

24<sup>th</sup> May, 2024

The Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400 001.

**Security ID: MODULEX**

**Scrip Code: 504273**

Sub: Submission of Annual Secretarial Compliance Report for the year ended 31<sup>st</sup> March, 2024

Dear Sir/Madam,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Please find enclosed herewith the Annual Secretarial Compliance Report from Practicing Company Secretary for the year ended 31<sup>st</sup> March, 2024.

Thanking you,

Yours faithfully,

For Modulex Construction Technologies Limited

Bhoomi Mewada  
Company Secretary and Compliance Officer

Encl: As above



CS HITESH J. GUPTA B.COM, ACS  
PRACTICING COMPANY SECRETARY

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**Secretarial Compliance Report of Modulex Construction Technologies Limited (CIN: L25999PN1973PLC182679) for the financial year ended as on 31<sup>st</sup> March, 2024**

I, Hitesh J. Gupta, Practicing Company Secretary have examined:

- a) all the documents and record made available to us and explanation provided by Modulex Construction Technologies Limited (hereinafter referred 'the listed entity'),
- b) the filings/submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other documents/filing, as may be relevant, which has been relied upon to make this certificate, for the financial year ended as on 31<sup>st</sup> March, 2024 ("Review Period") in respect of compliance with the provisions of:
  - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder and
  - b) the Securities Contract (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circular, guidelines, issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable as the Company has not issued shares to the employee during the financial year ended 31<sup>st</sup> March, 2024 under review;**



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- e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year ended 31<sup>st</sup> March, 2024 under review;**
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable as the Company has not issued or listed any Non-Convertible Securities during the financial year ended as on 31<sup>st</sup> March, 2024 under review;**
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) And circular/guidelines issued thereunder.

I hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No	Particulars	Compliance Status (Yes/ No/ NA)	Observations/ Remarks by PCS*
1.	<u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	Yes	NA
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"><li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li><li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/guidelines issued by SEBI</li></ul>	Yes	NA



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Sr. No	Particulars	Compliance Status (Yes/ No/ NA)	Observations/ Remarks by PCS*
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"><li>The Listed entity is maintaining a functional website</li><li>Timely dissemination of the documents/ information under separate section on the website</li><li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant documents(s)/section of the website</li></ul>	Yes	NA
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	Yes	NA
5.	<u>To examine details related to Subsidiaries of listed entities:</u> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	NA
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NA
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	NA



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Sr. No	Particulars	Compliance Status (Yes/ No/ NA)	Observations/ Remarks by PCS*
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes	NA
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NA
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	NA
11.	<u>Actions taken by SEBI or Stock Exchange (s). if any:</u> There were no Actions taken against the listed entity / its promoters/ directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder apart from the detail as specified in remark column.	Yes	<b>Refer Annexure- I</b>
12.	<u>Additional Non-compliances, if any:</u> No any additional non-compliance observed for all SEBI regulation/circular /guidance note etc.	N.A.	NA



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Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
<b>1.</b>	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	<b>i. Yes</b>	—
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	<b>ii. Yes</b>	The auditor has resigned after 45 days from the end of a quarter of a financial year on June 10, 2023 and has issued the audit report for year ended March 31, 2023 and limited review report for quarter ended June 30, 2023
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	<b>iii. Yes</b>	—
<b>2.</b>	<b>Other conditions relating to resignation of statutory auditor</b>		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	<b>a. Yes</b> , as per Resignation letter dated 10 <sup>th</sup> June, 2023	The detailed reasons as per the Resignation Letter dated June 10, 2023 are specified in Annexure II



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Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
	<p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	<p>b. Yes, as per Resignation letter dated 10<sup>th</sup> June, 2023</p> <p>c. Yes, as per Resignation letter dated 10<sup>th</sup> June, 2023</p> <p>ii. NA</p>	<p>No such event has occurred during the reporting period. Hence, the same is not applicable.</p>
3.	<p>The listed entity/its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019.</p>	<p>3. Yes</p>	

\*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

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a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
3.	Regulation 33 of SEBI LODR	Reg-33	Late submission  June- 23	BSE levied SOP Fines	Imposition of SOP Fine	Late submission of report by 85 days	Rs. 4,25,000/-	Late submission of report by 85 days	There was resignation by the existing auditor before the completion of their term. This necessitated appointment of new auditor.	
4.	Regulation 33 of SEBI LODR	Reg-33	Late submission  September-23	BSE levied SOP Fines	Imposition of SOP Fine	Late submission of report by 21 days	Rs. 1,05,000/-	Late submission of report by 21 days	There was delay in submission of Q1 Financial Results by the existing auditor.	





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										<p>The Company appointed new auditor in place of resigned auditor; they requested adequate time to understand the Company's business model and review the financial reporting process. There was requirement of submission of Statement of Assets and Liabilities for Q2 23-24. The Management accepted auditors request to allow sufficient time to complete the audit and issue limited review report.</p>
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b) The listed entity has taken the following actions to comply with the observations made in previous report:

Sr. No.	Compliance Requirement (Regulations / circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Regulation 24A of SEBI LODR, 2015	Reg- 24A	Late submission	BSE levied SOP Fines		Late submission of report by 96 days	Rs.1,92,000 /-	<b>Late submission of report by 96 days</b>	There was delay in submission of certificate under Regulation 24A due to late to submission of financial results.	
2.	Regulation 31 of SEBI LODR, 2015	Reg-31	Late submission Jun-22	BSE levied SOP Fines		Late submission of report by 9 days	Rs.18,000/-	<b>Late Submission of report by 9 days</b>	Delay in submission of the results happened	

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Sr. No.	Compliance Requirement (Regulations / circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
3.	Regulation 33 of SEBI LODR	Reg-33	Late submission Mar-22	BSE levied SOP Fines		Late submission of report by 95 days	Rs.4,75,000 /-	Late submission of report by 95 days	due to unavoidable circumstances, Management has taken necessary actions to submit the compliances in a timely manner	
4.	Regulation 33 of SEBI LODR	Reg-33	Late submission Jun-22	BSE levied SOP Fines		Late submission of report by 171 days	Rs.8,55,000 /-	Late submission of report by 171 days		
5.	Regulation 33 of SEBI LODR	Reg-33	Late submission Sep-22	BSE levied SOP Fines		Late submission of report by 124 days	Rs.6,20,000 /-	Late submission of report by 124 days		
6.	Regulation 33 of SEBI LODR	Reg-33	Late submission Dec-22	BSE levied SOP Fines		Late submission of report by 42 days	Rs.2,10,000 /-	Late submission of report by 42 days		



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Sr. No.	Compliance Requirement (Regulations / circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
7.	Regulation 19	Reg-19	Non Compliance	BSE levied SOP Fines		Composition of Committee	Rs.1,68,000 /-	<b>During the year NRC committee was not constituted as per the requirements</b>	Reconstitution of Committee was carried out	
8.	Regulation 19	Reg-19	Non Compliance	BSE levied SOP Fines		Composition of Committee	Rs.88,000/-			

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**Hitesh J. Gupta**  
**Practicing Company Secretary**  
**M No. A33684**  
**CP No.12722**  
**UDIN: A033684F000443401**  
**Date: May 24,2024**  
**Place: Mumbai**



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**Annexure I**

- a) The Company had made late submissions with respect to Outcome of Board Meeting held on 14<sup>th</sup> February, 2024 to consider the Financial Results of the Company for the quarter ended 31<sup>st</sup> December 2023. The BSE had sought the clarification from the Company related to the late submissions being made and necessary reply was been made in a timely manner.
- b) The Company had made delayed submission with respect to the proceedings of the Annual General Meeting held on 26<sup>th</sup> September, 2023. The BSE had sought clarification from the Company related to the delayed submission being made and necessary reply was been made in a timely manner.

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### Annexure II

**Detailed reasons of the resignation as per the Resignation letter dated June 10, 2023 are specified below:**

1. Various complaints were raised by one of the independent directors of the Company in the year 2022 (including whistleblower complaints and complaints raised through SEBI Scores platform). Due to this, the Company was occupied with the replies to said complaints. Further as statutory auditors, we too had to prepare and file the necessary response to comply with the legal requirements. This has resulted into delays and hampering our audit / limited review work.
2. Due to these complaints, we, as statutory auditors of the Company, had to appear before various regulatory bodies. As a result, our other pre-planned work and other assignments had to suffer in terms of timely completion.
3. The aforesaid independent director, in spite of our specific reply, went on to send e-mails on almost daily basis, to all the partners and others in the firm (including one ex-partner, who retired from the Firm a couple of years back) in relation to whistleblower complaint filed by him. This chain of e-mails, which we strongly believe, were not required to be sent to us and should have been rightly directed to Audit Committee/Board of Directors. This attitude of the said director caused a lot of mental stress & agony to all of us during the past few months.
4. Moreover, it has been our experience that on several occasions, we, as statutory auditors, were not getting the required information/clarifications/supporting document etc. in a timely manner. This was putting undue pressure on us in completion of our obligations in a timely manner. You will appreciate that such kind of unwanted & undesirable pressure may, at times, get someone into a situation where one may have to compromise on the quality of work & deliverables. We believe this is certainly avoidable.
5. Further, there were considerable delays in the payment of our professional fees by the Company which resulted in an unpleasant situation on a few occasions.

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