid an advance of Rs. 143.33 lakhs to Credit Express Financial Services in the current year. As per the agreement, the vendor would be able to charge the 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 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.

Our report is not modified with respect to the above matters in the current financial year. The above matters except point (5) were also reported in the independent auditor report of the previous financial year ended 31st March 2022 and our opinion was not modified in respect of the said matter in the previous year also.

Information Other than the 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 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 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 Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 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 of 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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 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 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 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 Independent 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the financial statements that, individually or in the aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

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 Balance Sheet, Statement of Profit and Loss (including Other Comprehensive income) and Cash Flow statement, Statement of Change in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid 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

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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 and as stated in Note 24.1 of the financial statement, the Company has accounted excess managerial remuneration to directors of the Company 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 than prescribed under section 197 of Act. 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 for the current year. In the current year, the Company has 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. 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 the next financial year (which is in line with the requirement of Section 197 of the Act).

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 any pending litigations that affect its financial position in its Financial Statements except as disclosed in Note 5.3 and 27.1 of the 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, other than as disclosed in Note 40 and 45(v) of financial statements, 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, other than as disclosed in the 40 and 45(vi) to the financial statements, 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

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of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on 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 misstatement.

v. The Company has not declared or paid 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 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

RMJ & ASSOCIATES LLP
FRN:
W100281
Chartered Accountants

Rakesh Upadhyaya
Partner
Membership No.: 046271.

UDIN No: 23046271BGXMB15238

Place: Mumbai
Date: 30th May 2023

ANNEXURE –A TO 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 Modular Buildings Private 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 the situation of Property, Plant and Equipment.

(a) (B) The Company does not have intangible 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 its 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 have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in the favour of the lessee which has been accounted as right to use).

(d) During the year, the Company has not revalued any of its Property, Plant and Equipment (including right of use assets). 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 the 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 hence the provision of clause 3(ii)(b) of the order is not applicable to the Company.

(iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to the Holding Company and a Company in which Director is having control in the current year. Refer notes 7.2 & 10.2 of the financial statements where the board of directors / shareholder's approval is taken in the current year as per sections 185 & 186 of the Act for the loan given to companies. The Company has not given any loans, advances in nature of loans, made investments, given guarantees and securities to firms, Limited liability partnerships or any other parties.

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(a) The details of the aggregate amount of unsecured loan given to is given below:

Name of the Company along with the relationship	Unsecured loan given during the year (Amount (Rs) in lakhs)	Outstanding balance as on 31st March 2023* (Amount (Rs) in lakhs)
Modulex Construction Technologies Limited (Holding Company)	104.21	556.45
Redribbon Advisory Services Private Limited (Subsidiary till 15th May 2022, Associate from 16th May 2022 to 28th August 2022 and Company in which Director is having control w.e.f 29th August 2022)	5.00	12.96
Total	109.21	569.41

* Including outstanding interest and effect of fair value under Ind AS

(b) In respect of the loan granted by the Company during the year, the terms and conditions of the loan given are prima facie are not prejudicial to the interest of the Company. However, as mentioned in notes 7.2 & 10.2 of the financial statements, for the board of directors/ shareholder's approval as per the requirement of Sections 185 & 186 of the Act is taken in the current year.

(c) According to the information and explanation given to us and based on our verification, in respect of a term loan granted by the Company, the loan and interest on such loan is not due for repayment/payment during the year and hence, the question of our comment on receipt of regular payment does not arise.

In the case of the other loans granted by the Company, the schedule of repayment of the loan and payment of interest thereon is not defined and we are informed that the same is repayable on demand. As informed by the management, the Company has received repayment of loan/payment of interest as and when demand is raised by the Company. Considering the same, the Company is regular in receipt of repayment of loan/payment of interest thereon.

(d) As per the information and explanation given to us and considering our reporting in point (c) above, there are no overdue amounts pertaining to the loan and interest thereon.

(e) According to the information and explanation given to us, there are no term loans which are due during the year. Further, in respect of the demand loan, as informed by the management, the Company has received repayment of the loan as and when demanded by the Company. Considering the same, there are no loans that are due for renewal during the year and hence, the question of renewal, extension or any fresh loan granted to settle the overdue of existing loan does not arises.

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(f) As per the information and explanation given to us and based on our audit procedure, the Company has granted an unsecured loan to related parties and the details of the same are given below:

Particulars	(Amount (Rs) in lakhs)
The aggregate amount of unsecured loan to related parties given during the year where the schedule of repayment of loan and payment of interest thereon is not defined, however, the same is considered by the Company as the repayable on demand **(A)**	109.21
The aggregate amount of unsecured loans and advances in nature of loans given to other than related parties during the year **(B)**	-
Total (A)+(B)	109.21
% of loan granted to the total unsecured loan given during the year	100%

(iv) According to the information and explanations given to us and as stated in Note 7.2 & 10.2 of the financial statements, an unsecured loan granted to the Holding Company (Modulex Construction Technologies Limited), Subsidiary (Redribbon Advisory Services Private Limited) and Company in which director is having control (Eco Hotels India Private Limited) are in compliance with section 185 & 186 of the Act considering that the board of Directors /shareholders' approval for the loan taken in earlier years as well as for the current year is taken by the Company in the current year. The Company has not made any investment, or given any guarantees and security during the year.

(v) 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 goods and services tax and tax deducted at sources (income 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) Goods and service tax (including interest thereon) of Rs.130.88 lakhs pertaining from May 2018 to September 2022 ii) Tax Deducted at Source (including interest thereon) of Rs 310.35 lakhs pertaining from May 2018 to September 2022.

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(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 the term loan obtained by the Company, there is no default in repayment of principal and payment 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 the demand for repayment loan and payment of interest there on in the current year.

(b) As informed to us, the Company has not been declared the wilful 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) On an overall examination of the Financial Statements of the Company, funds raised as a loan on a short term basis (current liabilities) amounting to Rs 3,211.46 lakhs have, prima facie been used during the year for long term purposes (non-current assets and losses) by the Company.

(e) According to the information and explanations given to us and on an overall examination of the 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 and associate. There are no joint venture of the Company.

(f) On overall examination of the 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) According to the information and explanations given to us, the company has not raised money by way of an 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) According to the information and explanations given to us and the records of the Company examined by us, the Company has received share application money aggregating to Rs. 86.56 lakhs for the issue of equity shares on a private placement basis and the Company has complied with the requirement of Section 42 of the Act wherever applicable except that share application money received has not been kept under separate bank account with the scheduled bank and the same has been utilized by the Company before allotment of equity shares till the date of signing the financial statements. The amount raised has been used for the purposes for which the funds were raised by the additional issue of equity shares. In the current year, the Company has neither made any private placement of convertible debentures (fully or partly or

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optionally) nor preferential allotment of shares or convertible debentures (fully or partly or optionally).

(xi) (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements of the Company and according to the information and explanation 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.

(b) As per the information and explanation given to us, no report under section 143(12) of the Act has been filed in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditor) Rules, 2014 with the Central Government in the current year.

(c) According to the information and explanation given to us, the Company has not established the whistle blower compliant mechanism as the same is not applicable to the Company and hence, our reporting under clause 3(xi)(c) of the order is not applicable to the Company.

(xii) As informed to us, the Company is not a Nidhi Company. Hence, clauses 3(xii)(a) to (c) of the order are 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 same have been disclosed in the 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 the nature of the business.

(b) We have considered, the internal audit reports for the year under the 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) In our opinion and according to the information and explanations given to us, the Company is not a non-banking financial company and hence, it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi)(a) to (c) of the order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, there is no core investment company within the group (as defined 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 Financial Statements, the Company has incurred cash losses of Rs. 823.08 lakhs in the current year and Rs. 698.29 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.

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(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, the other information accompanying the Financial Statements, our knowledge of the Board of Directors and 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 the 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 (XX)(a) & (b) is not applicable to the Company.

For RMJ &Associates LLP
Chartered Accountants
Firm Registration No: W100281

RMJ & ASSOCIATES LLP
FRN: W100281
Chartered Accountants

Rakesh Upadhyaya
Partner
Membership No. 046271

UDIN No.: 23046271BGXMB15238

Place: Mumbai
Date: 30th May 2023

Annexure B to the 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 Modular Buildings Private Limited** ('the Company') as of **31 March 2023** in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance

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FRN: W100281
Chartered Accountants

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 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 3 of paragraph for Emphasis of Matters in the Independent Auditor's Report, regarding excess managerial remuneration to directors of the Company 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 also waived recovery of said excess managerial remuneration. In the current year, the Company has 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.

   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 the next financial year (which is in line with the requirement of Section 197 of the Act).

2) As stated in point 4 of paragraph for Emphasis of Matters in the Independent Auditor's Report, unsecured loans to the Holding Company and Subsidiary are approved by the board of directors, however, the shareholder's approval for the same was not obtained as per the requirement of Section 185 & 186 of the Act in FY 2021-22 and the same is approved by the shareholders in the current year. Further, in respect of the loan given to the Company in which the director is having control was not approved by the board of directors and shareholders as per the requirements of Sections 185 & 186 of the Act in FY 2021-22, however, the same is approved by the board of directors and shareholders in the current year.

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

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 31st 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.

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Chartered Accountants

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 an 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 31st 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

RMJ & ASSOCIATES LLP
FRN: W100281
Chartered Accountants

Rakesh Upadhyaya
Partner
Membership No. 046271

UDIN No: 23046271BGXMB15238

Place: Mumbai
Date: 30th May 2023

MODULEX MODULAR BUILDINGS PRIVATE LIMITED

FINANCIAL STATEMENTS

FINANCIAL YEAR 2022-2023

MODULEX MODULAR BUILDINGS PRIVATE LIMITED
CIN : U25999PN2008PTC217684
BALANCE SHEET AS AT MARCH 31, 2023

(Amount (Rs) in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1) Non-current assets			
Property, plant and equipment	5	4.26	5.78
Right of use assets	5	684.78	693.10
Capital work-in-progress	5	3254.54	3247.17
Financial assets:			
Investments	6	0.99	1.25
Loans and advances	7	-	50.37
Deferred tax assets (net)	38	-	-
Other non-current assets	8	335.35	513.66
		4279.92	**4511.33**
2) Current assets			
Financial assets:			
Cash and cash equivalents	9	3.28	30.88
Loans and advances	10	569.41	412.75
Other financial assets	11	4.85	4.85
Other current assets	12	204.19	42.98
		781.73	**491.46**
3) Non current Asset held for disposal	46	-	**290.76**
Total		**5061.65**	**5293.55**
EQUITY AND LIABILITIES			
1) Equity			
Share capital	13	6766.59	6757.49
Other equity	14	(5993.99)	(5244.80)
		772.60	**1512.69**
2) Liabilities			
a) Non-current liabilities			
Financial Liabilities:			
Borrowings	15	179.65	179.65
Other financial liabilities	16	78.29	78.29
Provisions	17	37.92	35.20
Deferred liabilities assets (net)			
		295.86	**293.14**
b) Current Liabilities			
Financial Liabilities:			
Borrowings	18	1672.90	1614.27
Lease liabilities	5.4	396.16	396.16
Trade payable	19		
Dues to micro and small enterprises		16.35	14.85
Dues to other than micro and small enterprises		179.67	81.11
Other financial liabilities	20	1210.92	980.93
Other current liabilities	21	496.76	378.65
Provisions	22	20.42	21.76
Current tax liabilities (net)			
		3993.19	**3487.73**
Total		**5061.65**	**5293.55**
Significant Accounting Policies	3		
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

RMJ & ASSOCIATES LLP FRN: W100281 Chartered Accountants

Rakesh Upadhyaya
Partner
Membership No. 046271

Place: Mumbai
Date: 30th May, 2023

For and on behalf of the Board of Directors of Modulex Modular Buildings Private Limited

Suchit Punnose Digitally signed by Suchit Punnose Date: 2023.05.30 15:01:56 +05'30'	AJAY SHRIDHAR PALEKAR Digitally signed by AJAY SHRIDHAR PALEKAR Date: 2023.05.30 15:28:24 +05'30'	Bhoomi Pramod Mewada Digitally signed by Bhoomi Pramod Mewada
Suchit Punnose	**Ajay Palekar**	**Bhoomi Mewada**
Director	**Managing Director**	**Company Secretary**
DIN - 02184524	DIN - 02708940	(M. No. A34561)
Place: London	Place: Pune	Place: Mumbai
Date: 30th May, 2023	Date: 30th May, 2023	Date: 30th May, 2023

MODULEX MODULAR BUILDINGS PRIVATE LIMITED
CIN : U25999PN2008PTC217684
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount (Rs) in Lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
(I) INCOME			
Other income	23	59.12	47.27
TOTAL INCOME		**59.12**	**47.27**
(II) EXPENSES			
Employee benefits	24	224.80	213.63
Finance costs	25	283.72	282.05
Depreciation	26	9.82	10.67
Other expenses	27	374.40	248.97
TOTAL EXPENSES		**892.74**	**755.32**
(Loss) before exceptional items and tax		**(833.62)**	**(708.04)**
(Loss) before tax		**(833.62)**	**(708.04)**
Tax expense			
Current tax		-	-
Deferred tax	38	-	-
Adjustment of tax relating to earlier periods		0.30	-
(Loss) after tax for the year		**(833.92)**	**(708.04)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to statement of profit or loss			
Remeasurement of the defined benefit plans (Net)		(7.27)	1.41
Other comprehensive income for the year (net of tax)		**(7.27)**	**1.41**
Total comprehensive income for the year (net of tax)		**(826.65)**	**(709.45)**
Earning per Equity Shares (Face value of Rs 10 /- each (31st March 2021: Rs 10/- each))	31		
- Basic		**(1.23)**	**(1.05)**
- Diluted		**(1.23)**	**(1.05)**
Significant Accounting Policies	3		
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

RMJ & ASSOCIATES LLP * FRN: W100281 * Chartered Accountants

Rakesh Upadhyaya
Partner
Membership No. 046271

Place : Mumbai
Date: 30th May, 2023

For and on behalf of the Board of Directors of
Modulex Modular Buildings Private Limited

Suchit Punnose Digitally signed by Suchit Punnose Date: 2023.05.30 15:03:06 +05'30'	AJAY SHRIDHAR PALEKAR Digitally signed by AJAY SHRIDHAR PALEKAR Date: 2023.05.30 15:29:17 +05'30'	Bhoomi Pramod Mewada Digitally signed by Bhoomi Pramod Mewada Date: 2023.05.30 20:20:02 +05'30'
Suchit Punnose	**Ajay Palekar**	**Bhoomi Mewada**
Director	**Managing Director**	**Company Secretary**
DIN - 02184524	DIN - 02708940	(M. No. A34561)
Place: London	Place: Pune	Place: Mumbai
Date: 30th May, 2023	Date: 30th May, 2023	Date: 30th May, 2023

MODULEX MODULAR BUILDINGS PRIVATE LIMITED
CIN : U25999PN2008PTC217684
CASH FLOW STATEMENT AS AT MARCH 31, 2023

(Amount (Rs) in Lakhs)

Sr. No.	Particulars		As at March 31, 2023	As at March 31, 2022
A)	**Cash Flow from Operating Activities :**			
	Net loss before tax		(833.62)	(708.04)
	Adjustments for Non-Cash and Non-Operating Items :			
	Depreciation and amortisation expense		9.82	10.67
	Asset Written Off		0.45	-
	Finance cost		283.72	282.05
	Interest Income		(53.44)	(46.21)
	Liabilities no longer required to be paid is written back		-	(0.66)
	(Gain) / Loss on financial instruments at fair value through profit and loss		0.27	(0.25)
	Cash Flow before Changes in Working Capital		**(592.81)**	**(462.46)**
	Movement in working capital:			
	(Increase) / Decrease in current and non current assets		138.49	21.08
	Increase / (Decrease) in current and non current liabilities		51.93	95.81
	Net Cash Generated from Operating Activities		**(402.39)**	**(345.58)**
	Income Tax paid (Net of Refund)		(0.30)	-
	Net Cash Flow (Used in) Operating Activities	(A)	**(402.69)**	**(345.58)**
B)	**Cash Flow from Investing Activities:**			
	Unsecured Loan given to Holding Company		(104.21)	(119.67)
	Unsecured Loan given to Company in which Directors are interested (Subsidiary till 15th May 2022)		(5.00)	(46.18)
	Unsecured Loan given to Company in which Directors are interested		-	(47.00)
	Repayment of unsecured loan received		50.52	12.40
	Derecognition of investment in equity shares of subsidiary (Refer Note 46)		290.76	125.00
	Recognition of property, plant and equipment Including capital work in progress (Net of Capital advances and Capital creditors)		(2.18)	(322.38)
	Net Cash (Used in) / generated from Investing Activities	(B)	**229.90**	**(397.83)**
C)	**Cash Flow from Financing Activities:**			
	Issue of share Capital (Including Security Premium)		50.56	-
	Share Application money pending for allotment		36.00	-
	Proceeds from borrowings from Company in which Directors are interested		61.71	969.62
	Proceeds from borrowings from Directors		23.30	-
	Repayment of borrowings to related parties		(26.38)	(156.78)
	Repayment of car loan to bank		-	(3.31)
	Interest paid		-	(38.88)
	Net Cash Flow generated from Financing Activities -	(C)	**145.19**	**770.65**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(27.60)**	**27.25**
	Reconciliation of Cash and Cash Equivalents with the Balance Sheet			
	Cash & Cash Equivalent at the beginning of the year		30.88	3.64
	Cash & Cash Equivalent at the end of the year		3.28	30.88
	Net Increase/(Decrease) in Cash and Cash Equivalents		**(27.60)**	**27.25**

Notes:

1 Cash flow statement has been prepared under the indirect method as set out in IND AS 7: "Statement of Cash Flows" notified under Companies Act, 2013.

2 Figures in the brackets indicates Cash Outflow.

3 Previous years figures have been regrouped / reclassified wherever applicable.

4 Refer Note 40 for Changes in financing liabilities

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 Directors of Modulex Modular Buildings Private Limited		
	Suchit Punnose Digitally signed by Suchit Punnose Date: 2023.05.30 15:03:35 +05'30'	AJAY SHRIDHAR PALEKAR Digitally signed by AJAY SHRIDHAR PALEKAR Date: 2023.05.30 15:29:46 +05'30'	Bhoomi Pramod Mewada Digitally signed by Bhoomi Pramod Mewada
Rakesh Upadhyaya **Partner** Membership No. 046271	**Suchit Punnose** **Director** DIN - 02184524	**Ajay Palekar** **Managing Director** DIN - 02708940	**Bhoomi Mewada** **Company Secretary** (M. No. A34561)
Place : Mumbai Date: 30th May, 2023	Place: London Date: 30th May, 2023	Place: Mumbai Date: 30th May, 2023	Place : Mumbai Date: 30th May, 2023

RMJ & ASSOCIATES LLP * Chartered Accountants FRN: W100281

MODULEX MODULAR BUILDINGS PRIVATE LIMITED
CIN : U25999PN2008PTC217684
Statement of Changes in Equity for the Year Ended March 31, 2023

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

Particulars	Number of Shares	Amount (Rs.)
As at 1st April 2021	6,77,03,068	6757.49
Add : Issue of equity share capital	-	-
As at 31st March 2022	6,77,03,068	6757.49
As at 1st April 2022	6,77,03,068	6757.49
Add : Issue of equity share capital	91,000	9.10
As at 31st March 2023	6,77,94,068	6766.59

(b) **Other Equity**

Particulars	Reserves & Surplus	Securities Premium	Share Application Money	Other Comprehensive Income	Total (Rs.)
As at 1st April 2021	(4519.49)	-	-	(15.86)	(4535.35)
(Loss) after tax for the year	(708.04)	-	-	-	(708.04)
Remeasurement Gain / (Loss) on defined benefit plan	-	-	-	(1.41)	(1.41)
As at 31st March, 2022	(5227.53)	-	-	(17.27)	(5244.80)
As at 1st April 2022	(5227.53)	-	-	(17.27)	(5244.80)
(Loss) after tax for the year	(833.92)	-	-	-	(833.92)
Remeasurement Gain / (Loss) on defined benefit plan	-	-	-	7.27	7.27
Addition of Securities premium	-	41.46	-	-	41.46
Share Application money pending for allotment	-	-	36.00	-	36.00
As at 31st March, 2023	(6061.45)	41.46	36.00	(10.00)	(5993.99)

As per our report of even date attached.

For RMJ & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. W100281

Rakesh Upadhyaya
Partner
Membership No.133110

Place : Mumbai
Date: 30th May, 2023

RMJ & ASSOCIATES LLP FRN: W100281 Chartered Accountants

For and on behalf of the Board of Directors of
Modulex Modular Buildings Private Limited

Suchit Punnose Digitally signed by Suchit Punnose Date: 2023.05.30 15:06:52 +05'30'

Suchit Punnose
Director
DIN - 02184524

Place: London
Date: 30th May, 2023

AJAY SHRIDHAR PALEKAR Digitally signed by AJAY SHRIDHAR PALEKAR Date: 2023.05.30 15:30:11 +05'30'

Ajay Palekar
Managing Director
DIN - 02708940

Place: Pune
Date: 30th May, 2023

Bhoomi Pramod Mewada

Bhoomi Mewada
Company Secretary
(M. No. A34561)

Place: Mumbai
Date: 30th May, 2023

MODULEX MODULAR BUILDINGS PRIVATE LIMITED
(CIN: U25999PN2008PTC217684)

Notes to Financial Statements for the year ended 31st March 2023: -

1. Corporate information

Modulex Modular Buildings Private Limited ('the Company') was incorporated on September 23, 2008 as a private limited company under the Companies Act, 1956 registered with the Registrar of Companies, Maharashtra. It has its Registered office in Pune, Maharashtra. The main object of the Company is to deal in the business of production, building, supplying, fabricating and manufacturing modular steel buildings. Currently, the Company is in the process of construction of its project, near Pune, Maharashtra.

The Board of Directors approved the Financial Statements for the year ended 31st March 2023 on 30th May 2023.

2. Basis of preparation and presentation of Financial Statements

2.1 Statement of Compliance

The 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 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 particular 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 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 Company. Such changes are reflected in the assumptions when they occur.

Suchit Punnose Digitally signed by Suchit Punnose Date: 2023.05.30 15:13:42 +05'30'

AJAY SHRIDHAR PALEKAR Digitally signed by AJAY SHRIDHAR PALEKAR Date: 2023.05.30 15:22:31 +05'30'

Bhoomi Pramod Mewada Digitally signed by Bhoomi Pramod Mewada

RMJ & ASSOCIATES LLP * Chartered Accountants * FRN: W100281

Notes to Financial Statements for the year ended 31st March 2023: -

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 involve various judgements and assumptions. Changes in judgements and assumptions could effect 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 probability of future taxable profit will result into recognition of unrecognised deferred tax assets.

d) Impairment of investment in subsidiary

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

e) Measurement of defined benefit plan

The present value of the gratuity obligation are 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.

f) 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

RMJ & ASSOCIATES LLP
FRN: W101281
Chartered Accountants

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. Change in assumptions could effect by recoverable amount of property, plant and equipment as well as capital work in progress.

g) Property, plant & equipment

The Company has estimated the useful life, residual value and method of depreciation of property, plant & equipment based on its internal technical assessment. Property, plant & equipment represent a significant proportion of the asset base of the Company. Further the Company 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 are critical to the Company's financial position and performance.

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 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.

RMJ & ASSOCIATES LLP
FRN: W100281
Chartered Accountants

Notes to Financial Statements for the year ended 31st March 2023: -

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 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 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 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 including 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 Balance Sheet date, is shown as capital work in progress. Capital work in progress is stated at cost, net of impairment losses, if any.

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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 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 equipments having different useful lives are accounted as separate items of property, plant and equipments.

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 & equipment are eliminated from 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 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, 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) 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

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have been determined after considering depreciation had no impairment loss 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 though 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

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financial assets and liabilities at fair value through profit or loss are immediately derecognises instatement of profit and loss.

d. Investment in subsidiary

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

iii. Derecognition

The Company 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 Company applies expected credit loss model recognizing impairment loss on financial assets. The Company 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 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

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to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to 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 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 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 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.

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(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 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 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 Non-current assets held for sale

The Company 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.

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Notes to Financial Statements for the year ended 31st March 2023: -

3.6 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 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 profit allow deferred tax assets to be recovered.

3.7 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 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.

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Notes to Financial Statements for the year ended 31st March 2023: -

3.8 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 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 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.

3.9 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 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 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 statement of profit and loss.

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Notes to Financial Statements for the year ended 31st March 2023: -

3.10 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.

3.11 Leases

Company as a lessee

The Company's lease asset classes primarily consist of leasehold land. The Company 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 Company assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment

3.12 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 Statement of Profit and Loss in the period in which the employee renders the related service.

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Notes to Financial Statements for the year ended 31st March 2023: -

(b) Post-employment benefits

I. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's contribution to defined contribution plans are recognized in the 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 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 Company recognises the following changes in the net defined benefit obligation as an expense in the 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

3.13 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.

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Notes to Financial Statements for the year ended 31st March 2023: -

3.14 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 Company are segregated.

4 Standards notified but not yet effective as at reporting date

Ministry of Corporate Affairs ("MCA") notifies new standard 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 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 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 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.

(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 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 financial statements.

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AJAY SHRIDHAR PALEKAR Digitally signed by AJAY SHRIDHAR PALEKAR Date: 2023.05.30 15:23:04 +05'30'

Bhoomi Pramod Mewada

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5 Property, Plant & Equipment, capital work in progress and Right of use assets.

(Amount (Rs) in Lakhs)

Nature of assets	Computer	Vehicles	Office Equipments	Furniture and fixtures	Total	Right of Use Assets (Leasehold land)
Gross Block						
As at April 1, 2021	1.70	13.93	2.96	1.53	20.11	725.27
Additions	2.52	-	-	-	2.52	-
Deductions / Adjustment	-	-	-	-	-	-
As at March 31, 2022	4.22	13.93	2.96	1.53	22.63	725.27
As at April 1, 2022	4.22	13.93	2.96	1.53	22.63	725.27
Additions	-	-	0.43	-	0.43	-
Deductions / Adjustment	0.14	0.36	1.20	0.09	1.79	-
As at March 31, 2023	4.07	13.57	2.19	1.44	21.27	725.27
Accumulated Depreciation						
As at April 1, 2021	1.44	10.61	2.18	1.08	15.31	23.05
Additions	0.65	0.63	0.17	0.10	1.55	9.12
Deductions / Adjustment	-	-	-	-	-	-
As at March 31, 2022	2.09	11.23	2.35	1.18	16.85	32.17
As at April 1, 2022	2.09	11.23	2.35	1.18	16.85	32.17
Additions	1.20	0.00	0.23	0.06	1.50	8.32
Deductions / Adjustment	0.01	0.23	1.04	0.07	1.34	-
As at March 31, 2023	3.29	11.00	1.54	1.18	17.01	40.49
Net Block						
As at March 31, 2022	2.12	2.69	0.62	0.35	5.78	693.10
As at March 31, 2023	0.79	2.56	0.65	0.26	4.26	684.78

Note:

5.1

Capital Work in Progress (CWIP)	As on 31st March 2023	As on 31st March 2022
Balance at beginning of the year	3247.17	2678.75
(+) Additions during the year	7.37	568.41
(-) Capitalized during the year	-	-
Balance as at end of the year	3254.54	3247.17

5.2 (a) CWIP aging schedule:

Particulars	Amount in CWIP for a period of 2022-23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	7.37	568.41	26.24	2652.51	3254.54
Total	7.37	568.41	26.24	2652.51	3254.54

Particulars	Amount in CWIP for a period of 2021-22				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	568.41	-	26.24	2652.51	3247.17
Projects temporarily suspended	-	-	-	-	-
Total	568.41	-	26.24	2652.51	3247.17

(b) Following is CWIP Schedule for project under progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	To be completed in				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project *	-	9369.00	-	-	9369.00
Total	-	9369.00	-	-	9369.00

* Even though the Company is implementing the project shed wise above detail is given as one single project as the Company has prepared the budget as one single project only.

5.3 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)].

The Company is in discussion with a consortium consisting of two member banks for funding the project to the extent of Rs. 8,500 lakhs. In the current year, the management received sanction letters from the two 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 Company has continued to incur losses in the current period and in the earlier years and 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 the necessary funds to the Company as and when required. The management is expecting trial production and commercial production to be commenced in FY 2024-25.

Further, the Company had received a letter dated 12th August 2020 from MIDC asking the Company to vacate the above project site due to delay in construction of work / delay in payment of premium charges. The Company vide letter dated 13th August 2020 had replied to the said notice and requested more time to make payment of outstanding premium charges. Further, the Company 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 Company 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 Company has been disclosed under contingent liabilities (Refer Note 32.1).

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 Company and valuation report obtained by the Company 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 financial statements on going concern basis.

5.4 Lease liabilities

The movement in lease liabilities during the quarter / years ended 31st March, 2023 and 31st March, 2022 is as follows :

Particulars	As on 31st March 2023	As on 31st March 2022
Balance at beginning of the year	396.16	396.16
(+) Additions during the year	-	-
(-) Payment during the year	-	-
Balance as at end of the year	396.16	396.16

5.5 The gross block of one motor vehicle amounting of Rs Nil lakhs (31st March 2022: 27.44 lakhs) is hypothecated / mortgaged against the bank has been fully repaid in previous year.

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6 Investments (Non Current)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Companies where directors are having control or significant influence:		
Unquoted and carried at fair value through profit and loss		
Investment in equity shares (fully paid up)		
1. Give Vinduet Windows and Doors Private Limited		
9,999 (As at 31st March 2022: 9,999) Equity shares of Rs. 10 (As at 31st March 2022: Rs. 10), fully paid up	0.99	1.25
Investments in Preference shares (fully paid up)		
2. Eco Hotels India Private Limited		
23,00,000 (As at 31st March 2022: 23,00,000) Preference Shares of Rs. 10, (As at 31st March 2022: Rs. 10), fully paid up	230.00	230.00
Less :- Impairment in the value of investments	(230.00)	(230.00)
	0.99	1.25
Aggregate amount of unquoted investments (at cost)	231.00	231.00
Market value of unquoted investments	-	-
Aggregate amount of impairment in the value of investment	230.00	230.00

7 Loan and Advances (Non Current)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loan (including interest receivable) (Refer Note 7.1 and 7.2 below)		
Holding Company (Modulex Construction Technologies Limited)	-	50.37
Total	-	50.37

Note :-

7.1 The company in which director is also interested.

7.2 Loan to holding company (Modulex Construction Technologies Limited) has been approved by the board of directors of the Company, however, the shareholders approval for the same is not obtained as per requirement of Section 185 and 186 of the Companies Act 2013 in FY 2021-22. The same is approved by the shareholders in the current year.

8 Other non-current assets (Non Current)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Capital Advances	-	129.89
Other advances		
Unamortised License / Royalty Fees	150.01	185.75
Advance Income Tax (net of provision for tax)	18.88	13.53
Advance given to Director	0.03	-
Balances with government authorities (Refer Note 8.1 and 8.2)	166.44	184.49
Total	335.35	513.66

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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 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 Company. 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 Company 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 Company in the previous year. However, in the current year, the Company has written off the entire amount to expenses as the Company could not take GST input credit inspite of taking necessary actions.

9 Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0.43
Balance with bank:		
- In current accounts	3.28	30.45
Total	**3.28**	**30.88**

10 Loans and Advances (Current)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Loans (includes interest receivable on loan) (Refer note 10.1 and 10.2 below)		
to Holding Company	556.45	358.98
to Company in which Directors or KMP's is interested / Subsidiary till 28th August 2022	12.96	53.27
from other related party (interest receivable)	-	0.50
Total	**569.41**	**412.75**

Note:

10.1 The above loan given to those Companies in which directors are also interested.

10.2 Loan to Holding Company (Modulex Construction Technologies Limited) and Subsidiary (Redribbon Advisory Services Private Limited) are approved by the board of directors of the Company, however, the shareholder's approval for the same is not obtained as per the requirement of Section 185 and 186 of the Companies Act 2013 in FY 2021-22. The said approval is taken from the shareholders in the current year. Further, in case of the loan to the Company in which the director is having control (Eco Hotels India Private Limited) is not approved by the board of directors and shareholders as per the requirement of Sections 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 35.2.a

11 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good and carried at amortised cost)		
Security deposit (Refer Note 11.1 below)	4.85	4.85
Total	**4.85**	**4.85**

11.1 The above includes security deposit given to Director who is interested.

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12 Other current assets

(Amount (Rs) in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	1.93	7.08
Unamortised License / Royalty Fees	35.73	35.73
Advance given to other parties (Refer Note 12.1)	165.96	0.08
Advance to employees	0.58	0.09
Total	204.19	42.98

Note:

12.1 The Company has paid an advance of Rs. 143.33 lakhs to Credit Express Financial services 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.

13 Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of Rs. 10/- each (31st March 2022: Rs. 10/- each)	7,25,00,000	7250.00	7,25,00,000	7250.00
Total	7,25,00,000	7250.00	7,25,00,000	7250.00
Issued, Subscribed and Paid-up capital:				
Equity shares of Rs. 10/- each (31st March 2022: Rs. 10/- each)	6,76,64,618	6766.46	6,75,73,618	6757.36
Issued, Subscribed and Partly paid up:				
Equity shares of Rs. 10/- each, Rs.0.10 partly paid up per share (31st March 2022: Rs. 0.10/- each)	1,29,450	0.13	1,29,450	0.13
Total	6,77,94,068	6766.59	6,77,03,068	6757.49

13.1 Reconciliation of the number of Equity shares outstanding

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs.10/- each(fully paid-up):				
Number of shares at the beginning of the year	6,75,73,618	6757.36	6,75,73,618	6757.36
Equity shares of Rs.10/- each, Rs.0.10 partly paid up per share (partly paid-up):				
Number of shares at the beginning of the year	1,29,450	0.13	1,29,450	0.13
Add:				
Fresh issue of fully paid up shares	91,000	9.10	-	-
Number of shares at the end of the year	6,77,94,068	6766.59	6,77,03,068	6757.49

During the year 2022-23, the Company has issued and allotted 91,000 equity shares of face value of Rs 10 each at share premium of Rs 45.56 each for aggregate consideration of Rs. 50.55 lakhs on a private placement basis to the Company in which the director is having control.

13.2 Terms / rights attached to equity shares

The Company has only one class of equity shares of Rs. 10/- each comprising fully and partly paid. 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.

13.3 Details of shareholders holding more than 5% shares and by Holding Company / Ultimate Holding Company

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(%)	No. of Shares	(%)
Equity shares of Rs.10/- each				
Modulex Construction Technologies Limited (Holding Company)	67573618	99.67%	6,75,73,618	99.81%

13.4 Other details of share capital for the immediate preceding five years

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Face Value (Rs.)	No. of Shares	Face Value (Rs.)
Aggregate number of shares allotted and issued as fully paid up for consideration other than cash in earlier years	56,80,790	10	56,80,790	10

13.5 Details of shares held by Promoters

Name of the promoter	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Modulex Construction Technologies Limited (Holding Company)	6,75,73,618	99.67%	-0.13%	6,75,73,618	99.81%	-
Redribbon Modulex Buildings Ltd, Mauritius	91,000	0.13%	0.13%	-	-	-

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14 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Deficit		
Balance at the beginning of the year	(5227.53)	(4519.49)
Add: (loss) for the year	(833.92)	(708.04)
Balance at the end of the year	(6061.45)	(5227.53)
Share Application Money (Pending for allotment)		
Balance at the beginning of the year	-	-
Add: movement during the year (Refer Note 13.1)	36.00	-
Balance at the end of the year	36.00	-
Securities Premium		
Balance at the beginning of the year	-	-
Add: movement during the year (Refer Note 13.1)	41.46	-
Balance at the end of the year	41.46	-
Other Reserves		
Defined benefit plan remeasurement through Other Comprehensive Income		
Balance at the beginning of the year	(17.27)	(15.86)
Add: Movement during the year	7.27	(1.41)
Balance at the end of the year	(10.00)	(17.27)
Total	(5993.99)	(5244.80)

Nature and purpose of reserves:

14.1 Debit balance in statement of profit and loss
The Debit balance of loss represents balance of accumulated net loss from business operations.

14.2 Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

14.3 Share application money (Pending for allotment)
Share application money is received and recognised prior to the allotment of equivalent shares. The shares are allotted subsequent to the year ended 31st March 2023.

14.4 Defined benefit plan remeasurement through Other Comprehensive Income
The above reserves represents the recognition of defined benefit plan through other comprehensive income

15 Borrowings (Non-current)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured Loan (carried at amortised cost):		
Loans from related parties (Refer note 15.1 below)		
Give Vinduet Windows & Door Private Limited (Company in which director is interested)	179.65	179.65
Total	179.65	179.65

Note:
15.1 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 & Door Private Limited	7.37	7.37

The above unsecured loans (including interest thereon) are repayable by financial year 2024-25.

16 Other financial liabilities (Non-current)

Particulars	As at March 31, 2023	As at March 31, 2022
Carried at Amortised cost		
Interest accrued but not due on borrowings	78.29	78.29
Total	78.29	78.29

17 Provisions (Non-current)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits		
- Gratuity	16.12	15.20
Other Provision		
-'Provision for decommissioning cost	21.80	20.00
Total	37.92	35.20

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18 Borrowings (Current)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured loan (carried at amortised cost and repayable on demand):		
Loan from Director	9.30	-
Loan from Related Parties (Refer Note 18.1)		
Give Vinduet Windows & Door Private Limited (Company in which director is interested)	1663.60	1614.27
Total	**1672.90**	**1614.27**

Note:

18.1 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. All the above outstanding unsecured loans including interest is repayable on demand.

19 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
- total outstanding dues of micro enterprises and small enterprises	16.35	14.85
- total outstanding dues of creditors other than micro enterprises and small enterprises	179.67	81.11
Total	**196.02**	**95.96**

19.1 Note:

Ageing Schedule - As at March 31, 2023

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.24	4.11	-	-	-	16.35
(ii) Others	167.58	3.78	3.72	3.79	0.81	179.67
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	**179.82**	**7.89**	**3.72**	**3.79**	**0.81**	**196.02**

Ageing Schedule - As at March 31, 2022

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.57	2.28	-	-	-	14.85
(ii) Others	61.13	13.07	6.10	0.81	-	81.11
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	**73.70**	**15.35**	**6.10**	**0.81**	-	**95.96**

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.

20 Other financial liabilities (Current)

Particulars	As at March 31, 2023	As at March 31, 2022
Carried at Amortised cost		
Payable to Employees and Directors	127.25	112.19
Capital creditors	8.72	3.10
Interest accrued but not due on borrowings	488.30	278.99
Dividend on preference shares (Refer Note 20.1)	586.65	586.65
Total	**1210.92**	**980.93**

Note

20.1 In the past, the Company had issued 15% cumulative convertible redeemable preference shares (CCRPS) which had been converted into equity shares and the dividend is unpaid as on 31st March, 2023 and was unpaid in the previous year also.

21 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues Payable	496.76	378.65
Total	**496.76**	**378.65**

22 Provisions (Current)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits		
- Gratuity	20.42	21.76
Total	20.42	21.76

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23 **Other Income** (Amount (Rs) in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on loans	53.44	46.21
Liabilities no longer required to be paid is written back	-	0.66
Insurance claim received	5.68	0.14
Gain on financial instruments at fair value through profit or loss	-	0.25
Total	**59.12**	**47.27**

24 **Employee benefits expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus including allowances etc.	82.22	62.31
Director remuneration (Refer Note 24.1)	132.50	147.35
Staff welfare expenses	0.83	2.38
Gratuity	6.86	5.57
Group Health Insurance	2.39	-
Less: Capitalised during the year (Refer Note 5.1)	-	3.99
Total	**224.80**	**213.63**

Note:

24.1 The Company 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 Company's books of account. However, the Company has actually paid Rs. 84.00 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 Company has also formed the nomination and remuneration committee and excess managerial remunerations for FY 20-21, FY 21-22 & for 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 next financial year (which is within the time limit prescribed under the Companies Act, 2013).

25 **Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on:		
borrowing from bank	-	0.04
borrowing from Director	0.24	-
borrowing from related party	234.13	200.21
delayed payment to vendors	-	35.17
statutory dues on delayed payment	53.72	40.63
Other Finance cost		
Bank Charges	0.13	0.04
Processing Fees (net)	(4.51)	5.95
Total	**283.72**	**282.05**

26 **Depreciation**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on tangible assets and Rights of use assets	9.82	10.67
Total	**9.82**	**10.67**

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27 **Other expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and Professional Fees (Refer Note 27.1)	241.47	106.04
Advertisement, marketing & business promotion expenses	0.95	-
Amortisation of Royalty & License Fees	35.73	35.73
Travelling & conveyance expenses	31.25	22.08
Rent, rates & taxes		
- Rent	15.15	15.23
- Rates and Taxes	5.23	4.29
Commission	-	2.75
Auditors' Remuneration		
- Statutory Audit fees (including limited review)	17.25	17.26
- Taxation matters	1.80	0.54
- Out of pocket expense	0.27	-
Internal Audit Fees	0.70	1.40
Repairs & Maintenance	5.25	5.66
Electricity Charges	1.42	0.80
Security Charges	6.29	6.01
Printing & stationery expenses	0.41	0.42
Postage & Courier Charges	0.09	0.13
Insurance	1.37	1.27
Mobile & Telephone Charges	0.96	1.14
Internet Charges	0.09	0.26
Office expenses	3.07	1.39
Site expenses	4.94	11.36
Miscellaneous expense	-	0.17
Loss of material at site	-	16.51
Loss on Financial Instruments at Fair value through Profit or Loss	0.27	-
Property, plant and equipment write off	0.45	-
Less: Capitalised during the year (Refer Note 5.1)	-	1.46
Total	**374.40**	**248.97**

Note:

27.1 One of the non-executive director was brought into the board of the Company 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. The Company had not agreed to the said demand. However, the Company 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 liabilities in the 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 current year is also considered as a contingent liabilities by the Company as the financial closure of the project is still not achieved as on 31st March 2023 (Refer note 32.1).

28 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 or liquidation sale.

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

i) Fair value of cash and cash equivalent, current borrowings (from bank and related parties), loans and advances, other financial assets and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

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 loans given to Companies in which Directors are having interest were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

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.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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

The different levels havebeen 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.

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28.1 Fair value hierarchy (Amount (Rs) in Lakhs)

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

As at March 31, 2023	Carrying amount	Carried at amortised cost	Fair Value							
			Routed through Profit and loss				Routed through OCI			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets (Non-current)										
Investments	0.99	-	-	-	0.99	0.99	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Financial assets (Current)										
Cash and cash equivalents	3.28	3.28	-	-	-	-	-	-	-	-
Loans and advances	569.41	569.41	-	-	-	-	-	-	-	-
Other financial assets	4.85	4.85	-	-	-	-	-	-	-	-
Total	**578.52**	**577.54**	-	-	**0.99**	**0.99**	-	-	-	-
Financial liability (Non-current)										
Borrowings	179.65	179.65	-	-	-	-	-	-	-	-
Other financial liabilities	78.29	78.29	-	-	-	-	-	-	-	-
Financial liabilities (Current)										
Borrowings	1672.90	1672.90	-	-	-	-	-	-	-	-
Lease Liabilities	396.16	396.16	-	-	-	-	-	-	-	-
Trade payable	196.02	196.02	-	-	-	-	-	-	-	-
Other financial liabilities	1210.92	1210.92	-	-	-	-	-	-	-	-
Total	**3733.95**	**3733.95**	-	-	-	-	-	-	-	-

As at March 31, 2022	Carrying amount	Carried at amortised cost	Fair Value							
			Routed through Profit and loss				Routed through OCI			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets (Non-current)										
Investments	1.25	-	-	-	1.25	1.25	-	-	-	-
Loans and advances	50.37	50.37	-	-	-	-	-	-	-	-
Financial assets (Current)										
Cash and cash equivalents	30.88	30.88	-	-	-	-	-	-	-	-
Loans and advances	412.75	412.75	-	-	-	-	-	-	-	-
Other financial assets	4.85	4.85	-	-	-	-	-	-	-	-
Total	**500.10**	**498.85**	-	-	**1.25**	**1.25**	-	-	-	-
Financial liability (Non-current)										
Borrowings	179.65	179.65	-	-	-	-	-	-	-	-
Other financial liabilities	78.29	78.29								
Financial liabilities (Current)										
Borrowings	1614.27	1614.27	-	-	-	-	-	-	-	-
Lease Liabilities	396.16	396.16	-	-	-	-	-	-	-	-
Trade payable	95.96	95.96	-	-	-	-	-	-	-	-
Other financial liabilities	980.93	980.93	-	-	-	-	-	-	-	-
Total	**3345.26**	**3345.26**	-	-	-	-	-	-	-	-

Investment in Redribbon Advisory Services Private Limited (erstwhile Subsidiary) is carried at cost and hence, not disclosed in the above table. Further, investment value is disclosed above net of impairment.

29 Financial risk management objectives and policies :

The Company's financial liabilities comprise mainly of borrowings and other financial liabilities. The Company's financial assets comprise mainly of loans and advances, investments, cash and cash equivalents, other balances with banks and other financial 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 endeavor 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

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 loans.

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 investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of interest bearing investments 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%	(18.53)	(17.94)	(18.53)	(17.94)
Decrease by 1%	18.53	17.94	18.53	17.94

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's foreign currency exposure arises mainly from foreign exchange imports of services.

There are no outstanding payables in foreign currency with regard to the import of goods and services , therefore the Company does not have foreign currency risk as on 31st March 2023 and 31st March 2022.

c. Other Price Risk :

Other 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 which investment in equity shares in the Company in which Directors are having interest 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%	0.10	0.13	0.10	0.13
Decrease by 10%	(0.10)	(0.13)	(0.10)	(0.13)

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, other balances with banks, loans and other receivables. The Company's exposure to credit risk is disclosed in Note 6,7,9,10 and 11.

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.

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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 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 and cash deposits

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. Investment, loan & advances and deposits, company periodically assesses financial reliability counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts 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.

IV. **Equity risks**

The Company is exposed only to non-listed equity investments. The Company had invested in the equity of Redribbon Advisory Services Private Limited (Subsidiary) in previous financial year. During the current year, the Company has divested the entire investment in the subsidiary at a face value which was approved by the board of Directors.

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 Company has not yet started operation, therefore it does not have any bank credit facility to meet its normal operating commitments. However, since the Company is process of developing manufacturing facility, it needs capital to fund the project. To meet those obligations the Company 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 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 cash flows.

(Amount (Rs) in Lakhs)

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
As at March 31, 2023					
Borrowings	1672.90	179.65	-	1852.55	1852.55
Lease liabilities	396.16	-	-	396.16	396.16
Trade payable	196.02	-	-	196.02	196.02
Other financial liabilities	1210.92	78.29	-	1289.21	1289.21
Total	3476.01	257.94	-	3733.95	3733.95

Particulars	Less than 1 Year	Between 1 to 5 Years	Over 5 Years	Total	Carrying Value
As at March 31, 2022					
Borrowings	1614.27	179.65	-	1793.92	1793.92
Lease liabilities	396.16	-	-	396.16	396.16
Trade payable	95.96	-	-	95.96	95.96
Other financial liabilities	980.93	78.29	-	1059.22	1059.22
Total	3087.32	257.94	-	3345.26	3345.26

30 **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, the Company has one class of equity shares in the nature of equity. Further company had raised capital through unsecured loan 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)	2419.15	2151.20
Total Capital (total equity shareholder's fund - deferred tax assets)	772.60	1512.69
Total Capital and Debt	3191.74	3663.89
Gearing Ratio	75.79%	58.71%

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31 **Calculation of Earning Per Share (EPS)**

Earning per share is calculated by dividing the profit/ (loss) attributable to the Equity Share holders by weighted average number of Equity Share of outstanding during the year as under:

Particulars	As at March 31, 2023	As at March 31, 2022
(loss) after tax attributable to Shareholders	(833.92)	(708.04)
Outstanding number of Equity Shares as at 31st March	6,77,94,068	6,77,03,068
Weighted average number of shares computing Basic Earning per share	6,76,18,226	6,75,86,563
Add: Conversion of partly paid up to fully paid up (Balance)	2,40,636	1,16,505
Weighted average number of shares dilutive earning per share	6,78,58,862	6,77,03,068
Earnings per share of Rs. 10 Each (Basic)	(1.23)	(1.05)
Earnings per share of Rs. 10 Each (Diluted)	(1.23)	(1.05)

32 **Contingent liabilities, Capital & Other Commitments**

32.1 **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)	-	31.17
Claims not acknowledge as debts:		
- 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	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 Directors (Refer note 27.1)	61.34	49.34

32.2 **Capital Commitment and other Commitment**

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account commitments:		
Rewards Constructions Private Limited		
- For Design, Supply and Construction of Manufacturing Facility	-	945.38
Other Commitments		
License Fees to Modulex Modular Buildings Plc., United		
via cash *	662.17	622.70
via Equity Shares *	1018.73	958.00
Royalty & Design Fees to Modulex Modular Buildings Plc., United Kingdom (Refer Note 32.2.1) below)		
Total	1680.90	2526.08

* Amount in GBP has been converted into equivalent INR rate as on balance sheet date

Note:

32.2.1). As per agreement dated July 01, 2017 with Modulex Modular Buildings Plc., Royalty and Design fee payable in each year from the license start date or where the company 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

33 **Micro Small And Medium Enterprises ("MSME") Disclosure**

Particulars	As at March 31, 2023	As at March 31, 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.	4.11	2.28
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 year.	-	-
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.	-	-

Note:

33.1 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.

33.2 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.

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34 **Employee Benefits**

Defined Benefits Plan

Gratuity

The Company 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.

Employee benefit schemes recognised in the financial statements as per actuarial valuation as on March 31, 2023 and March 31, 2022 are as follows :

Change in Defined Benefit Obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation at the beginning	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
Defined Benefit Obligation at the end	36.54	36.96

Retirement age	60 and 80 years	60 and 79 years
Mortality rate	IALM(2012-14) ult	IALM(2012-14) ult
Expected average remaining working lives (in years)	12.16	13.23
Discount Rate	7.50%	7.20%
Salary Escalation Rate	6.00%	6.00%

Major Categories of plan assets (%)

Particulars	As at March 31, 2023	As at March 31, 2022
Equities	-	-
Bonds	-	-
Insurance Policies	-	-
Government Securities	-	-
Special Deposit scheme	-	-
Funds managed by insurer	-	-
Property	-	-
Others	-	-
Total	-	-

Components of Defined Benefit Cost

Particulars	As at March 31, 2023	As at March 31, 2022
Current Service Cost	4.19	3.53
Total Service Cost	4.19	3.53
Interest Expense on DBO	2.66	2.04
Total Net Interest Cost	2.66	2.04
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in statement of profit and loss	6.86	5.57
Remeasurements - Due to Financial Assumptions	(0.67)	(1.05)
Remeasurements - Due to Experience Adjustments	(6.60)	2.46
Total Remeasurements in OCI	(7.27)	1.41
Total Defined Benefit Cost recognized in statement of profit and loss and OCI	(0.41)	6.98

Bifurcation of Present Value of Obligations at the end of the valuation period as per Schedule III of the Companies Act, 2013:

Particulars	As at March 31, 2023	As at March 31, 2022
Current Liabilities	20.42	21.76
Non- current Liabilities	16.12	15.20

Amounts recognized in the Statement of Financial Position:

Particulars	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation	36.54	36.96
Fair Value of Plan Assets	-	-
Funded Status	36.54	36.96
Effect of Asset Ceiling / Onerous Liability		-
Net Defined Benefit Liability / (Asset)	36.54	36.96
Of which, Short term Liability	20.42	21.76

Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Gain) / Loss on Plan Liabilities	(6.60)	2.46
% of Opening Plan Liabilities	(17.85%)	8.21%
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations

Particulars	As at March 31, 2023	As at March 31, 2022
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 9.30 years.

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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

As at March 31, 2023		As at March 31, 2022	
Discount Rate	Present value of Obligation	Discount Rate	Present value of Obligation
	(Amount (Rs) in lakhs)		(Amount (Rs) in lakhs)
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 statement of profit and loss for the next financial year is amounting to Rs 4.37 lakhs

35 Related Party Transaction

35.1 Name of the related parties

Category
Key Management Personnel (KMP) 1) Punnose Punnose 2) Sandeep Khurana 3) Suchit Punnose 4) Ajay Shridhar Palekar (Director till 15th September 2022, and Managing Director w.e.f. 16th September 2022) 5) Prem Nath Pasricha 6) Raj Kumar Sharma (w.e.f. 28th September 2022) 7) Rakhee Amit Agarwal (w.e.f. 2nd February 2023)
Ultimate Holding Company / Holding Company 1) Modulex Construction Technologies Limited **Subsidiary** 1) Redribbon Advisory Services Private Limited (till 15th May 2022) **Associate** 1) Redribbon Advisory Services Private Limited (from 16th May 2022 to 28th August 2022) **Other Enterprise where control exists / Where Directors or KMP's is interested** 1) Eco Hotels India Private Limited 2) Eco Hotels and Resorts Limited (erstwhile Shared Fibres and Yarn Processors Limited) (w.e.f. 10th November 2022) 3) Armaec Energy Private Limited 3) Give Vinduet Windows And Doors Private Limited 4) Crowdsource Global Private Limited 5) Substantia Real Estate India Private Limited 6) Ribbon Services Private Limited 7) Red Ribbon Modulex Buildings Limited (MU) 8) Red Ribbon Asset Management PLC 9) Credent Asset Management Services Private Limited 10) Credent Asset Advisors Private Limited 11) B4S Infratech Private Limited (w.e.f. 28th September 2022) 12) Aarvi Ventures LLP (w.e.f. 2nd February 2023) 13) Redribbon Advisory Services Private Limited (w.e.f. 29th August 2022) 14) Ribbon Wealthtech Plc. (w.e.f. 30th June 2022) 15) Firstpluttus Growth Services LLP (w.e.f. 2nd February 2023)

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35.2 Details of transactions with the related parties

Nature of Transactions	As at March 31, 2023	As at March 31, 2022
Loans given to		
Modulex Construction Technologies Limited	104.21	119.67
Redribbon Advisory Services Private Limited (Refer Note 35.5)	5.00	60.58
Eco Hotels India Private Limited	-	47.00
Issue of Share Capital (Including Share Premium)		
Redribbon Modulex Buildings Ltd, Mauritius	50.56	-
Share application money pending allotment		
Redribbon Modulex Buildings Ltd, Mauritius	36.00	-
Repayment of loan taken		
Suchit Punnose	14.00	-
Eco Hotels India Private Limited	-	84.02
Give Vinduet Windows & Doors Private Limited	12.38	72.76
Sale of Investment in Subsidiary (Red Ribbon Advisory Service Private Limited)		
Red Ribbon Asset Management PLC	290.76	125.00
Reimbursement of Expenses		
Punnose Punnose	3.69	1.47
Ajay Palekar	5.16	2.25
Suchit Punnose	-	0.20
Rakhee Agarwal	1.48	-
Unsecured Loan taken from		
Suchit Punnose	23.30	-
Eco Hotels India Private Limited	-	54.00
Give Vinduet Windows & Doors Private Limited	61.71	915.62
Repayment of loan given		
Modulex Construction Technologies Limited	1.80	-
Eco Hotels India Private Limited	-	47.00
Redribbon Advisory Services Private Limited	48.72	12.40
Interest Income		
Modulex Construction Technologies Limited	49.65	40.01
Give Vinduet Windows & Doors Private Limited	-	-
Redribbon Advisory Services Private Limited	3.79	5.66
Eco Hotels India Private Limited	-	0.55
Director Remuneration		
Suchit Punnose	29.17	50.42
Punnose Punnose	12.00	17.10
Ajay Palekar	91.33	84.83
Advance against salary paid		
Suchit Punnose (Refer note 35.2.a)	-	58.01
Repayment of advance against salary received		
Suchit Punnose (Refer note 35.2.a)	-	58.01
Professional fees		
Sandeep Khurana (Refer Note 27.1)	-	51.56
Interest Expenses on unsecured loan		
Eco Hotels India Private Limited	-	1.91
Suchit Punnose	0.24	-
Give Vinduet Windows & Doors Private Limited	232.33	198.30
Rent Expenses		
Suchit Punnose	4.56	4.41

35.2.a) The Company has paid an advance against salary of Rs. Nil (Previous year: Rs. 58.01 lakhs) in anticipation of an increase in salary. However, due to undue delay in the project funding, delay in the completion of the 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 Company before the year end. Considering the same, in the opinion of the management, advance paid against salary would not be treated in nature of the loan and no compliance would be required under sections 185 & 186 of the Companies Act, 2013.

35.3 Balances with related parties

Nature of Transactions	As at March 31, 2023	As at March 31, 2022
Investment in equity shares of Subsidiary		
Redribbon Advisory Services Private Limited	-	290.76
Investment in Shares of the Company in which Directors are Interested		
Give Vinduet Windows & Doors Private Limited (Equity shares and at fair value as per Ind AS)	0.99	1.25
Amount receivable (loan and interest receivable) (Refer Note 35.4)		
Modulex Construction Technologies Limited (carried at amortised cost due to Ind AS adjustments)	556.45	409.35
Eco Hotels India Private Limited	-	0.50
Redribbon Advisory Services Private Limited	12.96	53.27
Rent Deposit		
Suchit Punnose	1.05	1.05
Amount payable (loan and interest payable)		
Give Vinduet Windows & Doors Private Limited (carried at amortised cost due to Ind AS adjustments)	2409.63	2151.20
Suchit Punnose	9.52	
Rent Payable to Director		
Suchit Punnose	0.34	0.03
Reimbursement Payable		
Ajay Palekar	1.66	-
Punnose Punnose	0.14	-
Rakhee Agarwal	0.24	-
Advance Given		
Punnose Punnose	0.03	-
Salary Payable		
Ajay Palekar	100.98	95.25
Punnose Punnose	-	0.85
Suchit Punnose	16.64	6.19

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35.4 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 in the nature of loan outstanding As on 31st March, 2023	Percentage to the total Loans and Advances in the nature of loans 31 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 35.3)	569.41	100%	463.12	100%

35.5 In the previous year, outstanding balance for advance given to subsidiary amounting to Rs 14.39 lacs pertaining to previous year has been transfer / converted to unsecured loan.

36 As per Rule 6 of Companies (Accounts) Rules, 2014, the Company has not prepared the Consolidated Financial Statement (CFS) as its Ultimate Holding Company (Modulex Constructions Technologies Limited) will prepare the Consolidated Financial Statements.

37 **Details of loan given:-**
The following are the disclosures as required u/s 186(4) of the Companies Act, 2013.

Company Name	Rate of Interest	Secured / Unsecured	Amount of loan given during the year (Amount (Rs) in lakhs	Purpose
Modulex Construction Technologies Limited	9%	Unsecured	104.21	As informed by the management, the funds are proposed to be used for general corporate purpose of the borrower company.
Redribbon Advisory Services Private Limited	9%	Unsecured	5.00	
Total			**109.21**	

38 **Deferred Tax Assets / Liabilities:**
Due to absence of virtual/ reasonable certainty about the future taxable income, the company has not recognized, any deferred tax assets on the any carried forward business losses, unabsorbed depreciation and other item. Details of the temporary difference and Deferred Tax Assets as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets:		
Unabsorbed Depreciation:	58.02	54.44
Unabsorbed Business loss	2026.83	1264.32
Employee benefit	36.54	56.96
Deferred Tax Liabilities:		
Difference in asset value between Income Tax and Companies Act:	(465.59)	(410.79)
Fair value gain on investment	(0.81)	(0.47)
Deferred Tax Asset (net)	430.30	250.76

39 **Financial Ratios:**

Particulars	Description of Ratio	As at March 31, 2023	As at March 31, 2022	Variance %	Reasons for variance more than 25%
(a) Current Ratio (in times)	Current assets / Current liabilities	0.20	0.14	39%	The significant variance is mainly due to increase in trade payables and short term borrowings taken during the year
(b) Debt-Equity Ratio (in times)	(Long Term Borrowings + Short Term Borrowings) / (Share Capital & Reserves Surplus)	3.13	1.42	120%	The significant variance is mainly due to additional borrowings taken from Company in which Directors are interested
(c) Debt Service Coverage Ratio (in times)	EBITDA / (Interest + Short Term Borrowings)	(0.18)	(0.17)	6%	
(d) Return on Equity Ratio (in %)	Net Profit After Tax / Average Shareholder's Funds	-72.98%	-37.92%	92%	The variance is mainly due to additional borrowings taken from Company in which Directors are interested
(e) Trade payable turnover ratio (in times)	Average trade payable / other expense	2.56	3.53	-27%	The variance is because there are no major business operations carried out by the Company during the current as well as previous year.
(f) Return on Capital employed (in %)	EBIT / Capital Employed Capital Employed = Total Assets - Current Liabilities	-17.23%	-11.63%	48%	The variance is mainly due to additional borrowings taken from Company in which Directors are interested

Since the Company does not have any revenue from operations, trade receivables, return on investments and inventories, the relevant ratios pertaining to it is not applicable and hence, not disclosed

40 **Disclosure pertaining to receipt as well as transfer of funds in the capacity of funding party / intermediary:**

40.1 **<u>In the Capacity of funding party/ First Intermediary</u>**

a) The Company (Funding Party / first intermediary) has received funds of Rs. 15.61 lakhs (on various dates) from the Give Vinduet Windows & Doors Private Limited for giving the loan (on various dates) to Modulex Construction Technologies Limited (ultimate beneficiaries / ultimate receipts of funds) (MCTL) for general corporate purpose.

b) The Company (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 Modulex Construction Technologies Limited (ultimate beneficiaries / ultimate receipts of funds) (MCTL) for general corporate purpose.

40.2 **<u>In the Capacity of funding party/ First Intermediary</u>**

In FY 2021-22, The Company (funding party / first intermediary) has given loan of Rs. 10 lakhs (on 13th July 2021) and Rs. 50 lakhs (on 19th July 2021) to Modulex Construction Technologies Limited (MCTL) (2nd intermediary) for purchase of Compulsory Convertible Debenture of Give Vinduet Windows & Doors Private Limited (GVWDPL) (Rs. 10 lakhs on 13th July 2021 and Rs. 50 lakhs on 19th July 2021) from existing debenture holders of Give Vinduet Windows & Doors Private Limited [ultimate Beneficiaries (ultimate receipt of funds)].

<u>In the Capacity of first Intermediary</u>

a) The Company has received funds of Rs. 10 lakhs (on 13th July 2021) and Rs. 50 lakhs (on 19th July 2021) from Give Vinduet Windows & Doors Private Limited for giving the loan to Modulex Construction Technologies Limited (MCTL) (2nd intermediary) (loan given of Rs. 10 lakhs on 13th July 2021 and Rs. 50 lakhs on 19th July 2021) for purchase of Compulsory Convertible Debentures of Give Vinduet Windows & Doors Private Limited (GVWDPL) from existing debenture holders of Give Vinduet Windows & Doors Private Limited [ultimate Beneficiaries (ultimate receipt of funds)].

b) The Company has received funds of Rs. 56.70 lakhs (on various dates) from Give Vinduet Windows & Doors Private Limited for giving the loan (on various dates) to Modulex Construction Technologies Limited (ultimate beneficiaries / ultimate receipts of funds) (MCTL) for general corporate purpose.

c) The Company 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 Redribbon Advisory Services Private Ltd (ultimate beneficiaries / ultimate receipts of funds) for general corporate purpose.

d) The Company has received funds of Rs. 46.16 lakhs (on various dates) from Give Vinduet Windows & Doors Private Limited for giving the loan (on various dates) to Redribbon Advisory Services Private Ltd (ultimate beneficiaries / ultimate receipts of funds) for general corporate purpose.

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Chartered Accountants

40.3 Additional details:

a) Give Vinduet Windows & 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 (U25999PN2008PTC217684): 67/6446, Basin Road, Cochin - 682031 Kerala.
c) Eco Hotels India Private Limited: (U55101KL2008PTC022097): 67/6446, Basin Road Ernakulum, Cochin - 682031 Kerala
d) Modulex Constructions Technologies Limited (U55101KL2008PTC022097): A-82, MIDC Industrial Estate, Indapur, Pune, Maharashtra - 413132
e) Redribbon Advisory Services Private Limited (U74140KL2010PTC026154): 67/6446, Basin Road Cochin - 682031 Kerala
f) Debenture 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

g) As informed by the management, 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 for the matters which are stated in the Note 7.2 and 10.2 with respect to the Companies Act 2013.

41 Changes in liabilities arising from financing activities

(Amount (Rs) in Lakhs)

31st March 2023

Particulars	From 1st April 2022	Reclassified Other current liabilities to current borrowings	Cash Flows (net)	As at 31st March 2023
Lease liabilities (Non current)	396.16	-	-	396.16
Borrowings (Current and non current)	1793.92	-	58.63	1852.55

31st March 2022

Particulars	From 1st April 2021	Reclassified Other current liabilities to current borrowings	Cash Flows (net)	As at 31st March 2022
Lease liabilities (Non current)	396.16	-	-	396.16
Borrowings (Current and non current)	984.39	-	809.53	1793.92

Interest expense on borrowings was Rs 200.25 lakhs and Rs 130.69 lakhs for the year ended 31st March 2022 and 31st March 2021 respectively

42 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant

43 The Company has not maintained video recordings of the certain board meetings and audit committee meetings which are held virtually as per requirement of Section 108 of the Companies Act 2013 for the year ended 31st March 2022. However, signed physical board minutes and audit committee minutes of meeting have been maintained by the Company.

44 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.

45 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 except disclosed in Note 39.1 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 disclosed in Note 39.2 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

46 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.

(Amount (Rs) in Lakhs)

Non Current Assets held for Sale / disposal	As at 31st March 2023	As at 31st March 2022
Investment in Subsidiary		
Unquoted and carried at lower of cost or net realisable value	-	-
Equity Instruments Redribbon Advisory Services Private Limited Nil equity shares (As at 31 March 2022: 29,07,600 shares) Equity shares of Rs. 10 (As at 31 March 2022: Rs. 10), fully paid up	-	290.76
Total	-	290.76

47 Subsequent to year end 31st March 2023, the board has approved for removal of directors (Mr. Sandeep Khurana & Mr. Prem Pasricha) 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 Company.

48 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.

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	For and on behalf of the Board of Directors of Modulex Modular Buildings Private Limited		
	Suchit Punnose Digitally signed by Suchit Punnose Date: 2023.05.30 15:11:26 +05'30'	AJAY SHRIDHAR PALEKAR Digitally signed by AJAY SHRIDHAR PALEKAR Date: 2023.05.30 15:31:02 +05'30'	Bhoomi Pramod Mewada
Rakesh Upadhyaya **Partner** Membership No. 046271	**Suchit Punnose** **Director** DIN - 02184524	**Ajay Palekar** **Managing Director** DIN - 02708940	**Bhoomi Mewada** **Company Secretary** (M. No. A34561)
Place : Mumbai Date: 30th May, 2023	Place: London Date: 30th May, 2023	Place: Pune Date: 30th May, 2023	Place: Mumbai Date: 30th May, 2023

RMJ & ASSOCIATES LLP
FRN: W100281
Chartered Accountants